United States Government Accountability Office

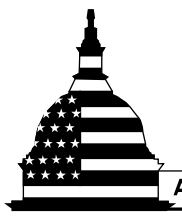
GAO

Report to the Ranking Member, Committee on the Budget, U.S. Senate

August 2012

FEDERAL FLEETS

Overall Increase in Number of Vehicles Masks That Some Agencies Decreased Their Fleets



G A O

Accountability * Integrity * Reliability

GAO-12-780

August 2012

FEDERAL FLEETS

Overall Increase in Number of Vehicles Masks That Some Agencies Decreased Their Fleets

GAO Highlights

Accountability * Integrity * Reliability

Highlights of GAO-12-780, a report to the Ranking Member, Committee on the Budget, U.S. Senate

Why GAO Did This Study

The federal fleets consist of about 449,000 civilian and non-tactical military (i.e., non-combat) cars, trucks, and other vehicles, excluding postal vehicles. Various legislation and policies have been aimed at reducing the size and changing the composition of federal fleets as a means of improving U.S. energy efficiency. Most recently, in May 2011, the President issued a memorandum calling for federal agencies to reduce oil imports by determining the optimal size of their fleets and eliminating non-essential vehicles.

GAO was asked to provide information about any change in the size and composition of federal fleets and the reasons agencies' fleets increased or decreased over time. GAO analyzed agency fleet data compiled by the General Services Administration (GSA) to identify changes in fleet size and vehicle type from fiscal years 2005 to 2011. GAO selected four agencies—USDA, Interior, VA, and the U.S. Air Force—to discuss with officials the reasons for changes in fleet size. GAO based its selection on factors such as agency mission, fleet size, and changes in the number of vehicles. GAO did not include U.S. Postal Service in its analysis because of GAO's recent report on Postal Service's delivery fleet.

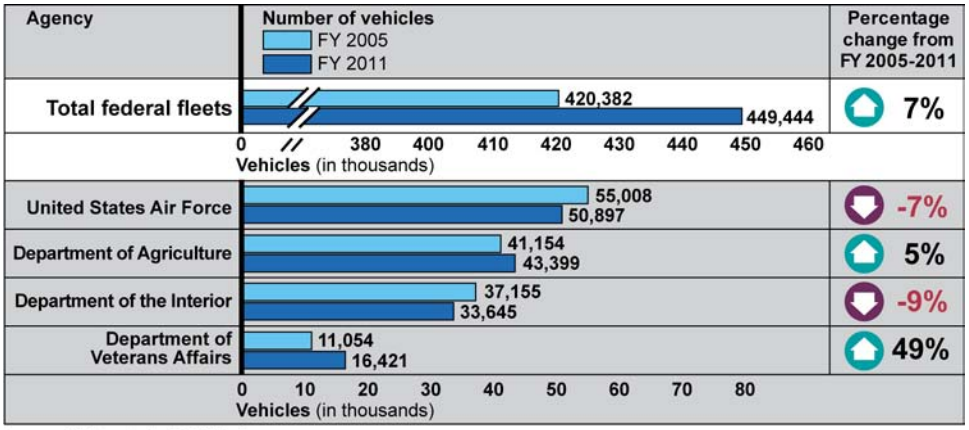
GAO is not making recommendations in this report. Although Air Force, USDA, and Interior did not comment on a draft of this report, GSA and VA generally agreed with GAO's findings and provided technical comments that were incorporated as appropriate.

View GAO-12-780. For more information, contact Susan Fleming at (202) 512-2834 or flemings@gao.gov.

What GAO Found

Since fiscal year 2005, the number of federal non-postal civilian and non-tactical military vehicles has increased about 7 percent, from about 420,000 to 449,000 vehicles. (See fig. below.) However, from fiscal year 2005 to 2011, some agencies decreased their fleets, and the change in fleet size from agency to agency varied considerably. For example, one-third of the agencies (8 of 24) with the largest number of vehicles decreased their fleets by at least 2 percent during this period. Of the 4 agencies GAO selected for review, the Departments of Agriculture (USDA) and Veterans Affairs (VA) increased their fleets 5 and 49 percent, respectively since fiscal year 2005; the U.S. Air Force and Department of the Interior (Interior) decreased their fleets 7 and 9 percent, respectively. Overall, federal agencies increased the portion of their fleets made up of alternative fuel vehicles (e.g., vehicles that operate using ethanol or batteries) from about 14 percent to 33 percent from fiscal years 2005 to 2011. In addition, GAO found that 8 agencies accounted for almost 80 percent of total federal vehicles in fiscal year 2011, while 35 other agencies held the remaining vehicles.

Figure: Change in Federal Fleets from Fiscal Years 2005 to 2011



Source: GAO analysis of GSA data.

Note: GAO analysis included civilian (except Postal Service) and non-tactical military vehicles.

Fleet managers at the four selected agencies stated that various factors can influence changes in fleet size. USDA and VA reportedly acquired more vehicles from fiscal years 2005 to 2011 to accommodate expanded programs and services, among other factors. For example, VA acquired 5,367 additional vehicles in part to provide transportation to and from VA health care facilities for veterans who require health care services but are not able to drive themselves. In contrast, the Air Force and Interior reportedly decreased the number of vehicles in part through efforts targeted at reducing their fleets and costs. For example, through efforts to identify under-utilized vehicles, Interior eliminated 451 vehicles.

Contents

Abbreviations

APHIS	Animal and Plant Health Inspection Service
BLM	Bureau of Land Management
FAST	Federal Automotive Statistical Tool
GHG	greenhouse gas
GSA	General Services Administration
NRCS	Natural Resources Conservation Service
USDA	Department of Agriculture
VA	Department of Veterans Affairs

GAO
Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

August 2, 2012

The Honorable Jeff Sessions
Ranking Member
Committee on the Budget
Unites States Senate

Dear Mr. Sessions:

The federal fleets consist of about 449,000 civilian and non-tactical military (i.e., non-combat) cars, trucks, and other vehicles, excluding postal service vehicles.[1] Federal policy makers have initiated a variety of efforts aimed at reducing the size of or changing the composition of federal fleets as a means of increasing U.S. energy efficiency. For example, the Energy Policy Act of 1992 requires that 75 percent of all light duty vehicles (e.g., sedans and light trucks) acquired for federal fleets be alternative fuel vehicles.[2] In 2002, the Office of Management and Budget sent a memorandum to the heads of executive branch agencies encouraging them to examine the size of their vehicle fleets and requiring agencies to report the size, composition, and cost of their fleets as part of their budget submission process. Most recently, in May 2011, the President issued a memorandum on federal fleets' performance calling on agencies to lead the way in meeting the goal of reducing oil imports by, among other activities, determining the optimum size of their fleets and eliminating non-essential vehicles. At the same time, recent legislative proposals have called for reductions to agencies' fleets.[3]

Given these policy priorities, you asked us to provide a range of information about federal fleets, including the reasons vehicle inventory may increase or decrease over time. In this report, we address (1) the

[1]In fiscal year 2011, the U.S. Postal Service had about 210,000 vehicles, bringing the total federal vehicle inventory to about 660,000 vehicles. We are not including postal vehicles in this report because we recently reported on the U.S. Postal Service's delivery fleet. See GAO, *U.S. Postal Service: Strategy Needed to Address Aging Delivery Fleet*, GAO-11-386 (Washington, D.C.: May 5, 2011).

[2]Pub. L. No. 102-486, § 303 (Oct. 24, 1992).

[3]For example, S. 1246 directs federal agencies to coordinate with OMB to reduce vehicle budgets by 20 percent. S. 1246, 112th Cong. (2011).

extent to which the size of federal agencies' fleets changed since 2005, if at all, and (2) the primary reasons that the size of selected agencies' fleets changed over this period. You also asked about the General Services Administration's (GSA) role in helping agencies manage their vehicle fleets. GSA's responsibilities include acquiring and in some cases disposing of vehicles for agencies and producing an annual report about fleet inventory size and fuel consumption as reported by federal agencies. We found that GSA has provided services to assist agencies in managing their fleets, including developing guidance to help determine vehicle needs and creating tools to help agencies track vehicles. According to GSA officials, it has the authority to promulgate regulations and issue guidance to agencies related to fleet management, but it lacks enforcement authority. We provide more complete information about the role GSA plays with respect to helping agencies mange their fleets in appendix I. We plan to address other aspects of your request in subsequent work, including federal agencies' responses to the presidential memorandum and GSA's evaluation of these efforts.

