



April 2017

FEDERALLY OWNED VEHICLES

Agencies Should Improve Processes to Identify Underutilized Vehicles

Accessible Version

Why GAO Did This Study

Federal agencies spent about \$3.4 billion in fiscal year 2015 to keep and operate almost 450,000 federally owned vehicles. Each federal agency is responsible for determining utilization criteria and assessing vehicle utilization. GAO was asked to describe federally owned vehicles and examine federal processes for assessing their utilization.

This report, among other objectives: (1) describes recently purchased vehicles, and (2) assesses selected agencies' efforts to determine if vehicles are utilized.

GAO analyzed government-wide data on approximately 64,500 light trucks and passenger vehicles purchased through GSA from fiscal years 2011 through 2015, the most recent available. To assess utilization efforts, GAO selected three agencies (using factors such as fleet size), and reviewed agency utilization information on over 12,000 owned vehicles from fiscal year 2015. GAO also interviewed federal officials. These findings are not generalizable to all agencies but provide insight into the practices of agencies that procure thousands of vehicles.

What GAO Recommends

GAO recommends that CBP develop a plan for how it will use its new data collection devices to establish criteria and assess vehicle utilization and that USDA communicate its vehicle utilization policy to fleet officials. DHS and USDA plan to implement these recommendations.

View [GAO-17-426](#). For more information, contact Lori Rectanus at (202) 512-2834 or rectanusl@gao.gov.

FEDERALLY OWNED VEHICLES

Agencies Should Improve Processes to Identify Underutilized Vehicles

What GAO Found

Federal agencies spent more than \$1.6 billion to purchase approximately 64,500 passenger vehicles and light trucks through the General Services Administration (GSA) from fiscal years 2011 through 2015. Five departments—Defense (DOD), Homeland Security (DHS), Agriculture (USDA), Justice, and Interior—purchased 90 percent of these vehicles, and spent a comparable percentage of the associated funds. The vehicles cost an average of approximately \$25,600 each.

GAO determined that the three agencies reviewed—Navy within DOD, Customs and Border Protection (CBP) within DHS, and Natural Resources Conservation Service (NRCS) within USDA—varied in efforts to determine if vehicles were utilized in fiscal year 2015. Navy determined that all of the 3,652 vehicles GAO selected for review were utilized by applying DOD and Navy criteria such as for mileage and individually justifying vehicles. CBP did not determine if 1,862 (81 percent) of its 2,300 selected vehicles were utilized in fiscal year 2015 even though the vehicles did not meet DHS's minimum mileage criteria. CBP officials stated that, contrary to DHS policy, CBP did not have criteria to measure these vehicles' utilization because it was difficult to manually collect the data needed to establish appropriate criteria and assess if vehicles met those criteria. CBP is currently installing devices in many of its vehicles that will allow it to more easily collect such data, but lacks a specific plan for how to ensure these data will allow it to determine if vehicles are utilized. NRCS did not determine if 579 (9 percent) of its 6,223 selected vehicles were utilized in fiscal year 2015. USDA and NRCS fleet officials stated that the agency did not annually assess vehicle utilization, nor did it apply USDA criteria such as mileage or days used. USDA and NRCS officials said they were unaware of USDA's policy requiring these steps because the policy had not been widely discussed or shared within USDA since 2012. CBP and NRCS cumulatively incurred an estimated \$13.5 million in depreciation and maintenance costs in fiscal year 2015 for vehicles with unknown utilization (see table). While these costs may not equal the cost savings agencies derive from eliminating underutilized vehicles, without corrective action, agencies are incurring expenses to retain vehicles without determining if they are utilized.

Number, Percentage, and Cost of Selected Owned Vehicles That Selected Agencies Did Not Identify as either Utilized or Underutilized in Fiscal Year 2015

Agency	Number of owned vehicles selected by GAO	Number of selected vehicles with unknown utilization ^a	Percentage of the agency's selected owned vehicles	Estimated cost to retain vehicles, in millions ^b
Customs and Border Protection	2,300	1,862	81	\$12.7
Natural Resources Conservation Service	6,223	579	9	\$0.8
Navy	3,652	0	0	\$0.0
Total	12,175	2,441	20	\$13.5

Source: GAO analysis of agency-provided data. | GAO-17-426

^a Selected owned vehicles for each agency in GAO's review covered all passenger vehicles and light trucks, except those that were: 1) emergency responder vehicles, 2) law enforcement vehicles, 3) tactical vehicles, or 4) located outside the Continental United States, among other limited exclusions.

^b Costs (in nominal dollars) include maintenance and depreciation in fiscal year 2015. Depreciation costs are unrealized until the vehicle is sold.

