United States Government Accountability Office

Report to Congressional Requesters

January 2016

FEDERALLY LEASED VEHICLES

Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles

Accessible Version

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Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles

Why GAO Did This Study

Federal agencies spent about $1 billion in fiscal year 2014 to lease about 186,000 vehicles from GSA. Assessing the utilization of leased vehicles is important to agency efforts to manage their fleet costs.

GAO was asked to examine federal processes for assessing the utilization of leased vehicles. This report addresses, among other objectives, (1) GSA's role in identifying and reducing underutilized leased vehicles and (2) the extent to which the processes used by selected federal agencies facilitate the identification and removal of underutilized leased vehicles, and any cost savings that could be achieved by reducing underutilized vehicles. GAO selected five agencies using factors such as fleet size, and analyzed over 15,500 fiscal-year 2014 vehicle records. At the five agencies, GAO surveyed fleet managers with at least 20 leased vehicles; reviewed fleet policies and guidance; and interviewed federal officials. These findings are not generalizable to all agencies or fleet managers.

What GAO Recommends

GAO recommends, among other things, that GSA develop a mechanism to help ensure that FSRs speak with fleet managers about vehicle utilization, that the Air Force and VHA modify their processes for vehicle justifications, and that NPS and VHA take corrective action for vehicles that do not have readily accessible written justification or did not pass a justification review. Each agency concurred with the recommendations and discussed actions planned or underway to address them.

View GAO-16-136. For more information, contact Lori Rectanus at (202) 512-2834 or rectanusl@gao.gov.

What GAO Found

The General Services Administration (GSA) provides guidance to agencies to assist them in reducing underutilized leased vehicles. This guidance can be written (such as bulletins) or advice from GSA's fleet service representatives (FSR) to agency fleet managers. FSRs assist agencies with leasing issues, and GSA expects its FSRs to communicate with fleet managers about vehicle utilization at least annually. However, 18 of 51 fleet managers GAO surveyed reported that they had never spoken to their FSR about vehicle utilization. GSA has no mechanism to ensure these discussions occur and therefore may miss opportunities to help agencies identify underutilized vehicles.

While the selected agencies—the Air Force, the Bureau of Indian Affairs (BIA), the National Aeronautics and Space Administration (NASA), the National Park Service (NPS) and the Veterans Health Administration (VHA)—took steps to manage vehicle utilization, their processes did not always facilitate the identification and removal of underutilized vehicles. Certain selected agencies (1) could not determine if all vehicles were utilized, (2) could not locate justifications for vehicles that did not meet utilization criteria, or (3) kept vehicles that did not undergo or pass a justification review. These agencies paid GSA about $8.7 million in fiscal year 2014 for leased vehicles that were retained but did not meet utilization criteria and did not have readily available justifications (see table).

Selected Leased Vehicles That Did Not Meet Utilization Criteria and Did Not Have Readily Available Justifications That Were Retained across Five Agencies

Agency	Percentage of the agency's selected vehicles[a]	Cost paid to GSA in FY2014
Air Force	8%	$1.5 M
Bureau of Indian Affairs	22%	$1.2 M
National Aeronautics and Space Administration	4%	$0.1M
National Park Service	47%	$2.9M
Veterans Health Administration	14%	$3.0M
Total for Selected Vehicles	**15%**	**$8.7 M**

Source: GAO analysis of GSA and agency-provided data. | GAO-16-136

[a]The selected vehicles include all GSA-leased sedans, station wagons, and light trucks, except those that were (1) leased by multiple agencies during fiscal year 2014; (2) tactical, emergency responder, or law enforcement vehicles; or (3) outside the continental United States, among other exclusions. Results for selected vehicles cannot be generalized to vehicles outside of the selected population.

Of the selected agencies, NASA and VHA did not apply their utilization criteria to nearly 400 vehicles, representing about $1.2 million paid to GSA in fiscal year 2014. However, these agencies have taken steps to rectify the issue. The Air Force, BIA, NPS, and VHA could not readily locate justifications for over 1,500 leased vehicles that did not meet utilization criteria, representing about $5.8 million. BIA and NPS are planning action to ensure justifications are readily available in the future. As of May 2015, NPS and VHA had retained more than 500 vehicles—costing $1.7 million in fiscal year 2014—that were not subjected to or did not pass agency justification processes. While costs paid to GSA may not equal cost savings associated with eliminating vehicles, without justifications and corrective actions, agencies could be spending millions of dollars on vehicles that may not be needed.

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Abbreviations

BIA   Bureau of Indian Affairs

DHS	Department of Homeland Security
DOD	Department of Defense
DOE	Department of Energy
FAST	Federal Automotive Statistical Tool
FMIS	Fleet Management Information System
FMR	Federal Management Regulation
FMS	Fleet Management System
FPMR	Federal Property Management Regulations
FSR	Fleet Service Representative
Green Book	Standards for Internal Control in the Federal Government
GSA	General Services Administration
IG	Inspector General
Interior	Department of the Interior
LPT	Loss Prevention Team
NASA	National Aeronautics and Space Administration
NPS	National Park Service
OGP	Office of Government-wide Policy
OMB	Office of Management and Budget
VA	Veterans Administration
VAM	Vehicle Allocation Methodology
VHA	Veterans Heath Administration
VIN	Vehicle Identification Number
VURB	Vehicle Utilization Review Boards

GAO U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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Congressional Requesters

In fiscal year 2014, federal agencies paid over $1 billion to lease over 186,000 vehicles from the General Services Administration's (GSA) Fleet Leasing program to carry out agencies' missions. Ranging from busses to compact sedans, these vehicles transport personnel, haul equipment, and ferry clients to agency-provided service locations, among other activities. GSA's Fleet Leasing Program (GSA Fleet) is responsible for meeting the vehicle leasing needs of federal agencies.[1] As the lessor, GSA Fleet collects information on leased vehicles—such as fuel use, vehicle type, and mileage—from a variety of sources, including vehicle manufacturers and fleet cards (i.e., credit cards used by agencies to purchase fuel and other services). This information is offered to federal agencies to help them make critical fleet management decisions, including whether or not to eliminate vehicles.[2] From fiscal year 2013 to fiscal year 2014, the total amount paid by agencies for GSA-leased vehicles decreased from $1.06 billion to $1.03 billion, but the actual number of leased vehicles grew slightly. In recent years, Members of Congress and the President have raised questions about the size and cost of the federal fleet, and legislative proposals have been aimed at reducing the size and cost of agencies' fleets.[3]

As agencies continue to seek opportunities to reduce costs associated with their vehicle fleets, it is important to understand the practices used to assess the utilization of leased vehicles and the ways in which those

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[1]According to GSA officials, an agency that lacks specific statutory authority to purchase or hire passenger motor vehicles, as required by section 1343(b) of the United States Code, Title 31, or has not been delegated leasing authority, is required to participate in the GSA's leasing program. Federal agencies may also choose to lease from commercial vendors in certain instances. However, the majority of leased agency vehicles are leased through GSA. In fiscal year 2014, less than 1 percent of the federal fleet was commercially leased.

[2]Each federal agency is responsible for managing its vehicle fleet, whether owned by the agency, leased from GSA, or leased from a commercial vendor.

[3]For example, a bill has been introduced that directs agencies to reduce obligations for vehicles; S. 427, 114th Cong. (2015). In addition, proposed legislation directs the Departments of the Interior, Agriculture and Energy to reduce their owned light vehicles by 10 percent for each of the next 5 fiscal years. See H.R. 3592, 114th Cong. (2015).

GAO-16-136 GSA Leased Vehicles

practices may hinder or enhance opportunities for agencies to reduce costs associated with their fleet sizes. You asked us to review federal leased-vehicle data and agencies' efforts to measure vehicle utilization. This report addresses: (1) the extent to which GSA data on leased vehicles are reliable, (2) GSA's role in identifying and reducing underutilized leased vehicles, and (3) the extent to which the assessment processes used by selected federal agencies facilitate the identification and removal of underutilized leased vehicles, and any cost savings that could be achieved by reducing any underutilized vehicles.

To determine the extent to which GSA's data on leased vehicles are reliable, we reviewed documentation of GSA's efforts to ensure the reasonableness of data in two databases: Drive-thru and FAST (Federal Automotive Statistical Tool).[4] For the purposes of this review, reliability is defined by two key components: reasonableness and indications of accuracy. While there is no single federal criterion for determining reasonableness, we assessed reasonableness by comparing GSA practices against federal internal control standards; Office of Management and Budget (OMB) guidance; and GAO standards for assessing data reliability set forth in prior GAO work.[5] See appendix I for more details on how we defined reasonableness. We also evaluated Drive-thru for indications of accuracy.[6] Specifically, we analyzed approximately two

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[4]Drive-thru is a portal that agencies use to access data in GSA's Fleet Management System. This system stores information on GSA leased vehicles and is updated on an ongoing basis. FAST is a tool that collects data on leased and owned vehicles during an annual reporting cycle.

[5]See GAO, *Standards for Internal Control in the Federal Government,* GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999); and GAO, *Assessing the Reliability of Computer-Processed Data*, GAO-09-365G (Washington, D.C., February 2009.)

[6]Accuracy can only be positively determined through individual examinations of vehicles, which were impractical given that more than 160,000 vehicles were included in the Drive-thru analysis. Therefore, we limited our assessment to indications of accuracy, such as the frequency of improbable entries, as determined through data analysis. We did not assess FAST for indications of accuracy as GSA is not responsible for the accuracy of the data reported.

dozen Drive-thru data elements from May 2015—such as odometer readings, vehicle identification numbers (VINs), and type of fuel purchased.[7]

To determine GSA's role in identifying and reducing underutilized leased vehicles, we reviewed applicable federal laws, fleet management regulations, GSA's fleet guidance, and other pertinent GSA documentation and described GSA's role based on the responsibilities delineated in these documents. We also administered a survey regarding the frequency and helpfulness of utilization-related conversations held between GSA Fleet Service Representatives (FSR) and leasing customers (i.e., agency fleet managers or personnel with similar responsibilities) to a non-generalizable selection of 68 leasing customers from five agencies. More details on our selection process are included in appendix I. We received 51 responses (a 75 percent response rate). While not generalizable to all of GSA's leasing customers or the five agencies that we reviewed, the survey responses provide insight into interactions between agency officials and FSRs. These were the same five agencies that we selected to examine agencies' utilization processes: the Bureau of Indian Affairs (BIA), the National Aeronautics and Space Administration (NASA), the National Park Service (NPS), the U.S. Air Force (Air Force), and the Veterans Heath Administration (VHA). BIA and NPS are both sub-agencies under of the Department of the Interior (Interior), and VHA is a sub-agency under the Department of Veterans Affairs (VA).[8] We selected these five agencies to include a mix of: (1) fleet sizes, but none smaller than 1,000 vehicles, (2) military and civilian fleets, (3) fleets

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[7]Drive-thru contains hundreds of data elements on each leased vehicle, including information on accidents, maintenance, vehicle characteristics, and fuel use. We limited our analysis of accuracy indications to the elements provided in GSA's vehicle inventory and fuel use reports, as these elements are related to utilization and federal reporting. Due to the large number of vehicles included in this analysis, we examined several million data points during our examination of the 23 data elements under review; however, this is a selection of the total data available in Drive-thru and our findings cannot be generalized more broadly to other Drive-thru data elements.

[8]Although BIA, NPS, and VHA are sub-agencies, for clarity we refer to Air Force, BIA, NASA, NPS, and VHA as "agencies" throughout this report. Findings on these agencies can neither be generalized to their overarching agency nor other federal agencies.

with varying annual mileage compared to federal miles-traveled guidelines, and (4) agencies' use of telematics, among other considerations.[9]

To determine the extent to which the selected agencies' assessment processes facilitate the identification and removal of underutilized leased vehicles, we analyzed the agencies' regulations and other relevant documentation on their utilization review processes. We compared agency processes to the Standards for Internal Control in the Federal Government (Green Book).[10] We also obtained fiscal year 2014 data from Drive-thru for a selection of vehicles from each of the five agencies under this review, and asked each agency to identify whether or not the vehicles had justification documentation or had passed a justification review, among other categorization requests.[11] We analyzed the costs paid to GSA for any selected vehicles where agency processes did not facilitate the identification and removal of potentially underutilized vehicles.[12]

To address all of our objectives, we interviewed officials from GSA and each of the selected five agencies. For more information about our scope and methodology, please see appendix I.

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[9] The term "telematics" refers to a technology that combines telecommunications and information processing to send, receive, and store information related to remote objects, such as vehicles. Agencies that use telematics may have more opportunities to measure utilization than agencies that do not use such technology. For more information on telematics, see GAO, *Federal Vehicle Fleets: GSA Has Opportunities to Further Encourage Cost Savings for Leased Vehicles*. GAO-14-443 (Washington, D.C., May 7, 2014.)

[10] See GAO, *Standards for Internal Control in the Federal Government*. GAO/AIMD-00-21.3.1 (Washington, D.C., November, 1999). The Federal Managers' Financial Integrity Act of 1982 requires GAO to prescribe standards for internal control in government. See 31 U.S.C. § 3512(c).

[11] In order to examine a manageable number of vehicles for this methodology, our analysis excluded leased passenger vehicles and light trucks that were (1) leased by more than one agency during fiscal year 2014, (2) emergency responder vehicles, (3) law enforcement vehicles, or (4) located outside the continental United States, among other limited exclusions described in appendix I. The vehicles used in our analyses and calculations are referred to as the "selected vehicles" throughout this report. The vehicle exclusions used for this analysis are not identical to the exclusions applied to the vehicles used to evaluate the reliability of Drive-thru, as the analytical purposes differed; however, there are some similarities. For example, both datasets exclude law enforcement vehicles due to the potentially sensitive nature of releasing data about those vehicles outside of GSA.

[12] We determined that the cost data (i.e., the costs paid to GSA for the selected vehicles) were sufficiently reliable for our purposes. See appendix I for further details on cost calculations and limitations.

We conducted this performance audit from February 2015 to January 2016 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Agencies use vehicles in many ways, as vehicles support agency efforts to achieve various mission needs. These needs can be diverse, as demonstrated by the vehicle uses of the five agencies we selected for review: ferrying clients, conveying repair equipment, hauling explosive materials, and transporting employees, among others (see table 1.)

Table 1: General Services Administration (GSA) Leased Fleets and Owned Fleets at Selected Agencies, Fiscal Year 2014

Agency name	Number of selected leased vehicles	Total number of GSA leased vehicles	Total number of owned vehicles	How agencies told us they use these vehicles
Air Force	5,001	17,094	29,481	The Air Force vehicle fleet operates in various terrains, both domestic and foreign. Vehicles support aircraft repair and maintenance efforts, civil engineering projects, base maintenance, first responders, and multiple other purposes. **Vehicle types most commonly used:** trucks, sedans, and vans.
Interior	2,927	9,670	23,819	Interior uses its vehicles in rugged terrain and remote locations to support the department's mission of managing the nation's natural resources and cultural heritage; providing scientific and other information about those resources; and honoring responsibilities or special commitments to Native Americans, and other communities. **Vehicle types most commonly used:** trucks and sport utility vehicles.
Bureau of Indian Affairs	1,310	2,075	2,921	
National Park Service	1,617	4,635	6,958	
NASA	1,054	2,131	1,215	NASA uses vehicles to support the ground functions of its four mission directorates, which include aeronautics, spaceflight, space exploration, and science. For example, vehicles haul explosive materials, transport repair equipment, and carry employees or contractors across space center campuses. **Vehicle types most commonly used:** trucks.
VA	6,608	14,305	4,668	VA uses vehicles to help provide health care, benefits, and memorial services to America's veterans and their families. The Veterans Health Administration uses most of these vehicles to assist in its mission of providing comprehensive care to more than 8.8 million veterans a
Veterans Health Administration	6,608	2,703	4,448	

Agency name	Number of selected leased vehicles	Total number of GSA leased vehicles	Total number of owned vehicles	How agencies told us they use these vehicles
				year, such as transporting veterans to health care facilities. **Vehicle types most commonly used:** sedans, minivans, and shuttle busses.