To identify changes in fleet size and composition, by ownership and vehicle categories, we obtained and analyzed GSA's federal fleet reports from 2005 to 2011 for 64 entities (58 civilian agencies and 6 military agencies). GSA prepares the federal fleet reports based on data provided annually by federal agencies through its Web-based Federal Automotive Statistical Tool (FAST), which GSA and the Department of Energy established in 2000. To determine whether the federal fleet report data were of sufficient reliability for our analysis, we reviewed the program-reporting documentation and quality assurance tests, and discussed the various data elements with knowledgeable agency officials. We learned that the process for reporting data is mainly dependent on the reporting agency. We further learned, based on discussions with GSA and other selected agency officials, that the data reported in more recent years were of better quality than the data provided earlier. To ensure consistency and accuracy in our analysis, we limited our data analysis to 2005 to 2011 and eliminated 21 civilian agencies from our analysis because of missing data, consolidation, or removal from the FAST system in later years. As a result of our review and discussions, we determined that the data included in our analysis were sufficiently reliable for the purpose of describing fleet sizes and composition of the 43 agencies for fiscal years 2005 to 2011. We did not include the U.S. Postal Service

(Postal Service) in our analysis because we recently reported on its delivery fleet.[4]

To identify reasons for changes in fleets, we selected 4 agencies—3 civilian (Departments of Agriculture, the Interior, and Veterans Affairs) and 1 military (U.S. Air Force)—for case studies. These agencies' vehicles made up about 32 percent of the federal vehicles included in our analysis. We based our selection on various factors and criteria, including agency mission, fleet size, and changes in fleet over time. Specifically, we identified civilian and military agencies with different missions and greater than 3,000 vehicles in 2011 and then determined whether their fleets increased or decreased from fiscal years 2005 to 2011. We selected two agencies that increased the number of vehicles and two that decreased the number of vehicles over the time frame of our review. We reviewed agencies' documents and data, and spoke with agencies' fleet managers and other officials. We also reviewed GSA regulations and policies regarding its authority and responsibilities related to tracking the fleet inventory, issuing guidance, and acquiring and disposing of vehicles.

We conducted this performance audit from October 2011 to August 2012 in accordance with generally accepted government-auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Although commonly used, the term "federal fleet" is a misnomer because there is no single entity that is responsible for all of the almost 660,000 civilian, Postal Service, and non-tactical military vehicles (about 449,000 excluding Postal Service vehicles) owned and leased by federal agencies. Instead, each federal executive agency is responsible for its own fleet. Furthermore, although some federal agencies may have a single, centralized fleet of vehicles, others' fleets are decentralized and dispersed among multiple sub-agencies, bureaus, or divisions. In fact, the fleets at all of our four selected agencies consist of smaller fleets of

[4]GAO -11-386.

vehicles that belong to various bureaus and divisions. (See table 1 for breakdown of fleets at selected agencies.)

Table 1: Fleets at Four Selected Agencies and Their Largest Subordinate Bureaus or Divisions

Name of selected agency	Largest subordinate bureaus or divisions by fleet size	Fleet size as of FY 2011
Department of Agriculture	Animal and Plant Health Inspection Service	5,433
	Forest Service	20,235
	Natural Resources Conservation Service	9,516
	All other USDA bureaus and sub-agencies	8,215
	Total	**43,399**
Department of the Interior	Bureau of Land Management	5,363
	National Park Service	11,714
	Fish and Wildlife Service	6,863
	All other Interior bureaus and sub-agencies	9,705
	Total	**33,645**
Department of Veterans Affairs	Veterans Health Administration	14,819
	Veterans Benefits Administration	787
	National Cemetery Administration	642
	All other Veterans Affairs staff offices	173
	Total	**16,421**
U.S. Air Force	Air Combat Command	14,455
	Air National Guard	11,681
	Pacific Air Forces	9,124
	All other Air Force major commands	15,637
	Total	**50,897**

Source: GAO analysis of GSA and U.S. Air Force data.

Federal departments, agencies, and their contractors use vehicles—specifically non-tactical vehicles such as passenger cars, trucks (light, medium, and heavy), and special purpose vehicles (e.g., ambulances and buses)—to carry out their different missions. (See table 2.) For example, the National Park Service uses trucks to transport personnel and equipment to fight fires and the Veterans Health Administration uses passenger cars to transport veterans to and from Department of Veterans Affairs (VA) health care facilities to receive medical services. Agencies' vehicles are often widely dispersed across the country and, in some cases, throughout the world. For example, the Air Force operates vehicles on bases in Europe and Asia, while VA's fleet is spread across

medical centers, national cemeteries, and other locations throughout the country.

Table 2: Missions of Selected Agencies and Some of Their Subordinate Bureaus or Divisions

Department of Agriculture works to support the American agricultural economy to strengthen rural communities; to protect and conserve the nation's natural resources; and to provide a safe, sufficient, and nutritious food supply for the American people. • Animal and Plant Health Inspection Service—Protects and promotes U.S. agricultural health, regulates genetically engineered organisms, administers the Animal Welfare Act, and carries out wildlife damage-management activities. • Forest Service—Manages public lands in national forests and grasslands. • Natural Resources Conservation Service—Ensures private lands are conserved, restored, and more resilient to environmental challenges, like climate change. Predominant vehicle types: sedans, light duty vehicles, and medium duty vehicles.
Department of the Interior manages the nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities. • Bureau of Land Management—Sustains the health, diversity, and productivity of America's public lands for the use and enjoyment of present and future generations. • National Park Service—Preserves the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations. • U.S. Fish and Wildlife Service—Conserves, protects, and enhances fish, wildlife, and plants and their habitats for the American people. Predominant vehicle types: light duty vehicles, medium duty vehicles, and heavy duty vehicles.
Department of Veterans Affairs serves America's veterans and their families by responding to their needs for health care, benefits, and memorial services. • Veterans Health Administration—Provides comprehensive care to more than 8.3 million veterans a year through its health care facilities, including 152 medical centers and nearly 1,400 community-based outpatient clinics, and is the nation's largest integrated health care system. • Veterans Benefits Administration—Serves veterans, service members, and their families by delivering client-centered and personalized benefits and services that assist in their readjustment. • National Cemetery Administration—Honors veterans and their families with final resting places in national shrines and with lasting tributes that commemorate their service to the nation. Predominant vehicle types: sedans, light duty vehicles, medium duty vehicles, and heavy duty vehicles.
The U.S. Air Force is a branch of the U.S. armed forces responsible for aerial warfare, space warfare, and cyberwarfare. • Air Combat Command—Supports global implementation of national security strategy and operates fighter, bomber, reconnaissance, battle-management, and electronic-combat aircraft. • Air National Guard—Maintains combat-ready units available for prompt mobilization during war and provides assistance during national emergencies. • Pacific Air Forces— Provides ready air and space power to promote U.S. interests in the Asia-Pacific during peacetime, crisis, and in war. Predominant vehicle types: light duty vehicles, medium duty vehicles, and heavy duty vehicles.

Source: GAO analysis of agencies' information.

Note: Examples of light duty vehicles include subcompact (4 passenger) vehicles, midsize (5 passenger) sedans, 4x2 sports utility vehicles, 4x4 pickup trucks, and 4x2 van wagons. Examples of medium duty and heavy duty vehicles include cargo vans, dump trucks, and maintenance trucks.