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Abbreviations

AFV	alternative-fuel vehicles
CBP	Customs and Border Protection
DHS	Department of Homeland Security
DOD	Department of Defense
DOJ	Department of Justice.
FAST	Federal Automotive Statistical Tool
4x4	four-by-four
FPMR	Federal Property Management Regulations
GSA	General Services Administration
GVWR	gross vehicle weight rating

NRCS	Natural Resources Conservation Service
ROADS	Requisition, Ordering, and Documentation System
SUV	sport utility vehicles
USDA	Department of Agriculture
VA	Department of Veterans Affairs
VAM	vehicle allocation methodology

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April 25, 2017

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

In fiscal year 2015, the federal government spent almost \$3.4 billion to keep and operate almost 450,000 owned vehicles, ranging from buses to compact sedans.¹ Each federal agency is responsible for managing its vehicle fleet, whether the vehicles are owned, leased from the General Services Administration (GSA), or leased from a commercial vendor. In fiscal year 2015, federally owned vehicles accounted for slightly less than 70 percent of the government’s vehicle inventory, and approximately 78 percent of the fleet expenditures reported by agencies. In recent years, Members of Congress and the President have urged federal agencies to “right size” their fleets and manage costs; however, there is limited publicly available information on vehicles purchased by federal agencies and how those vehicles are utilized.²

As the government continues to seek opportunities to reduce costs, it is important to understand the methods agencies use to determine their vehicle needs and how their methods may affect the cost of federal fleets. You asked us to review data on federal vehicle purchases and agencies’ efforts to determine if their owned vehicles are utilized.³ This report

¹ For the purposes of this report, federally owned non-tactical vehicles under the custody and control of an agency are referred to as “owned” vehicles (with the exception of vehicles purchased by GSA’s leasing program (GSA Fleet), as such vehicles are leased to federal agencies and are not in the scope of this review). Non-tactical vehicles are commercial vehicles that carry passengers or cargo. All Department of Defense sedans, station wagons, vans, and buses are considered “non-tactical.”

² Some information on the composition of the owned vehicles in the federal fleet is available in the *Federal Fleet Report*, an annual summary of federal vehicle statistics that agencies submit to GSA. It provides an overview of federal motor vehicle data, such as number of vehicles agencies own and the costs to maintain and operate them. The *Federal Fleet Report* does not provide certain kinds of detailed information, such as vehicle make, model, or the cost of additional features.

³ We previously reported on the utilization of leased vehicles by selected federal agencies. See GAO, *Federally Leased Vehicles: Agencies Should Strengthen Processes to Reduce Underutilized Vehicles*. [GAO-16-136](#) (Washington, D.C.: Jan. 14, 2016).

addresses: (1) the types, locations, and acquisition costs of passenger vehicles and light trucks that were recently purchased by federal agencies; (2) the extent to which selected agencies identify utilized owned vehicles, if any, and (3) any challenges selected agencies reported facing in managing the costs of their owned vehicle fleets.

To determine the types, locations, and costs of vehicles recently purchased across the federal government from GSA,⁴ we analyzed government-wide data from GSA's Requisition, Ordering, and Documentation System (ROADS) database on more than 64,500 non-tactical passenger vehicles and light trucks purchased by federal agencies through GSA from fiscal years 2011 through 2015.⁵ These data include the options (i.e., changes from the standard model) that agencies selected for the vehicles they purchased.⁶ To identify what vehicles were purchased from a non-GSA source, we identified the 17 waivers that GSA approved from fiscal year 2013 through fiscal year 2015 that allowed agencies to purchase either a single vehicle or any executive fleet vehicles from these other sources, and we determined what vehicle was ultimately purchased with the approved waiver.⁷

To determine the extent to which selected agencies identify utilized vehicles, we selected three departments that had among the largest owned fleets in fiscal year 2015, among other criteria: the Department of Homeland Security (DHS), the Department of Agriculture (USDA), and the Department of Defense (DOD). Then, within each of those departments we selected agencies that reported among the most owned, non-law enforcement passenger vehicles and light trucks. The agencies selected were Customs and Border Protection (CBP) within DHS; the

⁴ GSA is the mandatory source for purchase of new vehicles for federal executive agencies and other eligible users. See 41 C.F.R. § 101-26.501-1.

⁵ Fiscal year 2015 was the most recent, complete fiscal year that ROADS data were available at the time of our request. We determined that ROADS data were sufficiently reliable for our purposes after checking for outliers, reviewing missing data, and interviewing GSA officials, among other steps.

⁶ We analyzed 346 unique options by classifying them into six categories: efficiency, safety, economy, mission need, administrative actions, or undetermined. For the 48 options that we placed in the undetermined category, we requested that GSA provide insight into the circumstances under which these options might be selected.

⁷ We limited our analysis to waivers that were submitted by executive agencies. We focused on the last 3 years of approved waivers and did not assess the justifications agencies gave to GSA for needing these waivers.