Source: 2014 Federal Fleet Report, agency-provided data, and GAO analysis of agency information. | GAO-16-136

Agencies may own or lease the vehicles in their fleets and are responsible for managing their vehicles' utilization in a manner that allows them to fulfill their missions and meet various federal requirements. For example, agencies determine the number and type of vehicles they need to own or lease and when a vehicle is no longer needed to achieve the agency's mission.[13] Statutes, executive orders, and policy initiatives direct federal agencies to, among other things, collect and analyze data on costs and eliminate non-essential vehicles from their fleets. For example, every year agencies provide an update on their progress in achieving the inventory goals determined by their Vehicle Allocation Methodology (VAM), such as the type and number of vehicles in their fleets. These updates are reviewed by GSA's Office of Government-wide Policy (OGP), which provides feedback on agencies' submissions.

Federal provisions on vehicle justifications and determining what makes a vehicle "utilized" are detailed in the Federal Property Management Regulations (FPMR). Specifically, the FPMR provide how agencies can define utilization criteria for the vehicles that they use.[14] According to GSA's OGP, the only requirement in the utilization portion of the regulations is for agencies to justify every full-time vehicle in their respective fleets, though the regulations do not specify how these justifications should be conducted.[15]

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[13] We previously reported that decisions about fleet investments should be informed by an analysis of the lifecycle costs of owning and operating a vehicle, and that such analysis can help agencies decide whether to purchase or lease a new vehicle. In 2013, we found that while 8 of the 10 agencies we reviewed told us that they were analyzing lifecycle costs to make lease versus ownership decisions, some agencies did not consider all types of costs in their analyses. GSA has since issued guidance to agencies regarding how these costs can be calculated. See GAO, *Federal Vehicle Fleets: Adopting Leading Practices Could Improve Management.* GAO-13-659 (Washington, D.C., July 31, 2013).

[14] The FPMR are issued and administered by GSA. The regulations on utilization are codified at 41 C.F.R. § 101-39.301.

[15] According to GSA's OGP, agencies must justify all full time vehicles. According to GSA, "full time" vehicles do not include short term rental vehicles. In addition, agencies may be required to provide written justification for vehicles. 41 C.F.R. § 101-39.302.

The FPMR recommend—but do not require—that the annual mileage minimum for passenger vehicles be 12,000 miles, and 10,000 miles for light trucks. However, according to GSA officials, mileage is not the only appropriate indicator of utilization for some vehicles' missions. For example, GSA officials stated that it would be inappropriate to set a mileage expectation for an emergency responder vehicle or a vehicle that supports national security requirements because those vehicles are only needed in specific circumstances and may not accrue many miles. Thus, the FPMR state that the aforementioned mileage guidelines "may be employed by an agency…[but] other utilization factors, such as days used, agency mission, and the relative costs of alternatives to a full time vehicle assignment, may be considered as justification where miles traveled guidelines are not met."[16] Therefore, according to GSA officials, agencies are allowed to define their own utilization criteria, which may include adopting the miles-traveled guidelines from the FPMR, using mileage minimums above or below the FPMR, or employing other metrics.

According to GSA officials, agencies may choose to define their selected utilization criteria in their internal policies, and vehicles meeting those criteria would be considered justified under the regulations. However, if a vehicle does not meet the utilization criteria specifically described in agency policy, the FPMR permit agencies to individually justify a vehicle using criteria the agency finds appropriate for that specific vehicle. The regulations do not specify the frequency with which the justifications (either as determined by agency policy or individually determined) must be conducted, updated, or reviewed. Agencies decide what vehicles are needed to help the agency meet their mission at any given point in time. While GSA provides guidance, the ultimate decision-making power lies with the agency leasing the vehicle.

Federal agencies can use GSA Fleet to acquire leased vehicles. According to GSA, under this arrangement an agency informs GSA Fleet what kind of vehicle is necessary for its mission. GSA Fleet fulfills the agency's request by either purchasing a new vehicle (owned by GSA but leased to the agency), or providing a vehicle from GSA's existing inventory (owned by GSA and previously leased to another agency). GSA Fleet's primary mission is to provide the "best value" to its customers and the American people. GSA Fleet's leasing rates are designed to recover

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[16]41 C.F.R. § 101-39.301.

all costs of its leasing program,[17] but the exact cost of a lease depends on the type of vehicle and the number of miles traveled during the lease period, among other factors. For example, a conventionally fueled subcompact sedan has a 2015 fixed rate of $153 per month and mileage rate of $0.13 per mile traveled. GSA Fleet's fixed rate is designed to cover fixed costs such as GSA Fleet staff and vehicle depreciation, whereas the mileage rate is designed to cover variable costs such as fuel and maintenance. Agencies are responsible for any costs associated with damage or excessive wear and tear over the course of the lease—typically 3-7 years for a passenger vehicle. We previously reported that, according to GSA officials and fleet managers from military and civilian fleets, GSA Fleet's vehicle lease rates are typically lower than the commercial sector and provide a more economical choice for federal agencies.[18]

GSA Fleet collects data on leased vehicles to assist with billing as well as help agencies manage their leased-vehicle fleets. GSA Fleet's Fleet Management System (FMS) contains most of this data. The portal used by agencies to access the data in GSA's FMS is called Drive-thru. Drive-thru offers a suite of applications, including tools to analyze crash data and report mileage. As Drive-thru is the primary portal through which customers can access GSA's leasing data, some customers refer to the underlying database as Drive-thru as well. While Drive-thru is the name of the exterior-facing access portal rather than the database itself, we will refer to the database as Drive-thru for the purposes of this report to reflect the language commonly used by GSA's leasing customers.

Drive-thru stores hundreds of data elements on each vehicle, including manufacturer-provided information such as make, model, and fuel efficiency; agency-reported data such as monthly mileage; and data obtained through fleet cards (charge cards) such as quantity and type of fuel purchased. Agencies can import information from Drive-thru into their own internal fleet management systems and, according to multiple agency officials, generally rely on GSA Fleet to ensure Drive-thru's accuracy, as identifying and correcting erroneous data can be time consuming and difficult. However, agencies can change the data they

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[17]GSA is required by law to recover all costs it incurs in providing vehicles and services to federal customers. See 40 U.S.C. § 605.

[18]See GAO-14-443.

receive from Drive-thru after data enter an agency's internal fleet management system but before they are externally reported.

GSA's OGP co-manages and co-funds a web-based reporting tool—the Federal Automotive Statistical Tool (FAST)—with the Department of Energy (DOE). FAST gathers data from federal agencies about their owned and leased vehicles to satisfy a variety of federal-reporting requirements, including the annual Federal Fleet Report.[19] According to the Office of Management and Budget (OMB), it is the leasing agencies, not GSA or DOE, which are responsible for the accuracy of the data agencies report to FAST. As a result, while GSA's OGP helps compile the information from FAST that populates the Federal Fleet Report, the accuracy of the Federal Fleet Report is dependent on the accuracy of the data that agencies report to FAST.

The Federal Fleet Report provides an overview of federal motor vehicle data, such as number of vehicles and related costs. A comparison of the reports from fiscal years 2012 through 2014 shows that the overall quantity of leased vehicles varies slightly from year to year, but the costs have consistently decreased. For example, in fiscal year 2013, federal agencies leased 183,989 vehicles at a cost of approximately $1.06 billion. In fiscal year 2014, federal agencies leased slightly more vehicles— 186,214—but the costs dropped to $1.03 billion, as shown in table 2. GSA officials explained that the cost reduction is attributable in part to agencies' decisions to lease smaller, less expensive vehicles.

Table 2: Total Size and Cost of the Federally Leased Fleet, Fiscal Years 2012-2014

	FY2012	FY2013	FY2014
Quantity of Vehicles	190,689	183,989	186, 214
Cost	$1.12 Billion	$1.06 Billion	$1.03 Billion

Source: 2012, 2013 and 2014 Federal Fleet Reports. | GAO-16-136

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[19]The *Federal Fleet Report* is an annual summary of federal fleet statistics based upon fleet composition at the end of each fiscal year and vehicle use and cost during the fiscal year. It is a federal report compiled by GSA from information submitted by federal agencies. Review of the report assists government agencies in evaluating the effectiveness of the operation and management of individual fleets to identify high cost areas where fleet expenses can be reduced.

Although GSA collects and reports information on leased vehicles, GSA does not have responsibility for tracking how agencies use vehicles or identifying underutilized vehicles.[20] Nevertheless, some of the services that GSA Fleet provides are related to utilization.[21] For example, to help streamline customers' vehicle leasing experiences, in 2014 GSA employed approximately 330 liaisons called Fleet Service Representatives (FSR). FSRs are expected to answer local customers' questions about vehicle acquisition, provide assistance when vehicles need services, and help customers understand the various leasing terms and products offered by GSA Fleet. According to GSA Fleet, FSRs should discuss utilization with leasing customers at least annually as part of other business discussions.

GSA Data on Selected Leased Vehicles Are Generally Reliable

We found the data we reviewed in Drive-thru to be generally reliable as GSA has taken steps to ensure that the data are reasonable, although a few data elements have indications that those data could be more accurate.[22] While GSA is not responsible for the accuracy of data in FAST, it has taken appropriate steps to ensure the data are reasonable.

GSA's Efforts Support the Reliability of Selected Drive-thru Data

GSA is responsible for ensuring that the information that it is providing to customers in Drive-thru is reliable (i.e., both reasonable and accurate). It is important that data in Drive-thru are reliable because reports that are generated via Drive-thru represent a service that GSA is directly providing

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[20]There are limited exceptions, as GSA is responsible for identifying and acting on certain types of leased-vehicle usage, such as cases of fraud, waste, and abuse. For example, GSA's Loss Prevention Team oversees the fleet card transactions as directed by both program guidelines and OMB's *Circular No. A-123*, "Appendix B, Improving the Management of Government Charge Programs."

[21]For detailed information on the services provided by GSA's leasing program, see GAO-14-443.

[22]For the purposes of this review, reliability is defined by reasonableness and indications of accuracy. GSA is responsible for gathering and managing data in the Drive-thru system, so we tested Drive-thru data for both reasonableness and indications of accuracy. As GSA is only responsible for ensuring that the FAST data reported by agencies are reasonable, not accurate, we did not test FAST data for indications of accuracy.

to customers to help them manage their fleets.[23] Agencies also use Drive-thru when fulfilling federal fleet reporting requirements. For example, agencies can download a report about their leased vehicles from Drive-thru. The report then can be directly uploaded into FAST to meet annual reporting requirements on the leased fleet's size and costs. Incorrect data in Drive-thru can therefore hinder agencies' abilities to manage their leased fleets or could compromise the integrity of federal reports.

Reasonableness of Selected Drive-thru Data

A basic test of reliability is whether the data are reasonable. Using the guidance provided in three key sources, we developed an analytical framework for measuring the "reasonableness" of data, as there is currently no universally accepted standard for such a measurement.[24] Each of these key sources discusses three topics, which we use as our standard for reasonableness of data: (1) electronic safeguards, such as error messages for out-of-range or inconsistent entries; (2) a review of data samples to ensure that key fields are non-duplicative and sensible; and (3) clear guidance to ensure consistent user interpretation of data entry rules.

Based on the data we reviewed, we found that GSA has taken appropriate steps to ensure the selected Drive-thru data are reasonable. Specifically, GSA uses electronic safeguards when data are entered into Drive-thru. For example, error messages appear if a user enters an odometer reading such as 12345, 99999, 00000, 654321 or a reading that differs 9,999 or more miles from the previous month's entry. Similarly, GSA uses a validation program to catch vehicle identification number

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[23]Drive-thru contains a variety of applications, including tools to order a new fleet card or examine data associated with vehicle accidents. While these data and tools are relevant to fleet management, not all of the data are related to the *Federal Fleet Report* or the costs associated with underutilized vehicles. We analyzed Drive-thru data that are related to the *Fuel Use Report* and the *Inventory Report*, which GSA makes available to agencies to help them manage their fleets. *Inventory Reports* can be generated at various levels within an agency, from an agency-wide perspective, down to an individual vehicle tag number. Customers may customize reports by selecting the specific fields they need, or they may select a pre-formatted report to review inventory and/or for loading data into FAST. The Fuel Use Report allows agencies the ability to monitor fuel use down to the vehicle and transaction level.

[24]These key sources were (1) GAO-09-365G, which provides guidance on how to assess the reliability of data; (2) OMB's *Circular No. A-123*, which defines management's responsibility for internal controls in the federal government, and (3) the 2014 and 1999 versions of the GAO Green Book, which provide standards for internal control in the federal government.

(VIN) entry errors. VIN barcodes are scanned into GSA's system unless they must be manually entered due to barcode damage. For both scans and manual entries, software validates that the entered VIN meets the check digit calculation.[25]

In addition, GSA verifies some data during reconciliations and other post-entry checks. For example, customer mileage entries are routinely monitored by GSA's Loss Prevention Team (LPT) for abnormal inputs. If entries for a specific vehicle are consistently nonsensical, the LPT reviews the activity for signs of fraud and, if likely fraudulent, forwards to the appropriate Inspector General's office for investigation. For entries that are consistently nonsensical but are not likely fraudulent, the LPT notifies the designated FSR for follow-up with the customer. The FSR is then tasked with emphasizing to the customer the importance of entering valid odometer readings in the future.[26]

Lastly, GSA reported that it provides guidance on how to enter vehicle-related information into Drive-thru to the people who are responsible for entering different types of data. Generally, information about the vehicle itself is the responsibility of GSA or its agents (such as contractors—known as "marshallers"—who enter manufacturer-provided data at the time GSA receives the vehicle). GSA provides a handbook to marshallers that explains how the marshallers should use the software that collects information and transmits it to GSA's system. Similarly, GSA provides a Drive-thru guide to customers that explains how customers should enter certain types of information into Drive-thru; [27] however, GSA does not provide instructions regarding how customers should inform GSA if their contact information will change. The lack of such guidance may have been a contributing factor in the inaccuracies we found in the customer contact data, as discussed in the next section on indications of accuracy in Drive-thru data; however, according to GSA officials, planned changes to GSA's

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[25]The last digit of a bar code number is a computer check digit which validates that the bar code is composed correctly.

[26]Because Drive-thru is a "live" system that provides a real-time snapshot of the fleet versus a primarily historical record, correcting previously entered mileage data is not always possible, as these data are updated on a monthly basis.

[27]Leasing customers enter a few limited data elements into Drive-thru, like monthly odometer readings, whether or not the vehicle will be used as a law enforcement vehicle, and their email address.

customer ID protocols will remove the need for such guidance in the future.