Federal agencies and GSA have distinct responsibilities regarding federal fleets. Federal agencies are responsible for operating a fleet that enables them to fulfill their mission and meet federal energy and fuel efficiency requirements. Specifically, federal agencies are responsible for acquiring, maintaining, and managing their vehicles. GSA's role is to develop guidance to help agencies manage their fleets, help agencies procure affordable vehicles, and provide reports on the federal fleet. In particular, GSA establishes policies and issues guidance to help agencies manage their fleets effectively and meet other federal requirements. GSA manages both the vehicle-purchasing and vehicle-leasing programs, thereby offering federal agencies an array of automotive products, including alternative fuel vehicles, sedans, light trucks, buses, and heavy trucks. In addition, GSA and the Department of Energy co-sponsor a Web-based data- reporting portal, in which agencies annually report information about the size and composition of vehicles, fuel consumption, and vehicle mileage. (See app. I for additional information about agencies' and GSA's roles and responsibilities.)

Federal laws, executive orders, and policy decisions have affected agency fleet size and composition. (See table 3.) For example, various statutes have been enacted requiring federal agencies to meet certain energy goals by reducing petroleum consumption and acquiring alternative fuel vehicles.

Table 3: List of Selected Federal Statutes, Executive Orders, and Policy Initiatives That Affect Federal Agencies' Fleets

Statutes, executive orders, or policy initiatives	Year enacted or issued	Description
Energy Policy Act of 1992	1992	The act requires alternative fuel vehicles make up 75 percent of light duty vehicles acquired by federal agencies operating fleets of 20 or more vehicles in metropolitan statistical areas with populations of 250,000 or more.
Office of Management and Budget memo to federal agencies	2002	The Office of Management and Budget sent a memorandum to agencies indicating that it was taking a close look at vehicle inventory and encouraged agencies to do the same. It required agencies, as part of their budget submission, to report the size, composition, and cost of their fleets for the current year and to project costs for the next 3 fiscal years.
Executive Order 13423[a]	2007	Sets goals in various energy efficiency areas and directs federal agencies to increase alternative fuel consumption by 159.4 percent (or 10 percent annually over the previous year) by 2015, from a 2005 baseline.
Energy Independence and Security Act of 2007 (EISA)[b]	2007	Requires federal agencies to achieve at least a 20 percent reduction in annual petroleum consumption and a 10 percent increase in annual alternative fuel consumption by 2015 relative to a fiscal year 2005 baseline. EISA also prohibits federal agencies from acquiring any light duty motor vehicle or medium duty passenger vehicles that is not a low greenhouse gas (GHG) emitting vehicle.

Statutes, executive orders, or policy initiatives	Year enacted or issued	Description
Executive Order 13514[c]	2009	In an effort to reduce GHG, the executive order directs federal agencies to reduce petroleum consumption by 30 percent or 2 percent annually by 2020, from a 2005 baseline.
American Recovery and Reinvestment Act of 2009 (Recovery Act)[d]	2009	The Recovery Act appropriated $300 million to GSA to acquire newer, energy-efficient motor vehicles to replace older, less efficient vehicles. GSA administered the funds and required the agencies it selected to receive Recovery Act vehicles to turn in an older vehicle to receive a new one.

Source: GAO analysis of federal statutes, executive orders, and policy initiatives.

[a]Strengthening Federal Environmental, Energy and Transportation Management, 72 Fed. Reg. 3919 (Jan. 26, 2007).

[b]Pub. L. No. 110-140, §§ 141, 142 (Dec. 19, 2007).

[c]Federal Leadership in Environmental Energy and Economic Performance, 74 Fed. Reg. 52117 (Oct. 8, 2009).

[d]Pub. L. No. 111-5, 123 Stat. 115 (Feb. 17, 2009).

We have previously reported that in light of multiple and sometimes conflicting statutes, fleet managers often lack the flexibility and tools to meet the goal of reducing the federal fleets' use of petroleum and its GHG emissions.[5] These statutes and executive orders were enacted and issued in a piecemeal fashion and represent a fragmented rather than an integrated approach to meeting key national goals.

In May 2011, the President issued a memorandum regarding federal fleets' performance directing all federal agencies to evaluate and report on their fleets to meet 2015 alternative fuel vehicle goals. At the time of our review, federal agencies were in the process of responding to the presidential memorandum by completing their vehicle allocation methodologies—a tool agencies are using to evaluate their fleets—and GSA was preparing to evaluate their responses.[6]

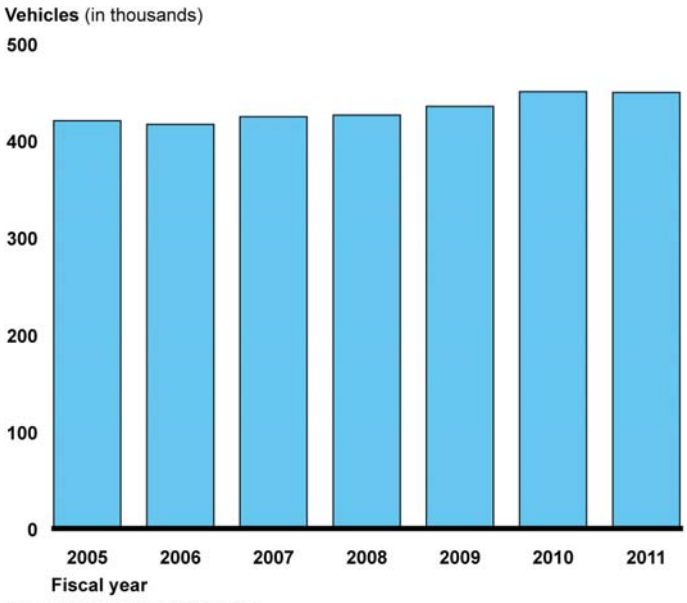
[5]GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP, (Washington, D.C.: Mar. 1, 2011).

[6]The presidential memorandum required agencies to report their vehicle allocation methodology results to GSA and on agency websites by February 2012. Further, agencies were required to incorporate GSA-approved vehicle acquisition and management plans into their annual strategic sustainability performance plans by the beginning of June 2012.

The Number of Federal Vehicles Has Increased since 2005 with Fleet Changes Varying by Agency

Since fiscal year 2005, the number of federal non-postal, non-tactical vehicles has increased about 7 percent, from 420,382 to 449,444 vehicles.[7]

Figure 1: Change in Federal Vehicles, Fiscal Years 2005 to 2011



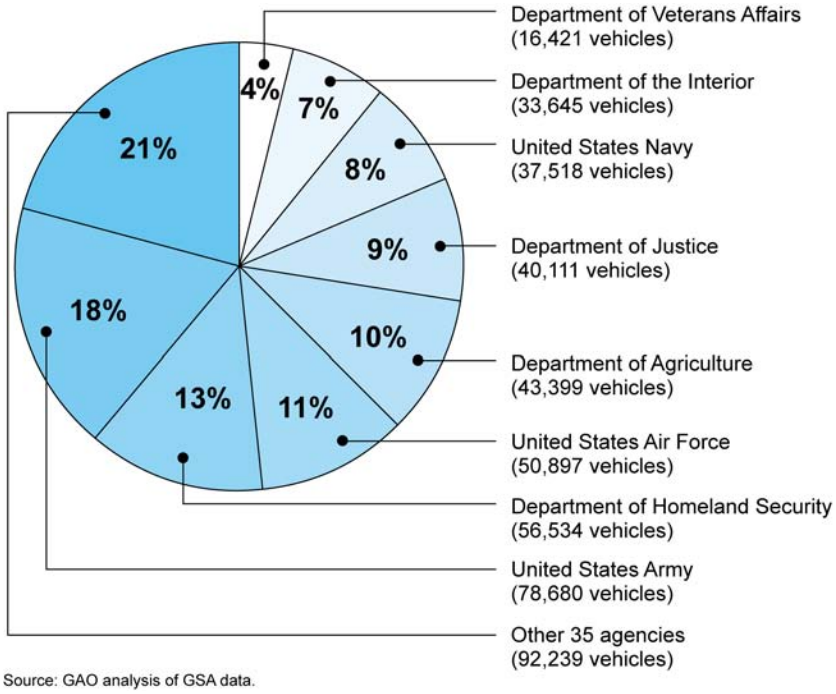
Source: GAO analysis of GSA data.