Natural Resources Conservation Service (NRCS) within the USDA; and the Navy within DOD. For each agency, we reviewed policies for assessing vehicle utilization and obtained information on selected vehicles in these agencies' fleets as of September or October 2016.⁸ We then determined whether the selected agencies followed these policies, including asking each agency to identify whether or not selected vehicles met utilization criteria or had documentation to justify their retention, among other categorization requests.⁹ We analyzed the costs agencies reported paying for maintenance in fiscal year 2015 and the lost resale value (i.e., depreciation) agencies may have incurred for any potentially underutilized vehicles they did not identify and remove.¹⁰ We also interviewed agency fleet officials about their agency's policies for assessing vehicle utilization. The experiences of these agencies are not generalizable to their departments or government-wide, but they do provide insight into the practices of several agencies responsible for thousands of federally owned vehicles.

To determine challenges selected agencies reported facing in managing the costs of their fleets, we convened two non-generalizable discussion panels of fleet officials with multiple representatives from each selected agency. We also reviewed information related to the issues raised in these discussion panels, such as the cost of alternative fuel vehicles, and interviewed officials from the headquarters of each agency. For more information about our scope and methodology, please see appendix I.

We conducted this performance audit from March 2016 to April 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain

⁸ CBP and NRCS provided information as of September 2016; Navy provided information as of October 2016.

⁹ For the purposes of this analysis, we examined all owned passenger vehicles and light trucks that were not (1) emergency responder vehicles, (2) law enforcement vehicles, or (3) 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 findings associated with the selected vehicles are not generalizable to other vehicles at the selected agencies, their departments, or the rest of the federal government.

¹⁰ We determined that the cost data (i.e., the costs paid in maintenance and the unrealized cost savings associated with depreciation) were sufficiently reliable for our purposes by reviewing agency maintenance data and GSA's depreciation model; however, the maintenance and depreciation costs will vary based on vehicle age and other factors. See appendix I for further details on cost calculations and limitations.

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

Federal agencies owned more than 446,000 non-tactical vehicles in fiscal year 2015, according to the Federal Fleet Report. Five departments owned approximately 89 percent of these vehicles, as shown in Table 1.

Table 1: Departments and Agencies With the Most Owned Non-Tactical Vehicles, Fiscal Year 2015

Department	Number of owned vehicles	Percentage of the total federal fleet
United States Postal Service ^a	211,177	47
Department of Defense	65,180	15
Department of Homeland Security	43,770	10
Department of Justice	41,421	9
Department of Agriculture	34,030	8
SUB-TOTAL	395,578	89
All other federal agencies	51,118	11
TOTAL	446,696	100

Source: Fiscal year 2015 Federal Fleet Report. | GAO-17-426

^aThe United States Postal Service is an independent establishment within the executive branch.

Agencies acquire vehicles through purchase or lease and are responsible for making decisions about the number and type of vehicles they need. Agencies obtain almost all of their vehicles through GSA. Specifically, by purchasing through GSA's Vehicle Purchasing program or leasing a vehicle through GSA Fleet.¹¹ GSA is a mandatory source for purchase of new vehicles for federal executive agencies and other eligible users.¹²

¹¹ We previously reported that while 8 of the 10 agencies we reviewed told us that they were analyzing lifecycle costs (i.e., the costs from the beginning to the end of vehicle ownership) 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).

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

According to federal guidelines, when deciding what vehicle to buy, agencies should purchase vehicles that meet their mission and represent the best value by considering price, when the vehicle can be delivered, fuel economy, lifecycle cost, past performance, and other considerations. GSA Vehicle Purchasing offers an array of non-tactical vehicles and options at a savings from the manufacturer's invoice price, including traditional vehicles (such as pickup trucks and sedans) and specialized vehicles (such as firetrucks and utility trucks). GSA develops annual vehicle standards that establish the types and sizes of vehicles and general equipment it will offer through the GSA Vehicle Purchasing program. GSA also maintains an on-line procurement tool—known as AutoChoice—that allows the purchasing agency officials to view the standard vehicle models, choose equipment options, view side-by-side comparisons of vehicle models from different manufacturers, place their orders, and track delivery.¹³ The order is then recorded in a GSA procurement database called ROADS. If GSA cannot meet an agency's needs for a specific vehicle, agencies can apply to GSA for a waiver. If approved, agencies may then purchase a vehicle directly from a non-GSA source, such as a dealership.

In some cases, agencies are required to or directed to acquire vehicles with a lower environmental footprint. For example, the Energy Policy Act of 1992 requires that 75 percent of agencies' light-duty vehicle acquisitions be alternative-fuel vehicles (AFVs).¹⁴ In addition, the Energy Independence and Security Act of 2007 prohibits agencies from acquiring any light-duty motor vehicle or medium-duty passenger vehicle that is not a low greenhouse-gas emitting vehicle.¹⁵ Executive Order 13693, issued in March 2015, directed that agencies plan for zero emission vehicles or plug-in hybrid vehicles to make up 20 percent of all new agency

¹³ GSA Vehicle Purchasing buys vehicles through the original equipment manufacturer and has contracts with the manufacturers' representative dealers as well.