Indications of Accuracy in Selected Drive-thru Data

A second test of data reliability is accuracy; however, we tested for indications of accuracy in the data, as verifying the data accuracy itself would have required extensive examination of individual vehicles, which was beyond the scope of this review.[28] We performed tests on a selection of nearly two dozen Drive-thru data elements from May 2015 for selected vehicles and determined that there are numerous indications of accuracy associated with the data we reviewed.[29] For example:

- Almost 100 percent of 9 vehicle inventory fields, including make, manufacturer name, fuel type, VIN, and model year, have no missing data. One vehicle was missing the manufacturer name.
- Three entries indicated the presence of a luxury manufacturer entry (all for Audi), an error rate of less than one hundredth of one percent.[30]
- .07 percent of records for sedan fuel tank sizes exceeded 20 gallons.[31] Although sedan fuel tank sizes vary and can change from year to year, few midsize sedans have 20 gallon tanks. Therefore, fuel tanks larger than 20 gallons might indicate a data error.

[28]We also interviewed officials from the five selected agencies regarding their perceptions of Drive-thru's accuracy. All stated that they believed that the data were generally accurate. Some officials described areas of concern that are reflected in our analysis, such as errors in fuel type coding. Other concerns raised by the officials were either not possible to verify without an inspection of the actual vehicles or outside the scope of this engagement.

[29]The analysis covered 161,867 vehicles that were continuously leased by any federal agency from January-April 2015 (i.e., the vehicles were not reassigned to another agency during this time frame). We did not include vehicles that were identified in GSA's system as law enforcement or emergency responder vehicles due to sensitivity concerns. We did not include vehicles in Europe because those data are kept separately.

[30]GSA does not lease luxury vehicles to its customers, so there should be no such entries. While we did not examine these three vehicles in person to determine the correct manufacturer, all three vehicle entries had several other characteristics—such as model name—of other, non-luxury vehicles, indicating that these three manufacturer entries are errors. GSA officials agreed that these were errors as GSA does not have any contracts with Audi North America or any of its authorized dealers. They stated that the manufacturer data for these vehicles will be corrected and GSA Fleet Systems and Acquisition will coordinate to ensure that old or non-applicable manufacturer codes and names are not made available in the ordering guide to prevent future errors.

[31]GSA's fraud-detection efforts rely in part on the accuracy of fuel tank sizes, as GSA compares the quantity of fuel purchased at any given time against the tank's capacity.

Despite the overall indications that the selected Drive-thru data are accurate, there are three areas where we found indications that the data may be less accurate than the other information we studied: fuel type coding, odometer entries, and customer contact data. According to federal internal controls standards, data collection applications—including electronic safeguards such as logic and edit checks—should ensure that all inputs are correct in order to facilitate accountability and effective stewardship of government resources.[32]

First, we found that while most fuel-type-coding data appear to be accurate, gas stations coded pumps incorrectly in at least some cases from January through April 2015,[33] and possibly in as high as 46 percent of cases.[34] For example, drivers of vehicles with E-85 fuel types were reported to have purchased compressed natural gas or biodiesel. We were not able to determine the precise number of instances where fuel had been miscoded; however, because some vehicles use more than one type of fuel—for example, "flex fuel" vehicles can operate on either regular gasoline or an alternative fuel known as E-85, which is a blend of gasoline and ethanol. Given the data available, we were not able to determine which fuel the user actually selected and were thus unable to determine which purchases were coded incorrectly by the gas station. The high end of the error range (46 percent) would mean that each uncertainty was resolved as a fuel-pump-coding error by the gas station, an error that GSA officials said was extremely improbable. These officials noted that they believed the actual error rate was substantially lower. However, GSA officials agreed that pump miscodings compromise data accuracy and noted that GSA has worked with fueling station owners and relevant associations to reduce fuel pump miscodings. However, GSA officials stated their ability to affect change is highly limited, as the miscodings occur at the point of sale and there is no incentive for the fueling stations to correct the miscodings.

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[32]GAO/AIMD-00-21.3.1.

[33]When users purchase fuel for a GSA leased vehicle, they pay using a fleet card (i.e., a charge card issued by GSA). The fleet card automatically reports the type of fuel purchased to GSA, but the accuracy of the reported data depends on whether or not the gas station properly coded the pump to report the correct fuel type.

[34]We were able to determine a definite mismatch in 0.66 percent of cases, with another 45.5 percent of cases remaining uncertain. Most uncertainties in the dataset involve E-85 versus regular gasoline. It is possible that in some cases the pump recorded a purchase of regular gasoline when, in fact, the purchase was for E-85.

In addition to fuel type miscodings, we found that 3 percent of monthly odometer entries in May 2015 were lower than the previous month's odometer reading.[35] An odometer reading that decreases from one month to the next indicates that there was an error at some point in time—either the previous month's entry was too high, or the current month's entry is too low. Monthly odometer readings are supplied by agencies as part of the billing process, and odometer errors result in temporary billing errors as agencies pay additional fees based on mileage. GSA officials stated that they cannot be certain of a vehicle's odometer reading until the vehicle is returned to them at the end of the leasing period and that they typically depend on the leasing agency to correctly report the odometer readings.[36] According to GSA officials, as part of the monthly odometer-data collection process GSA's system warns users that they may have entered incorrect data if the reported odometer reading is 9,999 miles greater than or less than the previous month's odometer reading. Users would then be able to correct the data before submitting it to GSA.

GSA officials stated that they chose the 9,999 mile warning point because they did not want the system to generate cautionary messages to customers when there was a valid reason for the mileage difference. The officials explained that there are legitimate reasons why the previous month's odometer reading might be higher than the current month's reading. For example, if the agency relied on GSA to estimate mileage in the previous month and the estimate was too high, the agency's correction in the current month could result in a lower odometer reading. GSA officials said that they did not want the system to incorrectly flag these instances, and that they have no plans to evaluate the current safeguard. However, using such a large mileage difference to trigger a warning means that GSA may be unlikely to catch the majority of errors. We found 52 cases where the mileage difference was 9,999 miles or greater, but more than 4,800 cases where the previous month's odometer reading exceeded the current month's reading. We also found that the average monthly odometer difference for our selected vehicle data is 564

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[35]Because the previous month's odometer reading is a data entry field, we were able to calculate the frequency of this occurrence for the May 2015 data. However, because the data are a snapshot of time, not a historical record, we were not able to repeat this test for other months.

[36]GSA can estimate an odometer reading based upon the vehicle's previous travel if an agency does not report the reading in time for the billing cycle.

miles per month, with 95 percent of vehicles driving less than 2,482 miles per month, as shown in table 3.

Table 3: Mileage Difference between Previous and Current Month Odometer Readings for Selected Vehicles, May 2015

Number of observations[a]	Median	75th percentile	90th percentile	95th percentile
157,053	564	1,149	1,907	2,482

Source: GAO analysis of GSA leased vehicle data. | GAO-16-136

[a]We removed vehicles that had indications of error from these calculations, such as vehicles with previous odometer readings that were higher than the current readings, negative mileage, or other concerns.

Although the resulting billing errors can be resolved the following month and the overall error rate is low, resolutions take time and resources for both GSA and the customer. Evaluating the current warning and adjusting it accordingly could help improve the accuracy of the data and therefore help reduce these costs, and GSA officials stated that changing the existing safeguard would not be costly. Further, GSA's edit check for odometer readings is not consistent with federal internal control standards that call for agencies to pursue data accuracy when possible and cost-effective.

Lastly, we found that customer contact data, such as the name and e-mail of the individual whom GSA should contact for vehicle-related services, is not always correct. As mentioned previously, GSA's customer-leasing guide does not provide guidance regarding how customers should proceed if the vehicle's point of contact will change. In addition, according to GSA officials, the customer ID number—which is how customers sign in to Drive-thru—is associated with the customer's fleet, not the customer points of contact themselves. As a result, customer contact data are updated manually by FSRs after FSRs detect a problem, such as a returned e-mail after the previous point of contact leaves the agency. Several FSRs stated that the manual updates are time-consuming. Moreover, one FSR we interviewed stated that the current process relies on the initiative of FSRs to ensure accuracy. Without accurate customer contact data, it is more difficult for FSRs to communicate with agencies about vehicles, including whether certain vehicles are still needed. Two FSRs stated that turnover in customer agency fleet management is high.

Such turnover exacerbates the difficulty associated with maintaining the accuracy of these data.[37] According to GSA officials, planned changes to Drive-thru in 2016 will resolve this issue, as customer IDs will no longer be assigned to a fleet. Rather, each customer will have that individual's own individual user account, profile, and password. In addition, the customer ID will be the individual customer's e-mail address instead of a number, a step that GSA officials anticipate will resolve the difficulties associated with updating the user contact information.

GSA Takes Steps to Ensure the Reasonableness of FAST Vehicle Data

GSA is not responsible for the accuracy of data reported to FAST, a data collection system that GSA co-manages with DOE. Rather, OMB's Circular A-11 provides that agencies are responsible for reviewing and correcting fleet data prior to submitting them through FAST.[38] However, GSA's OGP has a role in ensuring the reasonableness of FAST data as a partner in the FAST management team. In this role, GSA focuses on data relevant to fleet management, such as overall inventory, cost, and utilization metrics. We found that GSA's OGP has taken appropriate steps to ensure the fleet management data reported to FAST are reasonable. Specifically, (1) GSA is aware of the electronic safeguards built into FAST for fleet management data; (2) GSA examines some of the data after it is submitted by agencies and flags entries for correction; and (3) GSA provides guidance to agencies on how to properly enter information into FAST.

According to GSA, it shares responsibility with DOE for implementing and managing electronic safeguards for FAST. GSA and DOE collaborate to implement logic checks, which both parties use to determine the reasonableness of the data.[39] We also found that GSA has a process for reviewing data after they are entered by an agency. If, for example, a significant increase in a specific type of fuel use is not matched by a similar increase

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[37]While it was not within the scope of this audit to determine the frequency with which customer contact data changes across the federal government, we found that five of 67 selected customer contact entries (approximately 7.5 percent) were no longer correct one month after we requested the respective agencies verify their accuracy.

[38]Instructions for OMB's *Circular A-11* Fleet Data Reporting in FAST.

[39]The Department of Energy's Idaho National Laboratory, the FAST's developer and administrator, has integrated 222 logic checks within FAST. Some of these logic checks cover cost, utilization, and inventory-related metrics of interest to GSA. For example, if fuel costs are present then fuel consumption must also be present.

in inventory, mileage, or cost, then GSA flags the data for verification with the agency. While it is not known how often GSA finds entries that it recommends for agency review, GSA reported that during both the 2013 and 2014 FAST reporting cycles, a few agencies experienced difficulties that required GSA to help resolve data issues (for example, re-opening FAST after the close of the data call). Lastly, we found that GSA provides guidance to agencies on how to properly enter information into FAST in a variety of formats, including (1) written instructions to users, (2) written instructions to administrators, (3) presentations at quarterly meetings, (4) one-on-one sessions with individual agencies upon request, (5) online demonstrations, and (5) official guidance in the form of Federal Management Regulation (FMR) bulletins.[40]

GSA's Role Focuses on Providing Guidance and Advice to Agencies on Identifying and Reducing Underutilized Vehicles

GSA has a limited role in identifying and reducing underutilized leased vehicles, as agencies are responsible for managing their vehicle fleets. GSA is not responsible for monitoring agencies' vehicle utilization policies. Rather, according to GSA officials, GSA focuses on providing guidance and advice to federal agencies on utilization by (1) developing written guidance and reviewing agencies' Vehicle Allocation Methodology (VAM) update submissions and (2) holding conversations with federal agencies' fleet managers about vehicle utilization at least annually.

GSA's OGP provides written guidance in the form of bulletins to federal agencies to implement legislation, executive orders, and other directives, but agencies are not legally required to follow this guidance. For example, in May 2011, a Presidential Memo (implementing a 2009 Executive Order) required GSA to develop and distribute VAM guidance to federal agencies for determining their optimum fleet inventory.[41] In response, GSA provided such guidance to agencies in August 2011. Specifically, the guidance directed agencies to survey the utilization of vehicles each year, but agencies were not required to follow the guidance and some agencies chose to continue using their existing processes even though those

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[40]For example, FMR Bulletin B-29 provides guidance to agencies regarding the reporting of their passenger vehicle inventory (limousines in particular) within FAST. FMR Bulletin B-38 provides guidance to agencies regarding the estimation, identification, categorization, and reporting of indirect costs of operating a fleet of motor vehicles.

[41]See Executive Order 13514—Federal Leadership in Environmental, Energy, and Economic Performance, October 5, 2009, which was revoked by Executive Order 13693. 80 Fed. Reg. 15871 (Mar. 25, 2015).

processes differed from the GSA guidance. For example, some agencies' fleet managers (including those from NASA, according to NASA officials, and those from the U.S. Navy, according to GSA officials) believed that the processes they already had in place fulfilled the intention of the guidance.[42] In addition to providing written guidance, GSA has voluntarily reviewed utilization information covered in agencies' VAM update submissions and has sometimes made broad recommendations to agencies based on those reviews.[43] For example, in the 2014 VAM review, GSA recommended that all executive federal agencies establish and document specific vehicle utilization criteria for motor vehicle justification, that the criteria be reviewed at least annually, and that action be taken when underutilized vehicles are identified.[44]

GSA officials told us that another aspect of the agency's role in identifying and reducing underutilized leased vehicles is to provide advice to federal agencies' fleet managers at least annually through conversations about utilization. According to GSA officials, this advisory role is intended to help the federal government save money by providing agencies with support needed to make wise business decisions. In addition, GSA officials explained that during conversations with fleet managers, FSRs might discuss the agency's overall fleet size, vehicle replacement options, or may suggest that a larger vehicle is no longer needed when a smaller one will suffice. [45] For example, one NASA fleet manager told us that his FSR

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[42]In June 2015, implementing instructions for Executive Order 13693 required GSA to issue new guidance on the criteria and structure of VAM submissions. According to a GSA official, GSA provided a portion of this new guidance, related to streamlined reporting requirements, to agencies through FAST on October 5, 2015. This official also stated that GSA will provide the remainder of the new guidance to agencies by October 2016. Although the new guidance was to be issued by September 8, 2015, and effective on October 1, 2015, according to this GSA official, the old VAM guidance is still in effect.

[43]According to a GSA official, GSA will continue to review agency VAM update submissions and utilization topics once the new VAM guidance is issued.

[44]In 2013, GAO recommended that during VAM update submissions, GSA collect information and supporting documentation from agencies on the methods agencies used to produce their fleet optimization targets. The purpose of the recommendation was to help enhance GSA's ability to provide agency feedback. GSA subsequently requested and obtained this information from agencies. See GAO-13-659.

[45]According to a GSA official, when FSRs converse with fleet managers about leased vehicle utilization, FSRs are expected to discuss utilization in terms of mileage only, although there are other utilization metrics that agencies may use, such as days used or agency mission requirements. See 41 C.F.R § 101-39.301.

coordinated the exchange of two larger vehicles in his fleet for two smaller vehicles for the purposes of downsizing and reducing fuel consumption.