Note: GAO's analysis included civilian (except Postal Service) and non-tactical military vehicles.

The federal inventory of non-postal, non-tactical vehicles is dominated by a few agencies. In fiscal year 2011, the fleets of 8 federal agencies made up almost 80 percent of total federal vehicles, while 35 agencies made up the remaining 21 percent (fig. 2).

[7]U.S. Postal Service vehicles are excluded from this analysis because we recently reported on the U.S. Postal Service's delivery fleet. See GAO-11-386.

Figure 2: Federal Agencies' Vehicle Fleets, Fiscal Year 2011



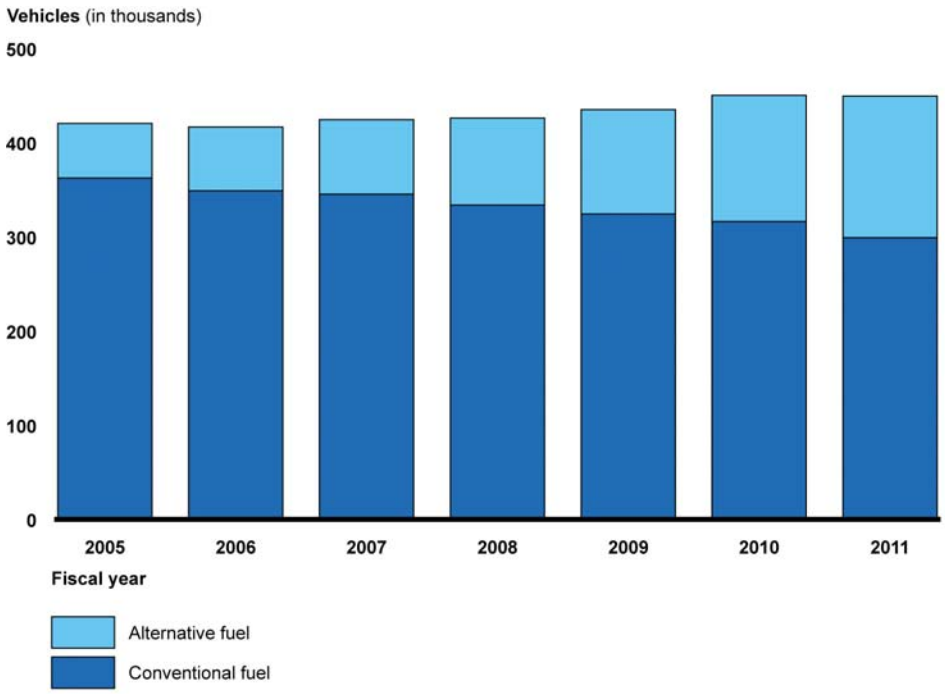
Source: GAO analysis of GSA data.

Note: GAO analysis included civilian (except Postal Service) and non-tactical military vehicles.

In addition to the size of their fleets, federal agencies' changed fleet composition as well. Overall, federal agencies increased the proportion of their fleets made up of alternative fuel vehicles (i.e., vehicles that operate using an ethanol blended fuel, compressed natural gas, and batteries, among others) as opposed to conventional fuel vehicles (i.e., vehicles that operate on gasoline and diesel fuel) from about 14 percent to 33 percent from fiscal years 2005 to 2011. (See fig. 3.) The increase in the proportion of alternative fuel vehicles should not be surprising given that the Energy Policy Act of 1992 requires that federal agencies move toward acquiring mostly alternative fuel sedans and trucks.[8]

[8]GAO previously reported that the U.S. Postal Service, which purchased about 43,000 alternative fuel vehicles as of September 2010, has indicated that it may not be able to operate the vehicles using the alternative fuel because the fuel may be unavailable or more costly. See GAO-11-386.

Figure 3: Change in the Number of Alternative and Conventional Fuel Vehicles in Federal Agencies' Fleets, Fiscal Years 2005 to 2011



Source: GAO analysis of GSA data.

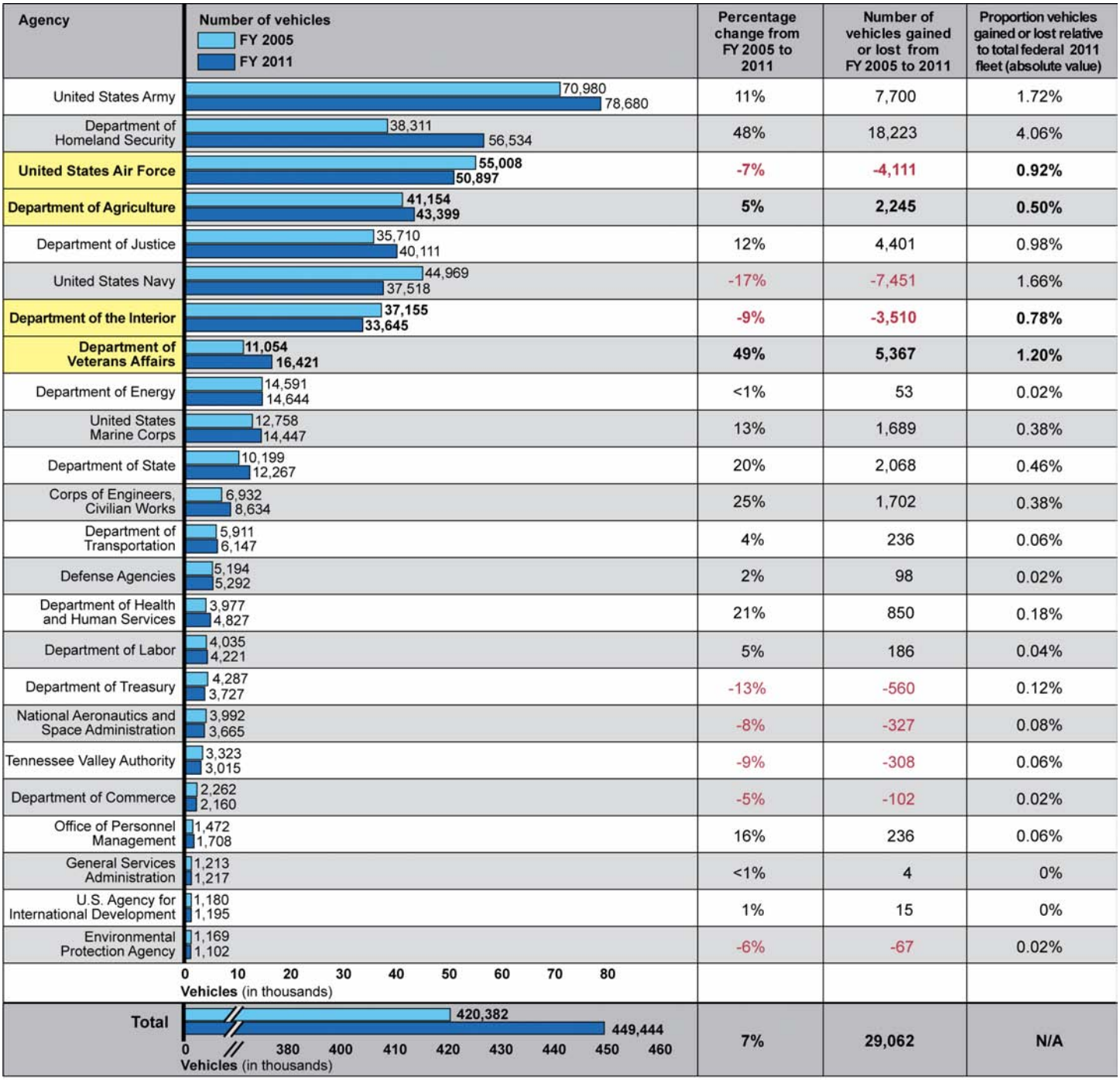
Note: GAO analysis included civilian (except Postal Service) and non-tactical military vehicles.

