

GAO Highlights

Highlights of [GAO-13-659](#), a report to the Ranking Member, Committee on the Budget, U.S. Senate

Why GAO Did This Study

Federal agencies (excluding the U.S. Postal Service) spend about \$3 billion annually to acquire, operate, and maintain about 450,000 civilian and non-tactical military vehicles. Agencies may lease or buy vehicles from GSA, which also issues requirements and guidance on fleet management. In recent years, Congress and the President have raised concerns about the size and cost of federal agencies' fleets. In 2011, the President directed agencies to determine their optimal fleet inventories and set targets for achieving these inventories by 2015 with the goal of a more cost-effective fleet.

GAO was asked to review agency efforts to reduce fleet costs. This report addresses (1) the extent to which selected federal agencies use leading practices to manage their fleets, including their sizes and costs, and (2) any challenges these agencies face in managing their fleets and strategies they use to address these challenges. GAO selected USDA, DHS, Interior, VA, Air Force, and the Army Corps for review based on factors such as fleet size, fleet composition, and changes in fleet size from 2005 to 2011. To identify leading practices, GAO interviewed recognized private sector and government fleet management experts and GSA officials.

What GAO Recommends

GAO recommends that the Administrator of GSA 1) develop and publish guidance for agencies on estimating indirect fleet costs and 2) request that agencies provide supporting documentation on their methods for determining their optimal fleet inventories. GSA agreed with the recommendations.

View [GAO-13-659](#). For more information, contact Susan Fleming at (202) 512-2834 or flemings@gao.gov.

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FEDERAL VEHICLE FLEETS

Adopting Leading Practices Could Improve Management

What GAO Found

GAO identified three leading practices for fleet management and found that selected federal agencies—the Departments of Agriculture (USDA), Homeland Security (DHS), the Interior (Interior), and Veterans Affairs (VA); the U.S. Air Force (Air Force); and the Army Corps of Engineers (Army Corps)—follow these practices to varying degrees. These practices are 1) maintaining a well-designed fleet-management information system (FMIS), 2) analyzing life-cycle costs to inform investment decisions, and 3) optimizing fleet size and composition. GAO identified these practices based on views provided by recognized fleet experts and determined that the practices align with legal requirements and General Services Administration (GSA) recommendations.

- None of the agencies GAO reviewed capture in their FMISs all of the data elements recommended by GSA. The types of data missing most frequently are data on fleet costs, including indirect costs, such as salaries of personnel with fleet-related duties. Also, some of these systems are not integrated with other key agency systems. As a result, fleet managers face challenges in performing analyses that can guide fleet decisions. All of these agencies are making efforts to improve their data and FMISs, but some lack an approach for estimating indirect fleet costs. GSA's guidance does not discuss how to estimate these costs.
- Most of the selected agencies are not fully analyzing life-cycle costs to make decisions about when to replace vehicles. In addition, although most of the selected agencies use life-cycle cost analyses to decide whether to lease or purchase vehicles, some agencies' analyses do not consider a full set of costs. As a result, agencies may not have full information with which to make vehicle replacement and procurement decisions. Officials mainly cited problems with their cost data and FMISs as contributing factors, and efforts to improve in these areas have the potential to enhance agencies' ability to conduct these types of analyses.
- In response to the President's 2011 directive and related GSA guidance, the selected agencies have set targets for achieving optimal fleet size and composition. Planned changes in fleet sizes from 2011 to 2015 range from DHS's 15 percent fleet reduction to VA's 8 percent increase. GSA reviewed agencies' initial targets in 2012 and recommended some changes, but lacked supporting documentation to explain how most agencies produced their targets. GSA's lack of information on these methods limits its ability to oversee agencies' fleet optimization efforts and help agencies ensure that their fleets are the right size and composition to meet their missions cost-effectively.

In addition to data-related challenges, agency officials identified three broad fleet management challenges: meeting energy requirements, such as requirements for acquiring alternative fuel vehicles; uncertainty regarding the allocation of funding to fleet management activities; and ensuring that fleet managers have adequate expertise. Agencies have pursued or are pursuing a variety of strategies to address these challenges. These include the fleet optimization process, which calls for agencies to determine how best to fulfill requirements for alternative fuel vehicles; using a working capital fund, which provides a steady stream of funding; and providing online training for fleet managers.