To improve our understanding of these utilization conversations and to examine their usefulness, we sent a non-generalizable survey to 68 fleet managers for our five selected federal fleets.[46] While the responses are not representative of either the experiences among our five selected agencies or the federal fleet as a whole, they do provide insight into activities that are otherwise undocumented. Fifty one fleet managers responded, with the majority of them (41) reporting either having decision-making authority or collaborating with their supervisor to make decisions about vehicle acquisition and disposal. Of the 41 respondents with a role in the vehicle's acquisition and disposal decision-making process, 27 responded that their FSR has communicated with them about leased-vehicle utilization based on mileage.[47] The majority of those decision-makers—25 of the 27—said that these communications were moderately to extremely useful in helping them to manage their leased-vehicle utilization based on mileage. However, 18 of the 51 overall respondents (including 14 of the 41 respondents with an acquisition and disposal decision-making role) said that they had never discussed utilization based on mileage with their FSR. [48]

GSA's management told us that it believes these conversations are occurring, but may not include the word "utilization," a situation that could

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[46]We use the term "fleet manager" generically in our report as it generally describes the duties that may fall under several fleet-related titles, such as transportation officer. Also, to select the 68 fleet managers, generally, we used GSA's Drive-thru data and selected fleet managers from our five selected federal agencies that were responsible for at least 20 GSA leased vehicles. We then requested that the selected federal agencies provide us with lists of current fleet managers within their agencies and we matched those names to the list of fleet managers from the Drive-thru data. Our survey of fleet managers is non-generalizable, and we cannot project findings beyond the 51 responses we received. For more detail on how the 68 fleet managers were selected, see appendix I.

[47]Our survey question on utilization was: "Measures of vehicle utilization may vary across agencies and may include a variety of measures, such as mileage, trips per month, or other metrics related to the vehicle mission. For the purposes of this survey, communication with your FSR about vehicle utilization is defined solely in terms of mileage. Has your FSR ever communicated with you about leased vehicle utilization based on mileage?"

[48]Twelve of these 14 respondents reported having fleet management duties included in their position for 1 year or more.

explain, in part, why some of our survey respondents reported never having discussed utilization with their FSR. According to GSA officials, the expectation is inherent to the role of the FSR and is made clear to them through training.[49] However, we found indications that not all FSRs are discussing utilization with agency fleet managers. GSA's management does not have a mechanism to help ensure that these conversations are occurring as expected. As a result, GSA may not be able to identify opportunities for FSRs to better assist agencies in identifying and managing their underutilized leased vehicles. Establishing such a mechanism would be consistent with federal internal control standards, which state that agencies should have reasonable assurance that employees are carrying out their duties and that feedback is provided in the event that expectations are not met.

While GSA generally focuses on providing guidance and advice, it has regulatory authority to repossess federal agencies' leased vehicles in some instances, including cases where agencies cannot produce justification for the vehicle.[50] Specifically, the FPMR state that if GSA requests justification for a vehicle, agencies must provide it. If the agency does not provide justification for that leased vehicle, GSA may withdraw the vehicle from further agency use.[51] GSA officials told us that it does not exercise this authority because it would be a significant cost and time burden for GSA to review these justifications.

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[49]According to a GSA official, when FSRs converse with fleet managers about leased-vehicle utilization, FSRs are expected to discuss utilization in terms of mileage only, although there are other utilization metrics that agencies may use, such as days used or agency mission requirements. See 41 C.F.R § 101-39.301.

[50]Other instances under which GSA could repossess a leased vehicle include not maintaining the vehicle to appropriate GSA standards and improper use including reckless driving or use for unofficial purposes.

[51]See 41 C.F.R § 101-39.307

Some Agencies' Processes Do Not Always Facilitate the Identification and Removal of Underutilized Leased Vehicles, Which May Hinder Cost Savings

Some of the agencies we reviewed could not determine if vehicles met utilization criteria, could not provide justifications for vehicles, or kept vehicles that had been determined were not needed. In total, we identified shortcomings in agency processes that affected leased vehicles with an annual cost of approximately $8.7 million.

Agencies Use a Variety of Utilization Criteria, and Two Agencies That Could Not Determine if Some Vehicles Met These Criteria in Fiscal Year 2014 Have Taken Steps to Address the Issues

While the FPMR provide general mileage guidelines that can be used as criteria for vehicle utilization—12,000 miles per year for passenger vehicles and 10,000 miles per year for light trucks[52]—it also authorizes agencies to develop their own criteria to determine vehicle utilization where miles-traveled guidelines are not appropriate. GSA officials stated most vehicles will not meet these guidelines[53] and that agencies are expected to adopt criteria that reflect the vehicles' mission. The agencies in our review used a wide variety of utilization criteria, as shown in table 4.

Table 4: Agencies' Utilization Criteria and Percentage of Selected Leased Vehicles That We Found Met Those Criteria in Fiscal Year 2014

Agency	Agency fiscal year 2014 criteria	Percentage of selected vehicles that met agency criteria[a]

[52]The FPMR do not specifically define passenger-carrying vehicles, although they distinguish them from light trucks, heavy trucks, and other special purpose vehicles. For the purposes of this report, passenger vehicles are defined as sedans and station wagons. According to the FPMR, light trucks must be no greater than 12,500 pounds Gross Vehicle Weight Rating. For the purposes of this report, such vehicles are defined to include SUVs, minivans, and pick-up trucks. For specific information on vehicle definitions and our methodology, see Appendix I.

[53]Agencies are not required to meet these guidelines, and we found that 66 percent of vehicles we reviewed did not meet them. Based on our analysis, the percentage of similar vehicles (i.e., leased, non-emergency, non-law enforcement passenger vehicles and light trucks in the Continental U.S.) that met the FPMR miles-traveled guidelines in fiscal year 2014 was similar across the federal government.

Agency	Agency fiscal year 2014 criteria	Percentage of selected vehicles that met agency criteria[a]
Air Force	• FPMR miles-traveled guidelines • 7,500 miles per year for Sport Utility Vehicles and All Wheel Drive vehicles, and • 2,600 need based criteria	84%
Bureau of Indian Affairs	• FPMR miles-traveled guidelines[b]	76%
National Aeronautics and Space Administration (NASA)	• One quarter of the average miles traveled per year by vehicle type and NASA center[c]	53%
National Park Service	• FPMR miles-traveled guidelines, or • 7,000 miles per year for Multiple Drive vehicles[d]	27%
Veterans Health Administration	• FPMR miles-traveled guidelines • 7,500 miles per year for Sport Utility Vehicles and All Wheel Drive vehicles, or • 15 days used per month	73%
Total	n/a	**71%**

Source: GAO analysis of agency-provided data and GSA data. | GAO-16-136

Note: selected leased vehicles for each agency in our review covered all sedans, station wagons, and light trucks, except those that were: (1) leased by more than one agency during fiscal year 2014, (2) emergency responder vehicles, (3) law enforcement vehicles, (4) tactical vehicles, or (5) located outside the continental United States, among other limited exclusions. The results for these selected vehicles cannot be generalized to vehicles outside of the selected population.

[a]Vehicles that met agency criteria include vehicles from the selected population that the agency reported as meeting its utilization criteria, and vehicles that we calculated as meeting the FPMR's miles-traveled guidelines for that vehicle type during fiscal year 2014. While NASA does not use the FPMR guidelines as criteria, the FPMR miles-traveled guidelines were higher than the minimum mileage criteria used by each center; thus, vehicles that met the FPMR's miles-traveled guidelines also meet the NASA criteria.

[b]FPMR's miles-traveled guidelines are at least 12,000 miles per year for passenger vehicles (e.g., sedans and station wagons) and at least 10,000 miles per year for light trucks.

[c]In fiscal year 2014, the criteria used at NASA centers ranged from a minimum of 275 to 2,418 miles per year. Some NASA Centers do not calculate mileage-based utilization criteria and instead refer all vehicles at those locations for individual review; hence, those vehicles would not "meet" NASA's mileage-based criteria.

[d]Multiple Drive vehicles include 4-wheel drive vehicles, Sport Utility Vehicles, and vans.

One of the five agencies—BIA—uses the FPMR mileage guidelines as its criteria. Three other agencies—Air Force, NPS, and VHA—use the FPMR mileage guidelines for some (but not all) vehicles. NASA does not use the FPMR guidelines as criteria; NASA uses miles-traveled criteria that are lower than the FPMR guidelines. Analyzing the appropriateness of each utilization criteria was beyond the scope of this report. According to GSA officials, all utilization criteria—including mileage criteria below FPMR guidelines—are allowed under the FPMR. While three of our five selected agencies use mileage criteria below FPMR guidelines for at least some vehicles, they are not the only agencies doing so. For example, in fiscal year 2013, the Inspector General (IG) for the Department of Energy

(DOE) found one DOE facility used 2,460 miles per year, an average of 205 miles per month, as its utilization criteria.[54]

Agencies provided a variety of explanations for the utilization criteria they selected:

- Air Force officials stated their vehicles serve very diverse mission needs. In order to ensure they have the right vehicle for each mission need, they developed a software algorithm with over 2,600 criteria that are not all utilization-based. Some criteria include the cost of alternatives and the criticality of a vehicle's contribution to the mission.
- According to BIA officials, the FPMR's miles-traveled guidelines are appropriate utilization criteria for their fleet because their vehicles typically travel long distances across remote areas to meet their mission.
- NPS officials stated they used the FPMR's miles-traveled guidelines as criteria for leased vehicles because the criteria provide the right metrics to meet department needs.[55]
- VHA uses the FPMR's miles-traveled guidelines as well as other miles-traveled metrics and days per month as utilization criteria, which an official said reflects the agency mission of delivering health care.[56] Vehicles only need to meet one criterion to be considered utilized.
- NASA uses miles-traveled utilization criteria that are lower than the FPMR miles-traveled guidelines. NASA policy requires each NASA center to set utilization criteria at 25 percent of the average miles traveled for each vehicle type at their center (see app. II for a list of NASA utilization measurements by center). NASA officials stated they believe this approach is an acceptable business practice, which the agency has used for more than 20 years.

We found 71 percent of the vehicles we selected from the five agencies met these agency-defined criteria, as shown in table 4.

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[54]See DOE, *The Department's Fleet Vehicle Sustainability Initiatives at Selected Locations.* DOE/IG-0896 (Washington, D.C., Oct. 24, 2013).

[55]NPS uses other utilization criteria for its owned vehicle fleet, including mileage minimums that are lower than the FPMR's miles-traveled guidelines.

[56]For sedans and light trucks that are not SUVs or all-wheel drive vehicles, VHA uses the FPMR's miles-traveled guidelines. For SUVs and all-wheel drive vehicles, VHA uses a miles-traveled minimum of 7,500 miles per year, which is lower than the FPMR miles-traveled guidelines for sedans and light trucks. The agency's other criterion is 15 days used per month for all vehicles.

For two agencies—NASA and VHA—we found that the agencies' processes for managing utilization data did not always facilitate the identification of underutilized leased vehicles, although both agencies have taken steps to rectify the identified issues. Specifically, we found:

- NASA did not apply its utilization criteria to 41 vehicles at its Armstrong Flight Research Center because, according to NASA officials, the center's transportation officer retired in 2013 and the replacement did not apply utilization criteria in fiscal year 2014. Without utilization criteria, the center could not determine which vehicles from this center were utilized in fiscal year 2014.[57] The agency paid approximately $137,000 for these vehicles in fiscal year 2014. According to NASA officials, the center's transportation officer conducted a utilization analysis for these vehicles in fiscal year 2015 and the center will continue to follow NASA policy in the future.
- VHA did not safeguard vehicle utilization data at one VHA medical center, as a new employee deleted vehicle utilization data from 2008-2014. This prevented the agency from presently determining whether 343 vehicles had met the utilization criteria in fiscal year 2014.[58] The agency paid more than $1.1 million to GSA in fiscal year 2014 for these vehicles. A VHA official said the agency was previously unaware vehicle utilization data from that medical center had been deleted from the Fleet Management Information System (FMIS) and have counseled the employee responsible regarding the error to ensure that the data are retained in the future.

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[57]Furthermore, the Armstrong Flight Research Center did not individually review the utilization of any of 41 vehicles in fiscal year 2014, which as discussed in the next section, would have been a permitted alternative to meeting broader utilization criteria. However, the Armstrong Center conducted individual reviews of the vehicles that did not meet the minimum utilization standards in fiscal year 2015, and, according to NASA officials, will continue to do so in the future. While fiscal year 2015 vehicles were outside the scope of this review and include some vehicles outside of this review's selected population (e.g., emergency vehicles), the results provide context for the fiscal year 2014 findings. The 2015 review for the Armstrong Flight Research Center reviewed nine vehicles that did not meet NASA's minimum mileage formula. The review concluded that the Center should retain six of these nine vehicles (two of which were emergency vehicles); return one vehicle to GSA; downsize one vehicle for a smaller, more fuel-efficient model; and consider returning one vehicle to GSA. The Center estimated a reduction of $5,000 in annual gross vehicle costs if both vehicles were returned to GSA.

[58]These 343 vehicles are 5 percent of the selected VHA vehicles covered under our review.

Four Agencies in Our Review Could Not Determine If They Justified Some Vehicles, but Two Have Plans to Address the Identified Issues

If vehicles do not meet utilization criteria defined in agency policy, the FPMR provides that agencies must justify vehicles in another manner. The FPMR do not specify how agencies should conduct these justifications or how the justifications should be documented. While the FPMR state that agencies may be required to provide written justification, the regulations do not require agencies to clearly document the justifications before a request to provide such documentation is made. Federal internal control standards state that all transactions and significant events need to be clearly documented and that the documentation should be readily available for examination.[59]

Four of the five agencies in our review could not readily provide justifications for vehicles that had not met utilization criteria defined in agency policy. Cumulatively, these agencies spent approximately $5.8 million in fiscal year 2014 on vehicles where individual justifications could not be located in a timely manner, as shown in table 5 below. Without readily available documentation, the agencies could not determine whether they had justified these vehicles, and whether any of these vehicles should be eliminated from agency fleets.

Table 5: Agencies' Number, Percentage and Cost of Selected Leased Vehicles without Readily Available Individual Justification Documentation in Fiscal Year 2014

Agency	Number of selected leased vehicles without readily available individual justifications	Percentage of the agency's selected vehicle population[a]	Cost paid to GSA for selected leased vehicles without readily available individual justifications[b]
Air Force	413	8%	$1.5M
Bureau of Indian Affairs	282	22%	$1.2M
National Aeronautics and Space Administration (NASA)	0	0%	$0
National Park Service	645	40%	$2.5M
Veterans Health Administration	181	3%	$0.6M

[59]The internal control standards do not specify a maximum amount of time or effort that should be expended to locate records before the records are no longer considered "readily available." However, we determined that, for the purposes of this report, agencies did not meet the intent of the control standard if they informed us that it would pose a substantial burden of time or resources to locate the documentation. We provided each agency several weeks to determine if the vehicles had justification documentation.

Agency	Number of selected leased vehicles without readily available individual justifications	Percentage of the agency's selected vehicle population[a]	Cost paid to GSA for selected leased vehicles without readily available individual justifications[b]
Total	**1,521**	**10% of total selected vehicles**	**$5.8M**

[a]The selected leased vehicles for each agency covered all sedans, station wagons, and light trucks, except those that were: (1) leased by more than one agency during fiscal year 2014, (2) emergency responder vehicles, (3) law enforcement vehicles, (4) tactical vehicles, or (5) located outside the continental United States, among other limited exclusions. The results for these selected vehicles cannot be generalized to vehicles outside of the selected population.