One characteristic that did not change substantially over the period is the extent to which federal agencies owned or leased vehicles. In fiscal year 2011, federal agencies owned about 54 percent of their vehicles, leased about 44 percent from GSA, and leased about 2 percent from commercial vendors. These percentages remained fairly stable across the 7-year period.

Although the number of federal vehicles increased from fiscal years 2005 to 2011, not all agencies' fleets increased—some agencies experienced a decrease in the number of vehicles, while others changed very little. Specifically, 8 of the 24 agencies with the largest numbers of vehicles decreased their fleets by at least 2 percent over the period. (See fig. 4.) Of the four agencies we selected for review, two increased and two decreased the number of vehicles in their fleet over the seven-year period. USDA and VA both increased the size of their fleets. USDA's fleet grew about 5 percent and VA's fleet grew about 49 percent from fiscal years 2005 to 2011. Over that period, VA experienced a net gain of 5,367

vehicles, which represents about 1 percent of all federal vehicles in fiscal year 2011. In contrast, the Air Force and Interior both decreased the size of their fleets from fiscal years 2005 to 2011. The Air Force reduced its fleet about 7 percent, experiencing a net loss of 4,111 vehicles, and Interior reduced its fleet about 9 percent, or 3,510 vehicles. Each agency's fleet varied from year to year.

Figure 4: Change in Fleets of Federal Agencies with More Than 1,000 Vehicles, Fiscal Year 2011



Source: GAO analysis of GSA data.

Notes: As discussed in the report, those agencies highlighted in yellow were selected for in-depth analysis.

GAO analysis included civilian (except Postal Service) and non-tactical military vehicles.

Although the number of U.S. Agency for International Development's vehicles increased by 1 percent, the agency experienced a 45 percent decrease from fiscal years 2005 to 2008.

In addition, each selected agency increased the proportion of its fleet made up of alternative fuel vehicles. (See table 4.) Interior's alternative fuel fleet grew 509 percent over the period with alternative fuel vehicles making up about 25 percent of its fleet in fiscal year 2011. VA's alternative fuel vehicles made up about 52 percent of its overall fleet in fiscal year 2011, a larger proportion than any of the other three agencies.

Table 4: Change in Proportion of Conventional and Alternative Fuel Vehicles for Selected Agencies, Fiscal Years 2005 and 2011

	Proportion of fleets made up of conventional fuel vehicles		Proportion of fleets made up of alternative fuel vehicles		Percentage change in alternative fuel vehicles from FY 2005 to FY 2011
Agency	**FY 2005**	**FY 2011**	**FY 2005**	**FY 2011**	
Department of Agriculture	91.9%	69.9%	8.1%	30.1%	279%
U.S. Air Force	90.2%	77.6%	9.8%	22.4%	112%
Department of the Interior	96.3%	75.4%	3.7%	24.6%	509%
Department of Veterans Affairs	87.2%	48.5%	12.8%	51.5%	498%

Source: GAO analysis of GSA data.

Officials Identified Multiple Factors That Influenced Fleet Size at Selected Agencies

The fleet managers at the four agencies we selected told us that various factors have influenced changes in fleet size. (See fig. 5.) According to officials, USDA and VA increased the size of their fleets from fiscal years 2005 to 2011 to accommodate expanded programs and services, among other factors, while the Air Force and Interior reportedly decreased their fleet size in part by implementing measures to improve fleet management. Officials also identified fleet changes in subordinate bureaus and divisions, but in the two cases we learned of, they were not substantive enough to influence the direction of the agency's overall fleet changes over the 7-year period. Further, agency officials stated that fleets did not increase as a result of vehicles procured using Recovery Act funds, because higher fuel-efficient vehicles replaced older, less fuel-efficient ones on a one-for-one basis.

Figure 5: Factors That Officials Reported Led to a Change in Overall Agency Fleet Size

Agency name	Factors that officials said led to a change in overall agency fleet size				Change in overall agency fleet size from 2005 to 2011
	Increase in fleet size		Decrease in fleet size		
	Additional workload due to expanded programs and services	Donated vehicles	Fleet downsizing efforts and cost saving measures	New fleet management information system	
Department of Agriculture	✓				Increase (5%)
Department of the Interior			✓		Decrease (-9%)
Department of Veterans Affairs	✓	✓			Increase (49%)
United States Air Force			✓	✓	Decrease (-7%)

Source: GAO.

Expanded Programs and Other Factors Increased Fleet Size at Some Selected Agencies

USDA officials we interviewed told us that additional workload and program responsibilities contributed to the increase in USDA's fleet size. From fiscal years 2008 to 2010, USDA's Forest Service gained nine job corps centers from Interior Department bureaus: three from the National Park Service in 2008 and six from the Bureau of Reclamation from fiscal years 2009 to 2010.[9] Each of these job corps centers required the acquisition of additional vehicles ranging from sedans, vans, buses, and a variety of trucks to provide the approximately 200 new employees with the transportation and resources to accomplish additional program responsibilities. Since the job corps centers were located in or near national forests, they required vehicles, including buses that could evacuate staff and students in a short period of time in the event of a forest fire. Pick-up trucks were also acquired to take equipment to construction job sites as part of the vocational training. USDA officials also told us that specific subordinate agencies within USDA like the Animal and Plant Health Inspection Service (APHIS) also acquired additional vehicles to accommodate an increase in the number of APHIS personnel and drivers to complete mission requirements.

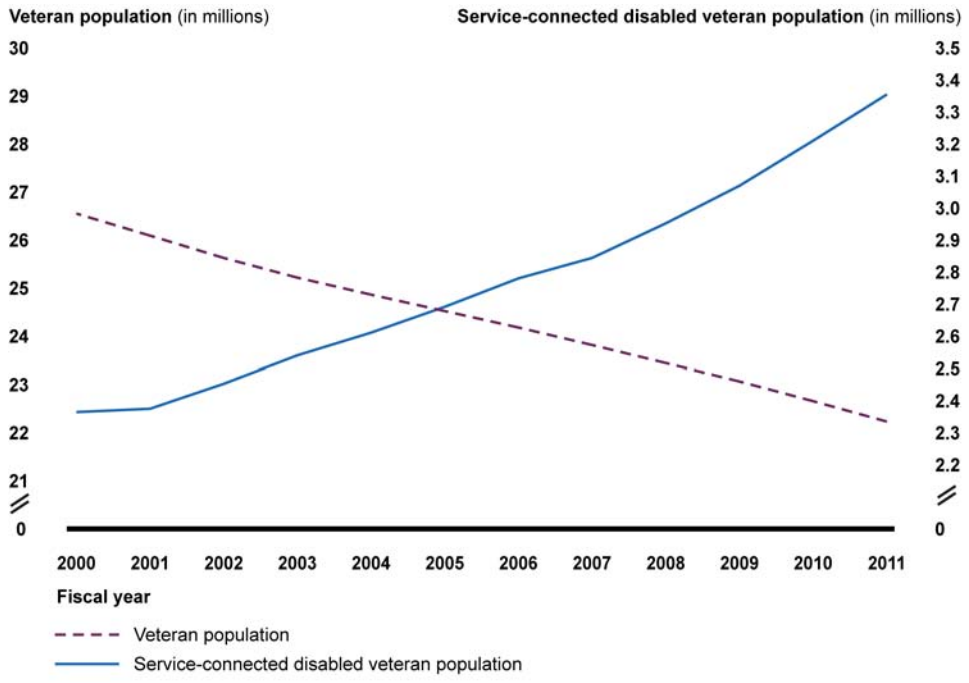
[9]According to USDA, one reason why the Forest Service gained responsibility for these job corps centers is because they directly contribute to USDA's mission of conserving national forests and grasslands. For example, job corps students have fought forest fires, planted trees, improved wildlife habits, and built or maintained recreational facilities.

Similarly, VA officials told us that growth in veteran services has contributed to a significant increase in VA's fleet size. According to VA officials, although the number of veterans declined overall, VA increased its program services to accommodate the increasing number of veteran health care recipients, including veterans with service-connected disabilities from fiscal years 2000 to 2011.[10] (See fig. 6.) Further, VA officials indicated the agency has expanded a number of veteran services including: mental health care and counseling services, health care services to veterans returning from recent wars, home-based services to disabled and elderly veterans, and rural health care services in remote areas of the nation. According to VA officials, the increase in programs and services to veterans and service members and resulting workload placed pressure on the agency to increase its fleet size. For example, VA recently acquired more vehicles to provide transportation to and from VA health care facilities—including medical centers and community-based outpatient clinics—for veterans who require health care services but are not able to drive themselves.[11]

[10]Veterans with a service-connected disability are those who are disabled by an injury or illness that was incurred or aggravated during active military service.

[11]A community-based outpatient clinic is a VA-operated clinic or a VA-funded or reimbursed health care facility or site that is geographically distinct or separate from the parent medical facility.

Figure 6: Increase in the Number of Veterans with a Service-Connected Disability, Fiscal Years 2000 to 2011

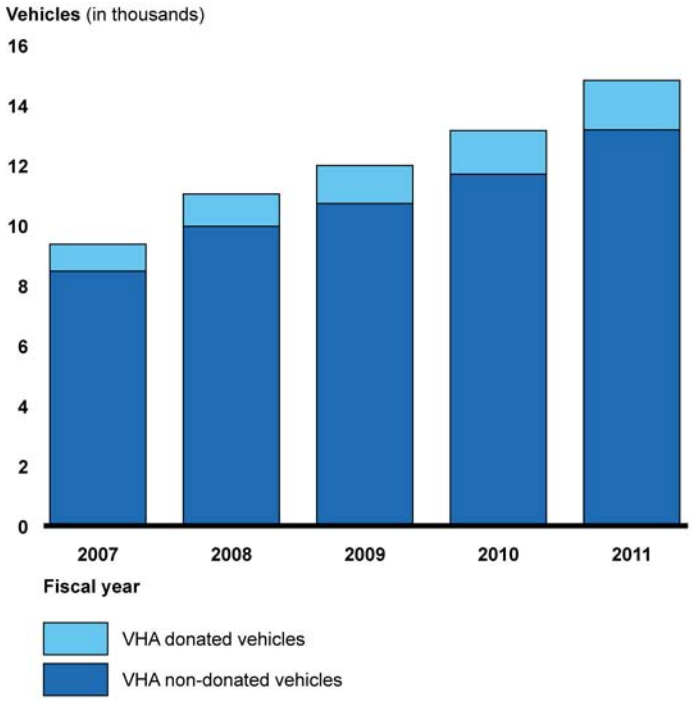


Source: VA.

Vehicles donated by veteran service organizations have also played a role—albeit a marginal one—in increasing VA's fleet, according to VA officials.[12] From fiscal years 2007 to 2011, the number of donated vehicles increased from 899 to 1,451. (See fig. 7.) Although the number of donated vehicles is small compared to the overall fleet, as of April 2012 there were 1,683 active donated vehicles, most of which belong to the Veterans Health Administration.

[12]According to VA officials, the agency uses these vehicles side-by-side with its leased and owned vehicles. VA does not control the efficiency or fuel type of donated vehicles.

Figure 7: Number of Donated Vehicles in Veterans Health Administration's Fleet, Fiscal Years 2007 to 2011



Source: GAO analysis of VA data.

Measures to Improve Fleet Management Helped Some Agencies Decrease Fleet Size

According to Air Force officials, the agency has had various fleet downsizing policies in place and has implemented some recent efforts to eliminate vehicles that are not mission critical. Officials also noted that the agency has often targeted unnecessary vehicles for cost cutting.

- The Air Force has a zero growth policy prohibiting new vehicle purchases except when a change in mission occurs (i.e., additional aircraft assigned, new weapon systems deployed, new units assigned to a base, etc.). Air Force officials also told us that senior fleet management staff closely monitors any request to increase fleet size and determines if existing vehicles can be re-assigned to cover new mission needs.

- The Air Force takes steps to ensure that the agency is authorizing the minimum number of vehicles necessary to support current mission requirements by conducting in-person visits to major commands and installations.[13] The agency uses these in-person visits to monitor requests to not only acquire new but also retain existing vehicles; then it uses the information to identify and eliminate unnecessary vehicles.[14]

- In March 2007, the Air Force issued guidance limiting midsize to large sedans and sport utility vehicles to only four star officers in an effort to reduce overall vehicle ownership costs.

- In January 2011, the Air Force audited various installations and found that 379 vehicles were utilized less than 30 percent of agency vehicle utilization goals.[15] The agency subsequently removed these under-utilized vehicles, a move that, according to Air Force officials, resulted in a one-time savings to the Air Force of about $1.8 million. Officials reported that they will continue these efforts.

- In August 2011, the agency identified over 6,000 underutilized vehicles that, if eliminated, could save the Air Force an estimated half a billion dollars or more in procurement and leasing costs.[16] Since August 2011, the Air Force has eliminated approximately 739 vehicles, comprised of a mix of GSA-leased and agency-owned vehicles, according to Air Force officials.

[13]U.S. Air Force guidance requires fleet management staff to authorize vehicles that are necessary to support current mission requirements through a vehicle authorization. Each major command approves vehicle authorizations for existing fleet vehicles or new vehicle purchases.

[14]The Air Force is in the process of replacing these in-person visits with a new fleet management decision support system.

[15]Air Force Audit Agency, *U.S. Air Force Audit Report, Management of Vehicle Requirements* (January 2011)

[16]The Air Force initially identified 6,000 under-utilized vehicles, but approximately 2,500 of these vehicles were special purpose, war reserve vehicles that were still required to carry out mission needs and were not eligible to be cut. Air Force officials told us that the agency is still in the process of removing under-utilized vehicles that are not special purpose vehicles.

Similarly, according to Interior officials, specific bureaus within the agency have implemented fleet downsizing efforts by identifying under-utilized vehicles and either disposing or re-locating vehicles across the bureau.

- The Bureau of Land Management (BLM)—a bureau within Interior that administers federal lands—has implemented downsizing efforts by identifying non-essential GSA-leased vehicles for removal and transferring under-utilized agency-owned vehicles to other bureau offices. According to Interior officials, BLM requires its fleet managers to monitor the utilization of its vehicles within the past 12 months to ensure each vehicle is justified and properly utilized. As a result of these fleet downsizing efforts, from fiscal years 2003 to 2008, BLM reduced miles traveled by more than 5-million miles and saved almost $3.4 million, according to Interior officials.

- Interior's U.S. Fish and Wildlife Service fleet personnel also regularly examines vehicle utilization rates—such as vehicle miles driven per hour—to ensure vehicles are meeting agency goals. The bureau also identifies old and least-utilized vehicles annually. According to U.S. Fish and Wildlife Service officials, the bureau removed 451 vehicles from its vehicle fleet from fiscal years 2007 to 2010.

In addition to fleet downsizing efforts, two agencies expect current cost-savings measures will play a role in reducing the number of vehicles in the future. Both Air Force and Interior anticipate decreasing their fleet size and realizing immediate cost savings by returning GSA-leased vehicles.[17] For example, although the Air Force has returned some vehicles back to GSA, thus decreasing the Air Force's fleet size, the agency continues to implement further reductions to its GSA-leased fleet in order to meet a $10-million cut in vehicle-leasing funds in the agency's planned 2013 defense budget. Similarly, in a department-wide campaign to cut waste, Interior's National Park Service plans to return approximately 300 GSA-leased vehicles and save approximately $3.4 million in fleet-related costs. According to a GSA official, agencies that need to cut fleet-related costs often realize immediate cash savings by turning in their GSA leased vehicles.