[b]Costs are the amount paid to GSA for these vehicles in fiscal year 2014. We could not determine the costs that could have been avoided or saved because it is unclear how many vehicles without readily available justification documentation—if any—should be eliminated from the fleet, assigned to other tasks, or retained without change to their intended usage.

Air Force

Air Force officials could not readily provide the justifications for 413 vehicles that did not meet the utilization criteria in its software algorithm. The agency paid $1.5 million to GSA in fiscal year 2014 for these vehicles. According to officials, vehicles that do not meet the utilization criteria in the Air Force's algorithm are subject to the agency's justification process, the results of which are stored in the agency FMIS. However, we found that the Air Force's FMIS does not include information on all agency vehicles. Agency officials said justifications for these 413 vehicles are not stored in the Air Force's FMIS and would be difficult to locate because these vehicles are used by the Air National Guard, which has its own justification process. However, Air Force is administratively responsible for these vehicles, according to agency officials.

BIA

BIA officials could not readily provide the justifications for 282 vehicles that did not meet utilization criteria. The agency paid $1.2 million to GSA in fiscal year 2014 for these vehicles. According to these officials, justifications are documented via e-mail, and it would be very challenging to search e-mail for these records as there was no universal format. Moreover, BIA officials said some of the justifications were reviewed by a fleet manager who left the agency, and they were unsure how to retrieve records from that individual's e-mail account. Interior officials stated they will replace BIA's e-mail process with a standardized form accessible through Interior's FMIS in fiscal year 2016.

NASA

NASA was able to provide the justifications for all of its vehicles where it applied utilization criteria and the criteria were not met. NASA policy requires NASA centers to use Vehicle Utilization Review Boards[60] (VURB) to approve or deny justifications for vehicles that do not meet utilization criteria. All vehicles that are reviewed by VURBs have an individual justification form, and all VURBs submit a summary document of their reviews to headquarters officials.

NPS

NPS officials could not readily provide justifications for 645 vehicles because those justifications were not stored within the agency's FMIS. The agency paid $2.5 million to GSA in fiscal year 2014 for these vehicles. While NPS designed its justification forms to be stored within Interior's FMIS, we found none of these forms had been uploaded to the system. In order for NPS officials to determine which of its vehicles had been justified, they would need to locate these 645 forms, which officials said were stored in field offices. Interior officials told us they were unsure why some of NPS' forms were not stored in the agency's FMIS but they plan to upload the forms to the system.

VHA

VHA was unable to locate justifications for 181 vehicles for which it had data indicating that the vehicle had not met VHA's utilization criteria. The agency paid $0.6 million to GSA in fiscal year 2014 for these vehicles. According to VHA officials, justifications are stored with local fleet managers and are not readily accessible to headquarters officials. Agency officials said that the justification system was developed to assist local fleet managers and that previously, it was not necessary for headquarters to access these records.

The finding that four of the selected agencies' processes did not allow them to consistently determine which of their vehicles are justified is consistent with the findings of other agencies that have examined their vehicle fleets. For example, in 2014 the Inspector General (IG) for the Department of Homeland Security (DHS) reported that DHS could not determine whether or not certain vehicles that did not meet the agency's utilization criteria were justified. The IG estimated DHS's cost to operate

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[60]VURBs are comprised of at least three representatives, including the Center Transportation Officer. If a Center does not set specific mileage-based utilization criteria, all of its vehicles can individually reviewed by a VURB in order to comply with NASA policy.

these vehicles in fiscal year 2012 was between $35.3 and $48.6 million.[61] As a result of our review, two of the selected agencies—BIA and NPS—have plans to modify their systems accordingly to provide accessible justification documentation. Without readily available justification documentation, agencies are limited in their ability to exercise oversight over vehicle retention decisions, including how many vehicles—if any— should be eliminated.

Further, the FPMR do not specifically require that agencies document all of their justifications in writing or store the justifications in a readily accessible location. Federal internal control standards on record keeping and management call for the accurate and timely recording of transactions, such as justification decisions and call for the documentation to be readily available for examination.[62] We found that without such readily available documentation, four of the five selected agencies in our review could not determine whether they had justified some of their vehicles and whether any of those vehicles should be eliminated from agency fleets. According to GSA officials, the agency has not reviewed the FPMR to determine if the regulations should be amended to be more specific about vehicle justification documentation, and they have no plans to do so. As a result, GSA may be missing an opportunity to help ensure that agencies are appropriately justifying all vehicles in their fleet and determining if their leased-vehicle fleets contain vehicles that should be eliminated.

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[61]See DHS, *DHS Does Not Adequately Manage or Have Enforcement Authority Over Its Components' Vehicle Fleet Operations.* OIG-14-126 (Washington, D.C., Aug. 21, 2014). These numbers were calculated using methodologies different than the ones used in this report (such as statistical sampling) and included vehicles outside of the scope of this analysis, such as agency-owned and law-enforcement vehicles.

[62]GAO/AIMD-00-21.3.1.

Three Agencies in Our Review Kept Vehicles They Identified as Unjustified

In addition to the vehicles where agencies could not locate justifications in a timely manner, three agencies kept vehicles that did not pass their justification process.[63] The FPMR do not require agencies to take any action for unjustified vehicles, which are vehicles that neither meet the agency's utilization criteria nor pass the justification process. However, federal internal control standards call for agencies to be accountable for stewardship of government resources. All five selected agencies have established approaches to address unjustified vehicles, which can include placing them into a shared pool, transferring them to a new mission, rotating them with higher-mileage vehicles, or eliminating them from their fleet. All five selected agencies took actions to reduce vehicles that did not meet utilization criteria or pass the justification process; yet three agencies cumulatively retained over 500 such vehicles, paying GSA $1.7 million for these vehicles in fiscal year 2014. See table 6.

Table 6: Number, Percentage, and Cost Paid to GSA for Selected Unjustified Leased Vehicles Retained after Fiscal Year 2014

Agency	Number of selected leased vehicles	Percentage of the agency's selected vehicle population	Cost paid to GSA in fiscal year 2014
Air Force	0	0%	$0
Bureau of Indian Affairs	0	0%	$0
National Aeronautics and Space Administration (NASA)	1	0%	$0.0M
National Park Service	109	7%	$0.4M
Veterans Health Administration	393	6%	$1.3M
Total	**503**	**3% of total selected vehicles**	**$1.7M**

Source: GAO analysis of agency-provided data and GSA data. | GAO-16-136

Note: selected leased vehicles for each agency in our review covered all sedans, station wagons, and light trucks, except for those that were: (1) leased by more than one agency during fiscal year 2014, (2) emergency responder vehicles, (3) law enforcement vehicles, (4) tactical vehicles, or (5) located outside the Continental United States, among other limited exclusions. We asked agencies to identify which of the selected vehicles neither met the agency's utilization criteria nor passed the agency's justification process, and were still in their fleets as of May 2015 without any changes to assignment or duties. Costs are the amount paid to GSA for these vehicles in fiscal year 2014. It was not possible to determine the costs paid for these vehicles in fiscal year 2015. We could not determine the costs that could have been avoided because it is unclear when vehicles became unjustified. The results for these selected vehicles cannot be generalized to vehicles outside of the selected population.

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[63] For the purposes of this review, "not passing" a justification review should not be interpreted as "failing" the review. Vehicles that did not take part in a justification process or which were found to be unjustified are both considered to have "not passed" an agency's justification process.

Specifically, we found that:

- NPS retained 109 vehicles that did not meet agency-defined utilization criteria and did not pass the agency's justification process. The agency paid GSA $0.4 million in fiscal year 2014 for these vehicles.[64]
- VHA retained 393 vehicles that did not meet agency-defined utilization criteria and did not pass the agency's justification process. The agency paid $1.3 million to GSA in fiscal year 2014 for these vehicles. VHA policy does not require justification for all vehicles that do not meet utilization criteria. As a result, these 393 vehicles were never subject to a justification process even though they did not meet utilization criteria. VA officials said that returning vehicles to GSA would not lead to cost savings because GSA will continue to charge the agency for the vehicle until a new lessee is found. GSA officials said that only in cases where a large number of vehicles are prematurely returned at once does GSA continue to charge the leasing agency for the vehicles. VA officials stated that they do not believe that this policy is applied consistently.
- NASA retained one vehicle that did not meet agency-defined utilization criteria in fiscal year 2014 and did not pass the agency's justification process. NASA officials explained that the vehicle was incrementally removed from service in fiscal year 2015 to ensure that mission requirements would not be negatively impacted. NASA has since returned its unjustified vehicle to GSA.

While these findings are not generalizable, they are consistent with several findings from agency inspectors general that have reported agencies keeping vehicles even though they did not meet agency's utilization criteria or pass the agency's justification process. For example, in 2013 the DOE IG found one DOE component retained 234 vehicles—21 percent of the component's fleet—even though the vehicles did not meet utilization criteria and users had not submitted justification for their retention.[65] Similarly, in 2015 the DHS IG found that the Federal Protective Service had not properly justified administrative vehicles and spare law

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[64]While it is possible to calculate the costs paid to GSA for vehicles during the 2014 fiscal year, it is not possible to determine the costs that could have been avoided because it is unclear when vehicles became unjustified. Similarly, it is not possible to determine the costs paid to GSA in fiscal year 2015 for specific vehicles because mileage data for the fiscal-year-to-date is not available.

[65]See DOE/IG-0896 for the full report.

enforcement vehicles in its fleet, valued at more than $1 million fiscal year 2014.[66]

Internal controls call for agencies to be accountable stewards of government resources. However, agency processes do not always require that every vehicle undergo a justification review or that vehicles are removed if they do not pass a justification review. Agency processes that do not facilitate the removal of underutilized vehicles hinder agencies' abilities to maintain efficient vehicle fleets. Without processes to ensure that underutilized vehicles are consistently removed, agencies may be foregoing opportunities to reduce the costs associated with their fleets. The cost savings achieved by eliminating unjustified vehicles may be less than the cost paid to GSA because agencies may need to spend resources on alternative means to accomplish the work performed by these vehicles. For example, while an agency would save the monthly cost of leasing an eliminated vehicle, another vehicle in the agency's fleet may need to travel more miles if it performs functions previously performed by the eliminated vehicle. This may increase leasing costs for the remaining vehicle. Nonetheless, by not taking corrective action, agencies could be spending millions of dollars on vehicles that may not be needed.

Conclusions

Given the approximately $1 billion dollars that are spent annually on leased federal vehicles and the government-wide emphasis on good fleet management, it is critical for agencies to have reliable data and sound management practices. While GSA has taken a number of positive steps to assist agencies in managing their fleets, there are more actions it can take. For example, GSA's current 9,999 odometer reading warning allows for large odometer discrepancies before warning users of a potential error, leading to potentially inaccurate odometer readings that can result in potentially inaccurate billing and additional staff time for subsequent correction. Evaluating the current warning and adjusting it accordingly could help improve data accuracy and therefore help reduce these costs.

Additionally, while customers report that utilization-related conversations with FSRs are helpful, GSA does not have a mechanism to know the extent to which these conversations are taking place as expected. As a

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[66]See DHS/OIG-16-02 for the full report.

result, GSA may be missing a potential opportunity to help agencies ensure that their leased fleet is the optimum size.

Furthermore, while the FPMR provide some guidance to federal agencies on how to justify vehicle utilization, they do not require agencies to have clearly-documented justifications available for examination or to have any mechanism for ensuring that these justifications take place. We found shortcomings for almost all of the agencies in our review in these areas. Additionally, findings from Inspectors General have identified similar concerns at other agencies, indicating that a lack of readily available justifications may extend beyond the agencies covered under this review. GSA has not examined these regulations. As a result, GSA may be missing an opportunity to help ensure that agencies are appropriately justifying all vehicles in their fleet and determining if their leased vehicle fleet contains vehicles that should be eliminated.

In the absence of an FPMR requirement, federal internal control standards can help agencies use their authority to be responsible stewards of government resources. However, because some agencies' processes do not consistently facilitate the identification of underutilized vehicles, these agencies may not know which vehicles should be eliminated. Specifically, without readily accessible written justification, agencies are limited in their ability to exercise oversight over key vehicle retention decisions for vehicles that cost millions of dollars annually. Additionally, some agencies have not eliminated or reassigned vehicles that did not meet utilization criteria or pass a justification review. By not taking corrective action, agencies could be spending millions of dollars on vehicles that may not be needed.

Recommendations for Executive Action

To help improve the accuracy of Drive-thru data to allow agencies to better manage their leased-vehicle fleet data, we recommend that the Administrator of GSA evaluate the 9,999-mile/month electronic safeguard for Drive-thru odometer readings to determine if a lower threshold could improve the accuracy of customer data and adjust this safeguard accordingly.

To provide better assurance that Fleet Service Representatives (FSR) are having conversations with leasing customers about utilization in accordance with GSA expectations, we recommend that the Administrator of GSA develop a mechanism to help ensure that these conversations occur.

To help strengthen the leased-vehicle justification processes across federal agencies, we recommend that the Administrator of GSA examine the FPMR to determine if these regulations should be amended to require that vehicle justifications are clearly documented and readily available, and adjust them accordingly.

To improve the justification process, we recommend that the Secretary of the Department of Defense should direct the Secretary of the Air Force to modify the current process to ensure that each leased vehicle in the agency's fleet meets the agency's utilization criteria or has readily available justification documentation.

To improve their justification process, we recommend that the Secretary of the Department of Veterans Affairs should direct the Under Secretary for Health to modify the current process to ensure that each leased vehicle in the agency's fleet meets the agency's utilization criteria or has readily available justification documentation.

To facilitate the elimination of unnecessary vehicles, we recommend that the Secretary of the Department of the Interior should direct the NPS Director to take corrective action to address each leased vehicle that has not met the agency's utilization criteria or passed the justification process. This corrective action could include (1) reassigning vehicles within the agency to ensure they are utilized or (2) returning vehicles to GSA.

To facilitate the elimination of unnecessary vehicles, we recommend that the Secretary of the Department of Veterans Affairs should direct the Under Secretary for Health to take corrective action to address each leased vehicle that has not met the agency's utilization criteria or passed the justification process. This corrective action could include (1) reassigning vehicles within the agency to ensure they are utilized or (2) returning vehicles to GSA.

Agency Comments and Our Evaluation

We provided a draft of this report to GSA; to the Departments of Defense, Interior, and Veterans Affairs; and to NASA for review and comment. GSA and the Departments of Defense, Interior, and Veterans Affairs provided written comments in which they concurred with our recommendations. These comments are reproduced in appendixes III-VI. NASA provided no comments.

In written comments, GSA stated that it agreed with the three recommendations directed to it and is developing a comprehensive plan to address them.

In written comments, the Department of Defense (DOD) concurred with the recommendation directed to it and stated that it would publish a policy memorandum in the second quarter of fiscal year 2016 that will direct DOD fleet managers to ensure that each leased vehicle in the agency's fleet meets agency utilization criteria or has readily-available justification documentation. If implemented as planned, this action should meet the intent of the recommendation.