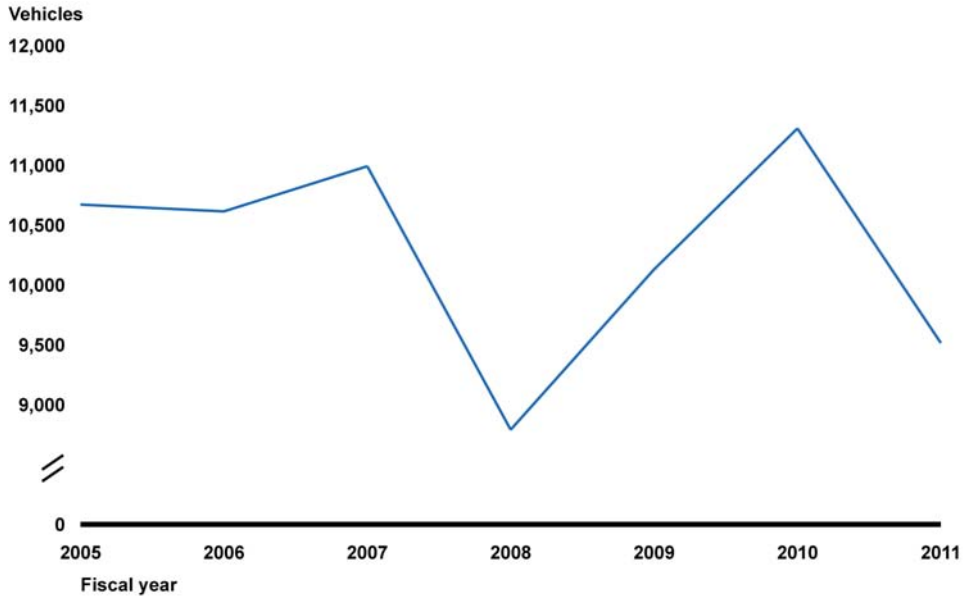
[17]According to GSA officials, GSA uses vehicles returned prior to the end of their normal lease term to fill other agencies' vehicle requests rather than purchasing new vehicles. See appendix I for additional information about GSA leasing practices.

Improved fleet data management also may have helped the Air Force decrease fleet size by identifying and cutting unnecessary vehicles, according to Air Force fleet managers. As part of its effort to establish a property management information system, the Air Force needed to aggregate and validate vehicle operations data to produce an accurate, agencywide view of its worldwide fleet, which required conducting a full inventory of its 90,000 tactical and non-tactical vehicles around the world. According to Air Force officials, this process helped the Air Force identify and remove unnecessary vehicles from its fleet, as described previously in this report.

Subordinate Bureaus' Fleet Changes May Not Determine the Overall Direction of Agency Fleet Size Changes

Similar to our findings related to the overall federal fleets, we found instances where fleet changes in agencies' subordinate bureaus' fleets did not coincide with the direction of fleet changes at the overall department level. For example, in response to the May 2011 presidential memorandum on fleet performance, USDA's Natural Resources Conservation Service (NRCS) prohibited new vehicle acquisitions and made concerted efforts to reduce the size of its fleet through the disposal of older, under-utilized, high emission vehicles. (See fig. 8.) NRCS also decreased its fleet when the agency closed several offices and terminated programs in response to a $30-million budget cut. According to USDA officials, these fleet downsizing efforts helped NRCS reduce its fleet by over 1,200 vehicles. Despite this, reductions in NRCS's fleet were not substantial enough to influence the overall change in USDA's fleet, which grew by 5 percent from fiscal years 2005 to 2011.

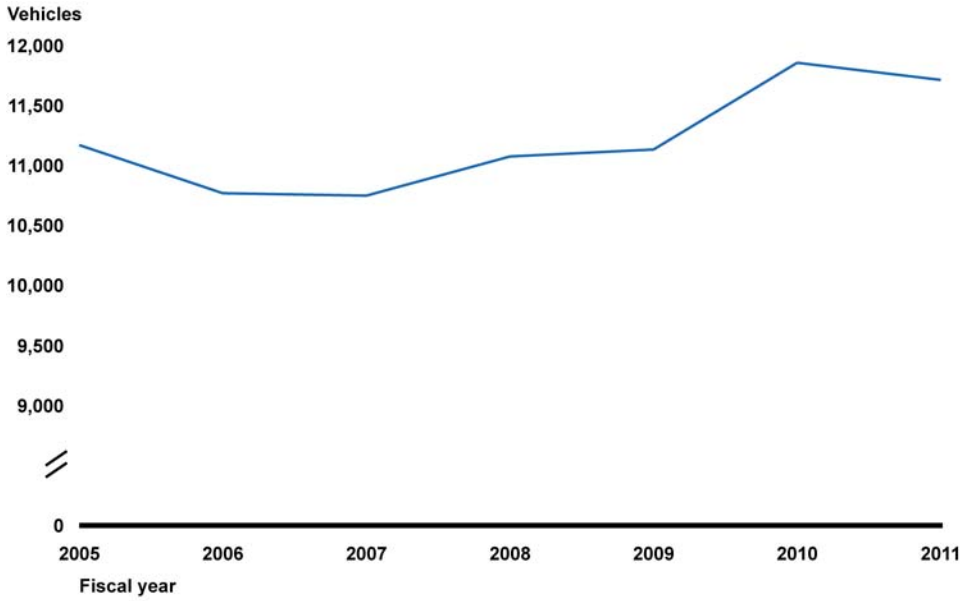
Figure 8: NRCS Fleet Vehicle Inventory, Fiscal Years 2005 to 2011



Source: GAO analysis of GSA data.

Conversely, Interior's National Park Service increased its fleet size to handle additional park management responsibilities even though Interior's overall fleet size decreased. (See fig. 9.) According to Interior officials, National Park Service's fleet increased in some regions to accommodate new parks, road projects, and land acquisitions. For example, National Park Service incorporated nine additional parks and historic monuments into its national park system from 2006 to 2011, and these additions to the system required additional vehicles to carry out mission needs. While the National Park Service's fleet increased, these additional vehicles did not change the direction of Interior's overall fleet size changes.

Figure 9: National Park Service Fleet Vehicle Inventory, Fiscal Years 2005 to 2011



Source: GAO analysis of GSA data.

Agency Comments

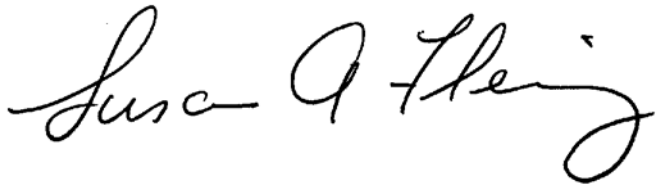
We provided copies of a draft of this report to GSA, Air Force, USDA, Interior, and VA for their review and comment. The audit liaisons from Air Force, USDA, and Interior provided emails indicating their agencies had no comments on the draft report. GSA's Associate Administrator and VA's Chief of Staff agreed with our findings and provided written technical comments that were incorporated as appropriate.

We are sending copies of this report to interested congressional committees, the Administrator of the General Services Administration, and the Secretaries of Agriculture, Air Force, Defense, the Interior, and Veterans Affairs. In addition, the report is available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-2834 or flemings@gao.gov. Contact points for our

Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix II.

Sincerely yours,



Susan A. Fleming
Director
Physical Infrastructure Issues

Appendix I: Federal Agencies' and the General Services Administration's Roles and Responsibilities for Federal Vehicles

Federal agencies and the General Services Administration (GSA) have distinct responsibilities regarding federal fleets. Federal agencies are responsible for operating a fleet that enables them to fulfill their mission and meet federal energy and fuel efficiency requirements. GSA's role is to promulgate regulations, develop guidance to help agencies manage their fleets, help agencies procure affordable vehicles, and provide reports on the federal fleet.

Primary Responsibilities of Federal Agencies

Federal agencies are responsible for acquiring, maintaining, and managing their vehicle fleets.