In written comments, Interior concurred with the recommendation for NPS to take corrective action to address each leased vehicle that has not met the agency's utilization criteria or successfully passed the utilization justification process and specified the actions that NPS, as well as BIA, are implementing or planning to enhance their leased-vehicle programs. For example, Interior stated that NPS is implementing actions to ensure vehicle justifications reside in the Department's Financial and Business Management System and plans to review the current guidelines to establish reliable and consistent utilization metrics. In addition, Interior stated that NPS plans to develop processes to ensure justifications are on file and rotate underutilized vehicles to locations to increase the efficiency and effectiveness of its fleet. If implemented as planned, these actions should meet the intent of the recommendation. Interior also stated that BIA is establishing an electronic document repository to ensure accessibility of fleet management documents, transitioning to standard fleet-utilization forms, and conducting a leased-vehicle miles-driven utilization analysis to determine an annual mileage minimum requirement.

In written comments, VA concurred with the two recommendations directed to it and specified the actions it has taken or plans to take to address them. Related to the recommendation to modify their current process to ensure that each leased vehicle in the agency's fleet meets the agency's utilization criteria or has readily-available justification documentation, VA stated in its letter that VHA agrees that GSA-leased vehicles should either be used frequently enough to achieve the agency's utilization criteria or have readily-available justification documentation. VA stated that, subsequent to our review, VHA's fleet program took action to ensure local fleet management programs correct deficient documentation on vehicles identified in our review that did not meet the agency's utilization criteria. Specifically, VA stated that VHA's fleet program requested Veterans Integrated Service Networks to solicit local fleets to justify any vehicles that had insufficient justifying documentation during our review. In addition, to help ensure that local fleet management programs are complying with current documentation requirements and to improve oversight of the programs, VA stated that the Office of Capital

Asset Management Engineering and Support would issue written reminders to local fleet programs and monitor and audit utilization reports. VA included a target completion date of January 2017. If implemented as planned, these actions should meet the intent of the recommendation.

Related to the recommendation to take corrective action to address each leased vehicle that has not met the agency's utilization criteria or passed the justification process, VA concurred and stated that this corrective action could include reassigning vehicles within the agency to ensure they are utilized or returning the vehicles to GSA. VA stated that VHA would take corrective action and included a target completion date of January 2017. If implemented as planned, these actions should meet the intent of the recommendation.

While VA agreed with our recommendations to address underutilized vehicles, it disagreed with our conclusion that 14 percent of VHA's leased fleet is "unneeded, costing taxpayers an unnecessary $3 million." Based on our analysis of VA data, our report found that VHA paid $3 million in fiscal year 2014 for leased vehicles that did not meet utilization criteria and did not have readily available justifications. These vehicles accounted for 14 percent of the selected vehicles in VHA's leased fleet. We did not state that these vehicles were unneeded. We did state, however, that without justifications or corrective actions, agencies could be spending money on vehicles that may not be needed.

As discussed above, VA described actions taken subsequent to our review to address some of the issues we identified, and also reported in its written comments that the most recent data show that less than 1 percent of VHA's total current leased vehicle fleet may not be fully utilized. This number reflects two differences from our calculation. First, in general comments on the draft report, VA stated that there are now 381 vehicles for which it cannot determine if the vehicle met utilization criteria, if the vehicle had a justification, or if VA is aware that the vehicle did not meet utilization criteria or have a justification. Based on our analysis, we found 917 such vehicles among VHA's selected leased vehicle fleet in fiscal year 2014, a difference of 536 vehicles. As described in the report, we analyzed fiscal year 2014 data for five selected agencies because it was the latest completed fiscal year at the time of our review. We agree that the actions taken subsequent to our review, as well as VHA's planned actions, should address the issues we identified and should meet the intent of the recommendations. However, we have not reviewed the documentation nor verified the data on which VA's new percentage is based. Second, VA's new percent is the percentage of all of VHA's

leased vehicle fleet, not the percentage of selected leased vehicles that were part of our review. For the five agencies in our review, all of our percentages were calculated as a percentage of the number of leased vehicles that were selected for review, not of the agency's entire leased vehicle fleet. As discussed in more detail in the report, we did this to consistently exclude vehicles such as tactical or law-enforcement vehicles. Thus, we continue to believe that our conclusion is valid.

GSA, Interior, and VA also provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to interested congressional committees, the Administrators of GSA and NASA, and the Secretaries of the Departments of Defense, Interior, and Veterans Affairs. In addition, this report will be available for no charge on GAO's 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 rectanusl@gao.gov. Contact points for our Office 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 VII.

Lori Rectanus
Director, Physical Infrastructure

List of Congressional Requesters

The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
House of Representatives

The Honorable John L. Mica
Chairman
Subcommittee on Transportation and Public Assets
Committee on Oversight and Government Reform
House of Representatives

The Honorable Gerald E. Connolly
Ranking Member
Subcommittee on Government Operations
Committee on Oversight and Government Reform
House of Representatives

The Honorable Darrell Issa
House of Representatives

Appendix I: Objectives, Scope, and Methodology

We conducted a review of the utilization of GSA's leased vehicles. This report assesses: (1) the extent to which GSA data on leased vehicles are reliable, (2) GSA's role in identifying and reducing underutilized leased vehicles, and (3) the extent to which the assessment processes used by selected federal agencies facilitate the identification and removal of underutilized leased vehicles, and any cost savings that could be achieved by reducing any underutilized vehicles.

To determine the extent to which GSA's data for leased vehicles are reliable, we examined the reasonableness of data contained in GSA's internal fleet management database (Drive-thru) and the Federal Automotive Statistical Tool (FAST), a web-based reporting tool co-sponsored by GSA and the Department of Energy.[1] For the purposes of this review, reliability is defined by two key components: reasonableness and indications of accuracy. We also tested a selection of Drive-thru data (reflecting approximately 162,000 vehicles) for indications of accuracy.[2]

GSA is responsible for the reasonableness of data in Drive-thru and FAST. We used three key sources to develop a standard for reasonableness, as there is currently no single federal criterion for a measurement of reasonableness. The three key sources included (1) prior GAO work that provided guidance on how to assess the reliability of data;[3] (2) OMB's Circular A-123, which defines management's responsibility for internal controls in the federal government; and (3) GAO's Green Book, which provides standards for internal control in the

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[1]Drive-thru stores information on GSA-leased vehicles and is updated on an ongoing basis. FAST is a tool that collects data on leased and owned vehicles during an annual-reporting cycle.

[2]Because accuracy can only be positively determined through individual examinations of vehicles—which was impractical—we limited our assessment to indications of accuracy as determined through data analysis.

[3]See GAO, *Assessing the Reliability of Computer-Processed Data,* GAO-09-365G (Washington, D.C.: February 2009).

federal government.[4] The key practices surrounding the standard of measurement that we developed for reasonableness are:[5]

- electronic safeguards, such as error messages for out of range entries or inconsistent entries;
- the extent to which GSA reviews data samples to ensure that key data fields are non-duplicative and sensible; and
- the clarity of the guidance that GSA provided to ensure consistent user interpretation of data entry rules.

As agencies are responsible for the accuracy of data in FAST, not GSA, we only examined Drive-thru for indications of accuracy. We focused on approximately two dozen data elements contained in the Fuel Use Report and the Inventory Report as these related most to costs associated with utilization and federal fleet reporting. To this end, we requested data from GSA for all GSA-leased vehicles that were continuously leased by the same agency from January 1, 2015, through May 21, 2015. We requested continually leased vehicles because we anticipated making month-to-month data comparisons. However, this historical comparison was not feasible as GSA does not store some historical data in its Fleet Management Information System database, which provides information to Drive-thru. Therefore, the inventory data pulled from GSA's database were a "snapshot" of the federal fleet as of May 21, 2015, although the fuel data reflected the months of January-April 2015.[6] Once the data were obtained, we conducted a variety of logic checks to locate any anomalies that might provide insight into the extent which GSA ensures the accuracy of Drive-thru data. For example, one of the logic checks we performed on these data included counting vehicles and determining whether at least one purchased fuel type over a 4-month time period failed to match the vehicle's fuel type (accounting for vehicles that could potentially use more

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[4]See GAO, *Standards for Internal Control in the Federal Government,* GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999) and GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: September 2014).

[5] GSA officials agreed that these standards of measurement were appropriate for evaluating the reasonableness of information.

[6]The data request excluded emergency-responder and law-enforcement vehicles. Law-enforcement and emergency-responder vehicles were excluded because some agencies, due to the sensitive nature of the vehicle assignment, do not want information released outside of GSA. We also excluded European vehicles after obtaining the data because GSA informed us that these data are kept in a separate database and that there are different data requirements to maintain European fleets.

than one fuel type). This logic check was performed to determine how
often, if at all, fuel was erroneously coded at the fuel pump.

For objectives 2 and 3, we judgmentally selected five federal vehicle
fleets from five federal agencies, including the U.S. Air Force (Air Force);
U.S. Department of the Interior's National Park Service and Bureau of
Indian Affairs; National Aeronautics and Space Administration; and U.S.
Department of Veterans Affairs' Veterans Health Administration. We
made our selection based on the following criteria: (1) varying fleet sizes,
but none smaller than 1,000 vehicles; (2) a combination of military and
civilian fleets; (3) a combination of fleets with mileage-based utilization
levels above and below federal mileage-based utilization guidelines; (4)
fleets that had not been audited by an organization other than GAO within
the last 3 years; and (5) other considerations such as use of telematics
and adoption of utilization criteria other than the mileage guidelines in
GSA regulations.[7] We selected these fleets, which according to GSA in
2014 ranged in size from 1,574 to 13,954 vehicles to broadly discuss the
experiences and practices across a section of the federal fleet. These
results are not generalizable to their overarching agencies or other
federal agencies.

To determine what GSA's role is in identifying and reducing underutilized
leased vehicles, we reviewed and analyzed relevant federal laws,
regulations, executive orders, and GSA guidance to federal agencies for
preparing VAM submissions. We described GSA's role based on the
responsibilities delineated in those documents. We also interviewed GSA
officials, including Fleet Service Representatives (FSR) to better
understand the role they play when working with federal agency fleet
managers to identify underutilized leased vehicles. To corroborate
information that GSA officials told us about FSRs speaking with their
agency fleet managers at least once a year to assist in identifying
underutilized leased vehicles and to determine any value that fleet
managers assign to these conversations, we administered a non-

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[7]The term "telematics" refers to a technology that combines telecommunications and
information processing to send, receive, and store information related to remote objects,
such as vehicles. Agencies that use telematics may have more opportunities to measure
utilization than agencies that do not use such technology. For more information on
telematics, see GAO, *Federal Vehicle Fleets: GSA Has Opportunities to Further
Encourage Cost Savings for Leased Vehicles*. GAO-14-443 (Washington, D.C., May 7,
2014.)

generalizable, mixed-method[8] questionnaire to 68 federal agency fleet
managers.[9] To ensure that our questions were meaningful and that we received
accurate survey data, we pre-tested our survey with four representatives from
four of our selected agencies. Using GSA's Drive-thru data, we selected
fleet managers for our five selected federal agencies who were
responsible for at least 20 GSA leased vehicles.[10] Through interviews with
agency officials and FSRs, we learned that the contact information in
Drive-thru was not sufficiently reliable for our purposes. Specifically, two
of four FSRs that we spoke with and officials from two selected agencies
reported that Drive-thru does not contain reliable contact information for
individuals who would have conversations with FSRs. These officials
reported that some of the contacts in Drive-thru were actually end-users,
such as contractors. In other cases, the contact information was outdated.
To address this, we requested that the selected federal agencies provide
us with lists of current fleet managers within their agencies, and we
matched those names to the list of fleet managers from the Drive-thru
data. Agencies that were unable to provide independent lists of fleet
managers verified which individuals from the Drive-thru data were in the
fleet manager's role at their agency and would be the appropriate
individuals with whom to discuss utilization. This matching and verification
process brought the survey selection pool to 114 fleet managers, yielding
a reasonable number of contacts for BIA, NASA, and NPS—given their
respective fleet sizes. However, our matching and verification process
resulted in four fleet managers for Air Force and 80 for VHA. Since other
fleet managers on Air Force's list of current fleet managers met our
survey pool parameters, we took a random sample of 16 fleet managers
to add to the four we identified during the matching and verification
process. Also, to avoid over-representing VHA, we randomly chose one

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[8]We first administered the survey to all recipients via email. After approximately 3 weeks, we
followed up with non-respondents via telephone.

[9]We use the term "fleet manager" generically in our report as it generally describes the
duties that may fall under several fleet-related titles, such as transportation officer.

[10]We chose 20 or more leased vehicles for our fleet size as legislation and executive
directives have defined federal fleet as 20 or more vehicles. In addition, officials from BIA,
NPS, Air Force, and VHA confirmed that while 20 vehicles is an arbitrary number, there is
no number that is not arbitrary as a cutoff for federal fleet size.

fleet manager from 19 Veterans Affairs' regions.[11] We sent the survey to a
total of 69 fleet managers as follows:

- 12 at BIA;
- 12 at NPS;
- 6 at NASA;
- 20 at Air Force ; and
- 19 at VHA.

However, during the survey period, Air Force informed us that one of the
selected fleet managers' roles no longer included responsibilities for
GSA-leased vehicles. Therefore, the total number of selected fleet
managers in the survey pool totaled 68. Fifty one of the 68 fleet managers
completed our survey, yielding a 75 percent response rate. As noted in
our report, findings from this survey effort are not generalizable.

To determine the extent to which the assessment processes used by
selected federal agencies facilitate the identification and removal of
underutilized leased vehicles, we reviewed and analyzed: pertinent
federal laws and regulations; GSA guidance that described the VAM
process; and internal policies and procedures that the selected federal
agencies use to identify underutilized vehicles in five fleets, such as fleet
handbooks; and interviewed officials from GSA and the five federal
agencies about the agencies' responsibilities in identifying underutilized
leased vehicles. We then compared these processes to federal internal
control standards related to record keeping and management as well as
stewardship of government resources, as described in the 1999 Green
Book.[12]

To calculate the costs of the vehicles involved in these processes, we
conducted a multi-step analytical process. First, we asked GSA to provide
data on passenger vehicles and light trucks that were continuously leased

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[11]The VHA fleet in the Continental U.S. is spread across 21 regions, called Veterans
Integrated Service Networks. However, one of the regions never responded to our request
for fleet manager contact information, and another did not provide contact information for
fleet managers that matched information in Drive-thru. Since we could not verify whether
those fleet managers were responsible for 20 or more vehicles, we excluded them from
our survey.

[12]See GAO/AIMD-00-21.3.1. The Federal Managers' Financial Integrity Act of 1982
requires GAO to prescribe standards for internal control in government. 31 U.S.C §
3512(c).

from GSA during fiscal year 2014 (i.e., from October 1, 2013-September
30 2014, inclusive) for the five selected federal fleets. Table 7 shows how
we defined passenger vehicles and light trucks for the purposes of this
review.

Table 7: Passenger Vehicles and Light Trucks Defined

Passenger Vehicles	Light Trucks
Subcompact sedan	Light Truck under 6,000 lbs GVWR, 4x2
Compact sedan	Light truck, under 6,000 lbs GVWR, 4x4
Midsize sedan	Light truck 6,000 lbs to 8,499 lbs GVWR, 4 x 2
Large sedan	Light truck, 6,000 lbs to 8,499 lbs GVWR, 4x4
Subcompact station wagon	Light truck, 8,500 lbs to 12, 500 lbs GVWR, 4x2
Compact station wagon	Light truck, 8,500 lbs to 12,500 lbs GVWR, 4x4

Source: GAO analysis of GSA data. | GAO-16-136

Note: The utilization guidelines for light trucks and general purpose vehicles are as follows: 12,500
lbs gross vehicle weight rating (GVWR) and under—10,000 miles per year. The utilization guidelines
for passenger-carrying vehicles are a minimum of 3,000 miles per quarter or 12,000 miles per year.
See 41 C.F.R§ 101-39.301

We focused on vehicles that GSA leased on a continuous basis (i.e., to a
single agency) for at least fiscal year 2014 so that the agencies were fully
accountable for the selected vehicles' mileage over the entire fiscal year
2014 time period. We scoped our work to include light trucks and
passenger vehicles because they comprise the majority of GSA's
continuously leased fleet at 65 percent and 27 percent, respectively. We
also asked GSA to exclude tactical, law-enforcement and emergency-
responder vehicles from the selected vehicle population, as well as
vehicles located outside of the continental U.S. We made these
exclusions because, according to GSA officials, some agencies did not
want law enforcement data, for example, released outside of GSA
because it could be considered sensitive. In addition, we needed to
develop a manageable, selected population given the time resources
needed to investigate each vehicle.

After receiving the data from GSA, we conducted various analytical tests
to develop a dataset that was free from detectable errors. For example,
we examined data on current and previous monthly odometer readings.
We then determined which vehicles in the dataset had a current monthly
odometer reading that was lower than the previous month's odometer
reading. This allowed us to determine which vehicles likely had errors
associated with their end-of-fiscal year mileage—allowing us to remove
them from the population of analysis. We also analyzed over 15,500 fiscal

year 2014 vehicle records from the five agencies that we reviewed. In
total, selected vehicles from these agencies accounted for about 8
percent of the federally leased fleet, although the findings associated with
this selection are not generalizable.

Next, we determined which selected passenger vehicles and light trucks
at each agency did not meet the miles-traveled guidelines in the Federal
Property Management Regulations in fiscal year 2014 (12,000 miles and
10,000 miles, respectively). We then sent a list of the selected vehicles
that had not met the miles-traveled guidelines to each agency and
requested that they group the vehicles into one of the categories
described below and depicted in figure 1:[13]

- Group 2: No longer leased by the agency as of May 21, 2015;
- Group 4: Met a mileage-based utilization criteria defined by the
  agency;
- Group 5: Met a non-mileage-based utilization criteria defined by the
  agency;
- Group 6: Had a written justification in lieu of meeting the utilization
  criteria that the agency defined;
- Group 8: Was repurposed, given additional tasks, or reassigned within
  the agency during fiscal year 2015; and
- Group 9: Was retained beyond May 21, 2015, despite not meeting
  agency-defined utilization criteria, possessing a written justification for
  retention, or being given other tasks.

We also asked agencies to identify vehicles that they could not categorize
and reasons why—such as vehicles' lacking readily auditable
documentation, including information on whether the vehicle met the
agency-defined utilization criteria in fiscal year 2014 (Group 3) and written
justification for retaining vehicles that did not meet the agency-defined
utilization criteria (Group 7). As these two groups—and vehicles in Group
9—stem from insufficient agency processes to identify and remove leased
vehicles, we focused on determining the costs associated with the
vehicles in these groups.

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[13]Prior to issuing the request to agencies to categorize vehicles, we reviewed the groups and their
definitions with officials from each fleet to ensure (1) that officials from each fleet
understood the request and (2) that the officials believed that their utilization determination
process could be accurately depicted by placing vehicles into these groups.

Figure 1: Graphic Provided to Agencies for Use in Categorizing Their Vehicles
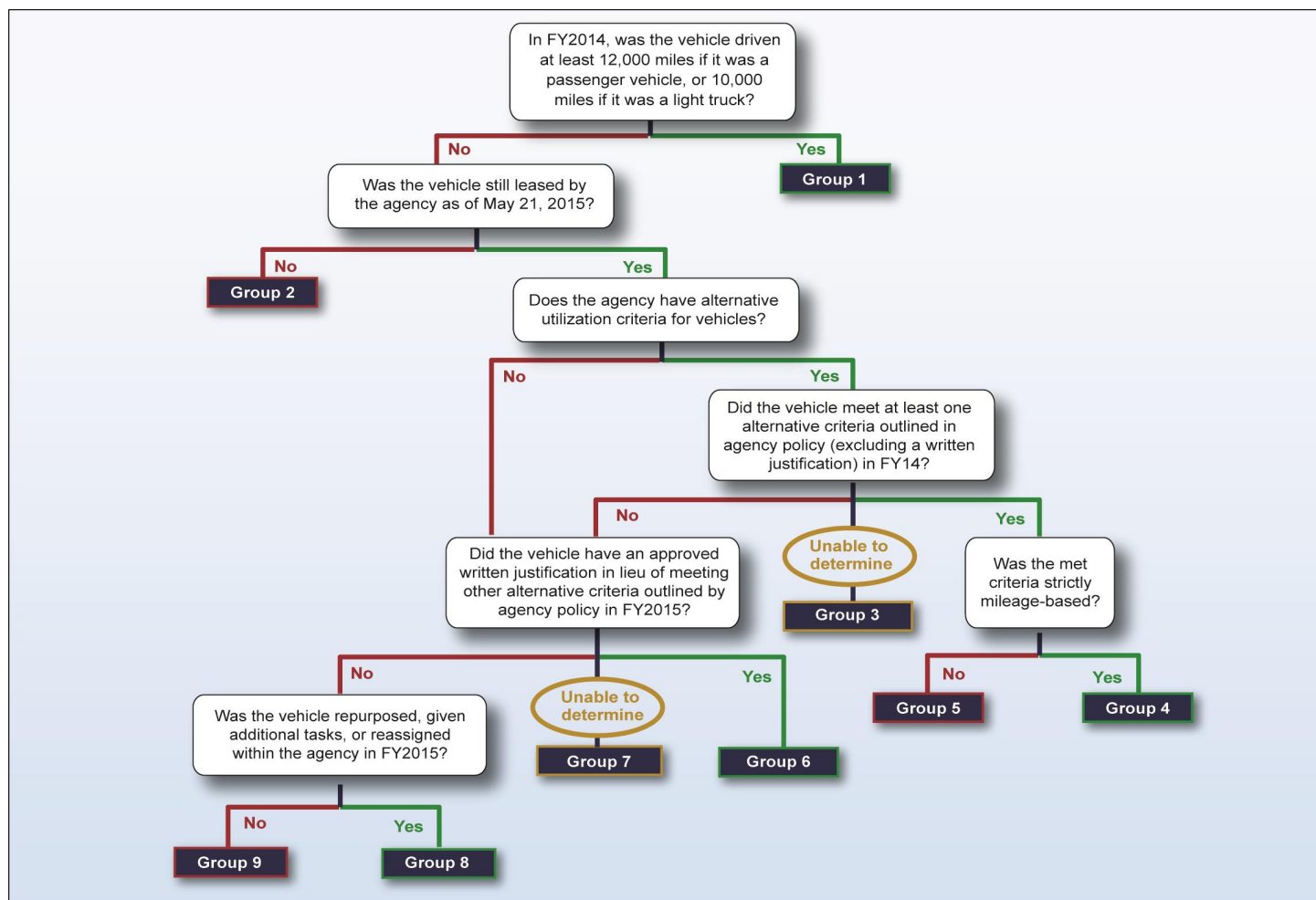
Source: GAO analysis of the Federal Property Management Regulations. | GAO-16-136

Agencies were responsible for categorizing each of the vehicles that GAO
provided to them. We provided the agencies with each vehicle's license
plate number, VIN number, make, model, and other identifying
information to assist in this process. We did not verify whether agencies
categorized vehicles correctly, as some of the information necessary for
these categorizations was contained within agency systems and records
(for example, if the vehicle met an agency-defined criteria or if the vehicle
was repurposed). However, to evaluate the overall reliability of agencies'
vehicle justification, we selected a small sample of vehicles from each

agency and then requested written justifications from each of those agencies that reported that they had written justifications for vehicles. We removed vehicles from the selected population if agencies reported that the vehicle should have been excluded from the review (for example, vehicles that agencies reported were law enforcement vehicles but not labeled as such in GSA's system). We also removed vehicles if the VIN number that the agency provided did not match the VIN from the original information that GSA provided and vehicles that agencies categorized in more than one group, among other data-cleaning efforts.

We determined the cost paid to GSA for each vehicle in each of the 9 groups using data from GSA. For each vehicle, we summed the following:

- the vehicle's fiscal year 2014 mileage rate multiplied by the total number of miles the vehicle traveled in fiscal year 2014;
- per-mile costs for additional equipment multiplied by the total number of miles the vehicle traveled in fiscal year2014;
- the fixed monthly mileage rate for additional equipment multiplied by 12 (for the 12 months of the fiscal year); and
- any flat monthly rate charges multiplied by 12 (for the 12 months of the fiscal year).

These costs represent the amount an agency paid to GSA for each vehicle in fiscal year 2014. However, these costs do not include other costs incurred by the leasing agency, such as the salaries of their fleet managers or the costs to garage the vehicles. Also, we did not have information on the opportunity costs of alternatives to replacing these leased vehicles. For example, if a vehicle is removed from an agency's fleet and another vehicle is used more frequently as a result, the agency would still pay for miles traveled or trips made by the other mode of transportation. Therefore, the costs associated with the groups are annual costs paid to GSA, and an undetermined percentage of these costs would reflect actual cost savings if vehicles were removed.

We conducted this performance audit from February 2015 to January 2016 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: NASA Utilization Criteria by Vehicle Type and Center in Fiscal Year 2014

According to NASA policy, each NASA center should conduct an annual review of fleet utilization during the third quarter of each fiscal year. The review first identifies vehicles that fail to meet the minimum utilization goals, also called the "utilization target point." The target point is calculated by multiplying the average usage by 25 percent (0.25) for each vehicle type, such as sedans/station wagons, ambulances, intercity busses, and trucks with a gross vehicle weight of less than 12,500 pounds. In fiscal year 2014, sedans and trucks less than 12,500 pounds were required to meet the mileage target points shown in table 9 at their respective centers:

Table 8: NASA Fiscal Year 2014 Mileage Utilization Criteria (Miles per Year) by Center and Selected Vehicle Type

NASA Center	Passenger vehicles	Light trucks
Ames Research Center	275	949
Armstrong Flight Research Center	NONE[a]	NONE[a]
Glenn Research Center	2,146	989
Goddard Space Flight Center	2,095	727
Headquarters[b]	2,280	2,418
Jet Propulsion Laboratory	ALL[c]	ALL[c]
Johnson Space Center	566	753
Kennedy Space Center	1,200	825
Marshall Space Flight Center	1,800[d]	1,800[d]
Stennis Space Center	ALL[c]	ALL[c]
White Sands Test Facility	ALL[c]	ALL[c]

Source: NASA. | GAO-16-136

Note: NASA sets its utilization criteria at 25 percent of the average miles traveled for each vehicle type at each NASA center.

[a]Indicates that this center did not develop utilization criteria in 2014 and did not conduct a review using a Vehicle Utilization Review Board (VURB) for any of its vehicles to determine if their use is justified.

[b]Includes motor pool, Office of Inspector General, and Protective Services.

[c]Indicates that this Center did not develop utilization criteria and instead conducts a review using a VURB for all of its vehicles to determine if their use is justified.

[d]Marshall Space Flight Center set its criteria at 1,800 miles per year for all vehicle types, a figure that exceeded the 2014 mileage minimums derived from the formula in NASA policy. According to a NASA official, Centers are permitted to use criteria that are stricter than the agency standard.

According to NASA policy, individual vehicles within each vehicle type whose range falls below the utilization target point will be added to the "utilization target list". Programs, missions or departments with vehicles on the target list are required to submit a new justification form for each

individual vehicle on the list for center review and retention approval.
These justifications are then evaluated during the annual review process,
with possible outcomes including reassignment within the center,
exchanging the vehicle for a different type of vehicle that better suits the
mission, or returning the vehicle to GSA.

Appendix III: Comments from the General Services Administration

The Administrator

December 22, 2015

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

The U.S. General Services Administration (GSA) appreciates the opportunity to review and comment on the U.S. Government Accountability Office's (GAO) draft report entitled, *Federally Leased Vehicles: Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles* (GAO-16-136). GAO recommends:

- To help improve the accuracy of Drive-thru data to allow agencies to better manage their leased vehicle fleet data, the Administrator of GSA evaluate the 9,999-mile/month electronic safeguard for Drive-thru odometer readings to determine if a lower threshold could improve the accuracy of customer data and adjust it accordingly.

- To provide better assurance that Fleet Service Representatives (FSRs) are having conversations with the leasing customers about utilization in accordance with GSA expectations, the Administrator of GSA develop a mechanism to help ensure that these conversations occur.

- To help strengthen the leased vehicle justification processes across federal agencies, the Administrator of GSA examine the FPMR to determine if the regulations should be amended to require that vehicle justifications are clearly documented and readily available, and adjust them accordingly.

GSA has reviewed this draft report in depth, agrees with the recommendations, and is developing a comprehensive plan to address the recommendations made to GSA. GSA is confident that these actions will satisfactorily remedy the concerns raised by GAO.

2

If you have any questions, please contact me at (202) 501-0800 or Ms. Lisa A. Austin, Associate Administrator, Office of Congressional and Intergovernmental Affairs, at (202) 501-0563.

Sincerely,

Denise Turner Roth
Administrator

Cc: Ms. Lori Rectanus, Director, Physical Infrastructure Issues, GAO

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION,
TECHNOLOGY,
AND LOGISTICS

DEC 2 2 2015

Ms. Lori Rectanus
Director, Physical Infrastructure
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Ms. Rectanus:

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GAO-16-136, "FEDERALLY LEASED VEHICLES: Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles," dated December 1, 2015 (GAO Code 545103). Detailed comments on the report recommendations are enclosed.

Sincerely,

Nancy L. Spruill
Director
Acquisition Resources & Analysis

Enclosures:
As stated

**GAO Draft Report Dated December 1, 2015
GAO-16-136 (GAO CODE 545103)**

**"FEDERALLY LEASED VEHICLES: AGENCIES SHOULD STRENGTHEN
ASSESSMENT PROCESSES TO REDUCE UNDERUTILIZED VEHICLES"**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION**

RECOMMENDATION: The GAO recommends that the Secretary of Defense direct the
Secretary of the Air Force to modify their current processes to ensure that each leased vehicle in
the agency's fleet meets agency utilization criteria or has readily-available justification
documentation.

DoD RESPONSE: DoD concurs with the GAO recommendation and will publish a policy
memorandum in the 2Q FY16 which directs the DoD Fleet managers to ensure that each leased
vehicle in the agency's fleet meets agency utilization criteria or has readily-available justification
documentation.

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Appendix V: Comments from the Department of the Interior

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

DEC 2 2 2015

Lori Rectanus
Director, Physical Infrastructure
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Rectanus:

Thank you for providing the Department of the Interior (Department) the opportunity to review and comment on the draft Government Accountability Office (GAO) Report entitled Federally Leased Vehicles: Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles (GAO-16-136).