- *Vehicle acquisition*. Federal agencies are responsible for making decisions about the number and type of vehicles they need and how to acquire them. Agencies obtain most of their vehicles through either GSA's purchasing program, which is managed by GSA Automotive, or its leasing program, which is operated by GSA Fleet. GSA is a mandatory source for purchase of new vehicles for federal executive agencies and other eligible users.[1] In some instances, federal agencies may purchase specialized vehicles directly from the manufacturer with GSA approval or lease vehicles from commercial venders.[2] According to federal guidelines, when making acquisition decisions, agencies should purchase vehicles that meet their mission and represent the best value by taking into consideration price, greenhouse gas score, delivery time, fuel economy, life cycle cost, past performance, dealer and maintenance location, and optional equipment.
- *Vehicle maintenance*. Federal agencies should develop a maintenance program for their vehicles to ensure that they meet federal and state safety and emissions standards and manufacturer warranty requirements and are operated and inspected as recommended by the manufacturer and required by local conditions.

[1]41 C.F.R. § 101-26.501-1. These regulations do not require certain vehicles, such as tactical vehicles, to be submitted to GSA for procurement.

[2]Under unique circumstances, it may be advantageous for an agency to effect its own procurement. GSA will grant waivers of procurement authority on a case-by-case basis in accordance with the criteria set forth under GSA's Federal Property Management Regulations. 41 C.F.R. § 101-26.501-1(b), (c).

For agencies that lease vehicles from GSA, GSA Fleet develops their vehicle maintenance program.

- *Fleet management*. Federal agencies determine when to replace or dispose of vehicles based on federal vehicle replacement standards and their mission and program needs. GSA has established minimum standards that call for agencies to retain agency-owned vehicles for at least a requisite number of years or miles. For example, an agency should keep a sedan or station wagon for at least 3 years or 60,000 miles, whichever occurs first. It may keep the vehicle beyond the minimum years and miles if the vehicle can be operated without excessive maintenance or substantial reduction in resale value. Conversely, it may replace a vehicle that has not yet met the threshold if the vehicle needs body or mechanical repairs that exceed the fair market value of the vehicle. Federal regulations allow agencies to dispose of vehicles they no longer need and find to be in excess of the agencies' needs even if the vehicles have not met the minimum replacement standards for years and mileage.[3] Agencies may dispose of vehicles by using the exchange/sale authority provided by title 40 of the United States Code, transferring them to other agencies, selling them, or donating them.[4] For agencies that lease vehicles, GSA Fleet manages the disposal process.

GSA's Primary Responsibilities

GSA Automotive manages the vehicle purchasing program and offers an array of non-tactical vehicle products at a savings from the manufacturer's invoice price, including alternative fuel vehicles, sedans, light trucks, ambulances, buses, and heavy trucks.

- GSA Automotive purchases vehicles through the original equipment manufacturer and has contracts with the manufacturers' representative dealers with a variety of vehicle makes and models at competitive prices.

- GSA Automotive develops annual vehicle standards that establish the types and sizes of vehicles and general equipment requirements it will offer. The purpose of the federal vehicle standards is to achieve a

[3]41 C.F.R. § 102-34.270.

[4]See 41 C.F.R. § 102-34.300 for additional information regarding the disposal of fleet motor vehicles.

practical degree of standardization within the federal government automotive fleet and to simplify the competitive procurement of vehicles.

- GSA Automotive maintains an on-line procurement tool that allows the agency officials to view the standard vehicle models, choose equipment and color options, view side-by- side comparisons of vehicle models from different manufacturers, place their orders, and track delivery.

In fiscal year 2011, federal agencies ordered 54,964 vehicles costing $1.36 billion through the on-line system.

GSA also manages the federal government's vehicle-leasing program. Federal agencies may approach GSA Fleet to lease some or all of the vehicles they determine necessary to meet their mission and program needs.[5] In certain instances, federal agencies may lease vehicles from commercial sources without prior approval or permission from GSA.[6] After receiving an agency's request to lease vehicles:

- A GSA Fleet representative considers the type and number of vehicles requested, as well as the type of assignment, anticipated duration of the assignment, projected monthly mileage, and vehicle quantities, types, locations, and date required. Agencies are required to provide statements certifying that they have the funds to pay for the vehicles and that the top-level fleet manager concurs with the request.

- GSA Fleet provides either used or new vehicles to the requesting agency. GSA does not guarantee that it will offer the agency a new vehicle; sometimes, vehicles returned from other agencies are the ones used to fill another agency's request. However, GSA guarantees that even used vehicles will be in good mechanical and cosmetic condition. GSA Fleet procures new vehicles using GSA Automotive's on-line procurement system. There are some vehicle types, such as

[5]GSA has authority to establish, maintain, and operate (including servicing and storage) a fleet of motor vehicles for executive agencies to use for the transportation of property and passengers. 40 U.S.C. § 602.

[6]According to GSA officials, an agency that lacks specific statutory authority to purchase or hire passenger motor vehicles as required by 31 U.S.C. § 1343(b), or has not been delegated leasing authority, is required to participate in the GSA centralized leasing program.

fire trucks, that GSA Fleet does not lease, in part because they are so costly and specialized.

- As part of the leasing arrangement, GSA Fleet provides maintenance, repairs, fuel, and accident claims management and gets reimbursed for these costs by the participating agencies.[7] Agencies pay a monthly fee to cover vehicle depreciation and fleet management costs, and pay a per-mile fee to cover fuel, maintenance, repair, and auction costs.

- GSA Fleet replaces vehicles according to a pre-established schedule. A GSA Fleet representative monitors an agency's fleet and measures the vehicles against a set of minimum standards (i.e., age and mileage) as well as condition and repair history. If the representative determines the vehicle is eligible for replacement, it will be replaced with the same type of vehicle unless the agency indicates its needs have changed and wants to acquire a different type of vehicle. In cases where the requested replacement vehicle is an upgrade to a more expensive vehicle, the agency must submit to GSA a written justification certifying the vehicle is mission essential.

- Federal agencies may return leased vehicles that have not yet met the replacement requirement to GSA. In cases where GSA can transfer the vehicles to meet another agency's requests immediately, the original leasing agency is no longer responsible for the leasing fees. In cases where GSA cannot immediately transfer the vehicles, the lessor agency may have to continue to make its payments. A GSA official noted that this occurs infrequently because typically it places vehicles within a month of receiving them.

- Once the GSA Fleet representative determines vehicles should be replaced, he or she uses a nationwide network of commercial auction firms to sell and dispose of them. GSA uses the sales' proceeds to help purchase new vehicles.

[7]The Federal Property Act, as amended, specifies how GSA is to set prices to recover the costs of operating the fleet. GSA is to set prices "for furnishing motor vehicles and related services…to recover, so far as practicable, all costs for carrying out" the administration of the fleet program. GSA also may include an increment for estimated replacement costs of motor vehicles and related equipment and supplies. 40 U.S.C. § 605(b).

In addition to its procurement activities, GSA establishes policies and issues guidance to help agencies manage their fleets effectively and meet other federal requirements. GSA promulgates federal management regulations governing federal fleet operations. It also issues fleet guidance in the form of bulletins and promotes interagency collaboration through various committees and councils. While GSA believes it has the authority to require agencies to follow its regulations and to issue guidance, GSA officials indicated it lacked enforcement authority. One official stated that it relies on the federal agencies' Inspectors General to take enforcement action when agencies do not comply with regulations. GSA and the Department of Energy cosponsor the Federal Automotive Statistical Tool (FAST), a Web-based reporting tool for agencies to report fleet data. FAST is used to satisfy the reporting requirements of the Energy Policy Act of 1992 and other statutory and regulatory mandates, and GSA uses it to produce the annual federal fleet report.

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

Susan A. Fleming, (202) 512-2834

Staff Acknowledgments

In addition to the contact above, Maria Edelstein (Assistant Director), Gail Marnik, Tina Paek, Russell Burnett, Jim Ungvarsky, Josh Ormond, and Amy Rosewarne made key contributions to this report.

Related GAO Products

Federal Acquisition: Increased Attention to Vehicle Fleets Could Result in Savings. GAO-04-664. Washington, D.C.: May 25, 2004.

GSA Fleet: Information on the Effect of Donating Cars to YouthBuild USA and Potential Benefits to Rural Youthbuild Participants. GAO-07-153. Washington, D.C.: December 8, 2006.

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Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue. GAO-11-318SP. Washington, D.C.: March 1, 2011.

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