We appreciate GAO's review of federal processes for assessing the utilization of leased vehicles. The GAO recommends that the National Park Service (NPS) take corrective action to address each leased vehicle that has not met the agency's utilization criteria or successfully passed the utilization justification process. This corrective action could include reassigning vehicles within the agency to ensure they are adequately utilized or returning vehicles to the General Services Administration (GSA). We generally agree with the findings and concur with the recommendation and offer the following responses.
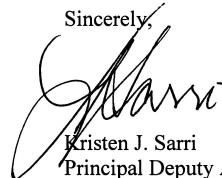
The NPS is currently implementing actions to ensure vehicle justifications reside in the Department's Financial and Business Management System (FBMS). Moving forward, NPS plans to take additional positive actions, including the (1) review of current NPS utilization guidelines and standards to establish reliable and consistent utilization metrics and (2) implementation of criteria defining utilization, as well as, mission standards. NPS will develop business processes to ensure there are justifications on file to support GSA-leased vehicles, with approvals obtained throughout the management chain, inclusive of the park fleet manager, superintendent, and regional fleet manager. NPS plans to rotate underutilized vehicles to locations where their use will increase the efficiency and effectiveness of its fleet. Additionally, NPS will implement procedures to increase ride-sharing, maintain a consistent vehicle-pool, return GSA vehicles determined not to be mission-critical, and utilize dashboards and management reviews to ensure utilization goals are achieved.

The Bureau of Indian Affairs (BIA), which GAO also reviewed during this engagement, is implementing enhancements to its leased vehicle program: (1) establishing an electronic document repository to ensure accessibility of fleet management documents to all stakeholders, (2) transitioning to standard Departmental forms to record fleet utilization, and (3) conducting a leased vehicle miles driven utilization analysis to determine a suitable leased vehicle annual

mileage minimum requirement, which will be incorporated into BIA policy consistent with
Departmental and GSA requirements.

Please note that we have submitted a separate document with the Department's technical
comments for your consideration when finalizing the report. If you have any questions, or need
additional information, please contact me.

Sincerely,

Kristen J. Sarri
Principal Deputy Assistant Secretary
Policy, Management and Budget

DEPARTMENT OF VETERANS AFFAIRS
Washington DC 20420

January 5, 2016

Ms. Lori Rectanus
Director, Physical Infrastructure
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Rectanus:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, *"FEDERALLY LEASED VEHICLES: Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles"* (GAO-16-136). VA concurs with GAO's recommendations to the Department and is in the process of implementing them. However, VA disagrees with the conclusion that 14 percent of the Veterans Health Administration leased fleet is unneeded, costing taxpayers an unnecessary $3 million. Most recent data shows that less than 1 percent of VHA's GSA leased vehicles may not be fully utilized.

VA is aware that the vehicle fleet-related record keeping systems need to be updated and improved, and we are addressing those needs. New and improved systems will allow VA to better monitor vehicle utilization.

The Enclosure specifically addresses GAO's recommendations and provides an action plan, and general and technical comments on the draft report. VA appreciates the opportunity to comment on your draft report.

Sincerely,

Robert L. Nabors II
Chief of Staff

Enclosure

Enclosure

Department of Veterans Affairs (VA) Response to
Government Accountability Office (GAO) Draft Report
*"FEDERALLY LEASED VEHICLES: Agencies Should Strengthen Assessment
Processes to Reduce Underutilized Vehicles"*
(GAO-16-136)

Recommendation 1: **To improve their justification process, we recommend that
the Secretary of the Department of Veterans Affairs should direct the Under
Secretary for Health to modify their current process to ensure that each leased
vehicle in the agency's fleet meets the agency's utilization criteria or has readily
available justification documentation.**

VA Comment: Concur. The Veterans Health Administration (VHA) agrees that
General Service Administration (GSA) leased vehicles in local fleets should either be
used frequently enough to achieve the agency's utilization criteria, or have readily
available documentation justifying the continued lease of an underutilized vehicle.

Subsequent to GAO's review, VHA's fleet program took action to ensure local fleet
management programs correct deficient documentation on vehicles identified in the
audit, which did not meet the agency's utilization criteria. VHA's fleet program
requested Veterans Integrated Service Networks (VISNs) to solicit the local fleets to
justify any vehicles that had insufficient justifying documentation during the audit.
VHA's fleet program will provide this documentation to GAO when it is received.

Other vehicles exempted from VHA's internal fleet management information system
Comprehensive Automobile Reporting System (CARS) underutilization reports are
those that VHA must have in our fleet to ensure VHA's mission can be achieved
regardless of utilization criteria. For example, VHA maintains a fleet of emergency
response vehicles that are only used when VHA must respond to national emergencies;
and a fleet of police vehicles that are only used during police actions.

To ensure local fleet management programs are complying with current documentation
requirements in VHA's Fleet Management Guidebook and related policy, the Office of
Capital Asset Management Engineering and Support (OCAMES) will collaborate with
the Office of the Under Secretary for Health for Operations and Management, to issue
written reminders to all local fleet management programs of the policies applicable to
these requirements.

To improve oversight of local fleet management programs, OCAMES will monitor and
audit VISN utilization reports, to ensure GSA-leased vehicles either meet Agency
utilization criteria, or have readily available documentation justifying continued lease.
Target Completion Date: January 2017.

Enclosure

Department of Veterans Affairs (VA) Response to
Government Accountability Office (GAO) Draft Report
*"FEDERALLY LEASED VEHICLES: Agencies Should Strengthen Assessment
Processes to Reduce Underutilized Vehicles"*
(GAO-16-136)

<u>Recommendation 2</u>: **To facilitate the elimination of unnecessary vehicles, we
recommend that the Secretary of the Department of Veterans Affairs should direct
the Under Secretary for Health to take corrective action to address each leased
vehicle that has not met the agency's utilization criteria or passed the justification
process. This corrective action could include (1) reassigning vehicles within the
agency to ensure they are utilized or (2) returning vehicles to GSA.**

<u>VA Comment</u>: Concur. VHA will take corrective action to address each GSA-leased
vehicle that has not met the agency's utilization criteria and lacks sufficient
documentation justifying continued leasing. This corrective action could include either
reassigning vehicles within the agency to ensure they are utilized, or returning vehicles
to GSA upon its lease expiration. Target Completion Date: January 2017.

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Appendix VII: GAO Contacts and Staff Acknowledgments

GAO Contact

Lori Rectanus, (202) 512-2834 or rectanusr@gao.gov

Staff Acknowledgments

In addition to the contact named above, John W. Shumann (Assistant Director), Melissa Bodeau, Jennifer Clayborne, Monika Jansen, Davis Judson, Terence Lam, Malika Rice, Jerome Sandau, Alison Snyder, Michelle Weathers, Crystal Wesco, and Elizabeth Wood made key contributions to this report.

Appendix VIII: Accessible Data

Text of Appendix III:
Comments from the
General Services
Administration

Page 1

The Administrator

December 22, 2015

The Honorable Gene L. Dodaro

Comptroller General of the United States

U.S. Government Accountability Office

Washington, DC 20548

Dear Mr. Dodaro:

The U.S. General Services Administration (GSA) appreciates the opportunity to review and comment on the U.S. Government Accountability Office's (GAO) draft report entitled, Federally Leased Vehicles: Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles (GA0-16-136). GAO recommends:

- To help improve the accuracy of Drive-thru data to allow agencies to better manage their leased vehicle fleet data, the Administrator of GSA evaluate the 9,999-mile/month electronic safeguard for Drive-thru odometer readings to determine if a lower threshold could improve the accuracy of customer data and adjust it accordingly.
- To provide better assurance that Fleet Service Representatives (FSRs) are having conversations with the leasing customers about utilization in accordance with GSA expectations, the Administrator of GSA develop a mechanism to help ensure that these conversations occur.
- To help strengthen the leased vehicle justification processes across federal agencies, the Administrator of GSA examine the

FPMR to determine if the regulations should be amended to require that vehicle justifications are clearly documented and readily available, and adjust them accordingly.

GSA has reviewed this draft report in depth, agrees with the recommendations, and is developing a comprehensive plan to address the recommendations made to GSA. GSA is confident that these actions will satisfactorily remedy the concerns raised by GAO.

U.S. General Services Administration

1800 F Street, NW

Washington, DC 20405

Telephone: (202) 501-0800

Fax: (202) 219-1243

Page 2

If you have any questions, please contact me at (202) 501-0800 or Ms. Lisa A. Austin, Associate Administrator, Office of Congressional and Intergovernmental Affairs, at (202) 501-0563.

Sincerely,

Denise Turner Roth

Administrator

Cc: Ms. Lori Rectanus, Director, Physical Infrastructure Issues, GAO

Text of Appendix IV: Comments from the Department of Defense

Page 1

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON

WASHINGTON, DC 20301-3000

DEC 22 2015

Ms. Lori Rectanus

Director, Physical Infrastructure

U.S. Government Accountability Office

441 G Street, N.W.

Washington, DC 20548

Dear Ms. Rectanus:

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GA0-16-136, "FEDERALLY LEASED VEHICLES: Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles," dated December 1, 2015 (GAO Code 545103). Detailed comments on the report recommendations are enclosed.

Sincerely,

Nancy L. Spruill

Director

Acquisition Resources & Analysis

Enclosures: As stated

Page 2

GAO Draft Report Dated December 1, 2015 GA0-16-136 (GAO CODE 545103)

"FEDERALLY LEASED VEHICLES: AGENCIES SHOULD STRENGTHEN ASSESSMENT PROCESSES TO REDUCE UNDERUTILIZED VEHICLES"

DEPARTMENT OF DEFENSE COMMENTS TO THE GAO RECOMMENDATION

RECOMMENDATION: The GAO recommends that the Secretary of Defense direct the Secretary of the Air Force to modify their current processes to ensure that each leased vehicle in the agency's fleet meets

agency utilization criteria or has readily-available justification documentation.

DoD RESPONSE: DoD concurs with the GAO recommendation and will publish a policy memorandum in the 2Q FY16 which directs the DoD Fleet managers to ensure that each leased vehicle in the agency's fleet meets agency utilization criteria or has readily-available justification documentation.

Text of Appendix V: Comments from the Department of the Interior

Page 1

United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

DEC 22 2015

Lori Rectanus

Director, Physical Infrastructure

U.S. Government Accountability Office

441 G Street, NW

Washington, DC 20548

Dear Ms. Rectanus:

Thank you for providing the Department of the Interior (Department) the opportunity to review and comment on the draft Government Accountability Office (GAO) Report entitled Federally Leased Vehicles: Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles (GA0-16-136).

We appreciate GAO's review of federal processes for assessing the utilization of leased vehicles. The GAO recommends that the National Park Service (NPS) take corrective action to address each leased vehicle

that has not met the agency's utilization criteria or successfully passed the utilization justification process. This corrective action could include reassigning vehicles within the agency to ensure they are adequately utilized or returning vehicles to the General Services Administration (GSA). We generally agree with the findings and concur with the recommendation and offer the following responses.

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Page 2

mileage minimum requirement, which will be incorporated into BIA policy consistent with Departmental and GSA requirements.

Please note that we have submitted a separate document with the Department's technical comments for your consideration when finalizing the report. If you have any questions, or need additional information, please contact me.

Kristen J. Sarri

Principal Deputy Assistant Secretary

Policy, Management and Budget

Text of Appendix VI:
Comments from the
Department of Veterans
Affairs

Page 1

DEPARTMENT OF VETERANS AFFAIRS

Washington DC 20420

January 5, 2016

Ms. Lori Rectanus

Director, Physical Infrastructure

U.S. Government Accountability Office

441 G Street, NW

Washington, DC 20548

Dear Ms. Rectanus:

The Department of Veterans Affairs 0/A) has reviewed the Government
Accountability Office's (GAO) draft report, "FEDERALLY LEASED
VEHICLES: Agencies Should Strengthen Assessment Processes to
Reduce Underutilized Vehicles" (GA0-16-136). VA concurs with GAO's
recommendations to the Department and is in the process of
implementing them. However, VA disagrees with the conclusion that
14.percent of the Veterans Health Administration leased fleet is
unneeded, costing taxpayers an unnecessary $3 million. Most recent data
shows that less than 1 percent of VHA's GSA leased vehicles may not be
fully utilized.

VA is aware that the vehicle fleet-related record keeping systems need to
be updated and improved, and we are addressing those needs. New and
improved systems will allow VA to better monitor vehicle utilization.

The Enclosure specifically addresses GAO's recommendations and provides an action plan, and general and technical comments on the draft report. VA appreciates the opportunity to comment on your draft report.

Sincerely,

Robert L. Nabors II

Chief of Staff

Enclosure

Page 2

Department of Veterans Affairs (VA) Response to Government Accountability Office (GAO) Draft Report

"FEDERALLY LEASED VEHICLES: Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles" (GA0-16-136)

Recommendation 1: To improve their justification process, we recommend that the Secretary of the Department of Veterans Affairs should direct the Under Secretary for Health to modify their current process to ensure that each leased vehicle in the agency's fleet meets the agency's utilization criteria or has readily available justification documentation.

VA Comment: Concur. The Veterans Health Administration (VHA) agrees that General Service Administration (GSA) leased vehicles in local fleets should either be used frequently enough to achieve the agency's utilization criteria, or have readily available documentation justifying the continued lease of an underutilized vehicle.

Subsequent to GAO's review, VHA's fleet program took action to ensure local fleet management programs correct deficient documentation on vehicles identified in the audit, which did not meet the agency's utilization criteria. VHA's fleet program requested Veterans Integrated Service Networks (VISNs) to solicit the local fleets to justify any vehicles that had insufficient justifying documentation during the audit. VHA's fleet program will provide this documentation to GAO when it is received.

Other vehicles exempted from VHA's internal fleet management information system Comprehensive Automobile Reporting System (CARS) underutilization reports are those that VHA must have in our fleet to ensure VHA's mission can be achieved regardless of utilization criteria.

For example, VHA maintains a fleet of emergency response vehicles that are only used when VHA must respond to national emergencies; and a fleet of police vehicles that are only used during police actions.

To ensure local fleet management programs are complying with current documentation requirements in VHA's Fleet Management Guidebook and related policy, the Office of Capital Asset Management Engineering and Support (OCAMES) will collaborate with the Office of the Under Secretary for Health for Operations and Management, to issue written reminders to all local fleet management programs of the policies applicable to these requirements.

To improve oversight of local fleet management programs, OCAMES will monitor and audit VISN utilization reports, to ensure GSA-leased vehicles either meet Agency utilization criteria, or have readily available documentation justifying continued lease. Target Completion Date: January 2017.

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Enclosure

Department of Veterans Affairs (VA) Response to Government Accountability Office (GAO) Draft Report

"FEDERALLY LEASED VEHICLES: Agencies Should Strengthen Assessment Processes to Reduce Underutilized Vehicles" (GA0-16-136)

Recommendation 2: To facilitate the elimination of unnecessary vehicles, we recommend that the Secretary of the Department of Veterans Affairs should direct the Under Secretary for Health to take corrective action to address each leased vehicle that has not met the agency's utilization criteria or passed the justification process. This corrective action could include (1) reassigning vehicles within the agency to ensure they are utilized or (2) returning vehicles to GSA.

VA Comment: Concur. VHA will take corrective action to address each GSA-leased vehicle that has not met the agency's utilization criteria and lacks sufficient documentation justifying continued leasing. This corrective action could include either reassigning vehicles within the agency to ensure they are utilized, or returning vehicles to GSA upon its lease expiration. Target Completion Date: January 2017.

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