¹⁴ Pub. L. No. 102-486, § 303, 106 Stat. 2776 (1992). The Energy Policy Act of 2005 requires that agencies use alternative fuels when available (defined as within either 5 miles or 15 minute drive) and reasonably priced. Alternative fuel vehicles include those that run on E-85 (a blend of ethanol and gasoline), biodiesel, electricity, or compressed natural gas, among other fuel types. We reported in July 2013 that some types of alternative fuel are not readily available in certain parts of the United States. See GAO, *Federal Vehicle Fleets: Adopting Leading Practices Could Improve Management*, [GAO-13-659](#) (Washington DC: July 31, 2013.)

¹⁵ Pub. L. No. 110-140, § 141 (2007).

passenger vehicle acquisitions by December 31, 2020, and 50 percent of all new agency passenger vehicle acquisitions by December 31, 2025.¹⁶

Agencies are responsible for managing their vehicles' utilization in a manner that allows them to fulfill their missions and meet various federal guidelines and directives, such as by completing a vehicle allocation methodology (VAM). The VAM process is designed to help agencies identify the optimal size and composition of their respective fleets. Under GSA guidance, agencies are directed to complete a VAM survey, which measures the usage of each vehicle in the fleet, at least every 5 years. GSA guidance further advises agencies on how to complete the VAM process. For example, agencies are instructed to have standards for the minimum amount of use of a vehicle—called utilization criteria—that are appropriate for their missions. Agencies define their own utilization criteria—which may include mileage, number of trips, or other metrics—and decide which vehicles, if any, to eliminate from their fleets.

Federal agencies determine when to replace or dispose of vehicles based on federal vehicle replacement standards and their mission and program needs. GSA has established minimum standards in federal regulations that call for agencies to retain agency-owned vehicles for at least a requisite number of years or miles before replacing them. For example, an agency should keep a sedan or station wagon for at least 3 years or 60,000 miles, whichever occurs first. It may keep the vehicle beyond the minimum years and miles if the vehicle can be operated without excessive maintenance or substantial reduction in resale value. Conversely, the agency may replace a vehicle that has not yet met the threshold if the vehicle needs body or mechanical repairs that exceed the fair market value of the vehicle. Federal regulations allow agencies to dispose of vehicles they no longer need and have been declared excess, even if the vehicles have not met the minimum replacement standards for years and mileage. Agencies may dispose of vehicles by exchange, sale, transfer to another agency, or donation.

¹⁶ Exec. Order No. 13693, 80 Fed Reg. 15871 (Mar. 25, 2015). Zero-emissions vehicles include electric vehicles.

Federal Agencies Spent Over \$1.6 Billion in 5 Recent Fiscal Years to Purchase a Variety of Vehicles across the United States

Based on our analysis of ROADS data, federal agencies spent more than \$1.6 billion from fiscal years 2011 through 2015 to purchase a wide variety of vehicles through GSA. Included in the \$1.6 billion is approximately \$2.5 million that agencies spent on vehicle options such as power seats and remote keyless start. In less than 1 percent of purchases during this time frame, agencies received approval to acquire a vehicle from a source other than GSA. In those cases, agencies purchased a variety of vehicles that included ambulances and modified passenger vehicles.

Federal Agencies Spent Over \$1.6 Billion between Fiscal Years 2011 and 2015 to Purchase Approximately 64,500 Vehicles through GSA

From fiscal year 2011 through fiscal year 2015, federal agencies purchased 64,522 passenger vehicles and light trucks through GSA at a total cost of over \$1.6 billion.¹⁷ Agencies used these vehicles to meet a wide variety of mission needs, including supporting operations on the U.S. border, transporting veterans, accessing remote locations, and hauling repair equipment, among other functions. The annual number of new passenger vehicle and light trucks purchased decreased from approximately 14,400 in fiscal year 2011 to approximately 13,300 in fiscal year 2015. See appendix II for information on selected agencies' procedures for purchasing vehicles.

¹⁷ This total (in nominal dollars) includes costs associated with purchases made through GSA of new non-tactical passenger vehicles and light trucks delivered in the continental United States, as well as other areas. Some of these vehicles were marked for eventual export abroad. It includes Postal Service purchases and excludes purchases of GSA fleet vehicles to be leased to other agencies as well as vehicles purchased from a non-GSA source. This analysis does not include duplicate or incomplete vehicle purchase records, such as records with no associated vehicle identification number (VIN). According to GSA officials, incomplete data records can be the result of an agency initiating a purchase but not completing it or vendors not completing fields in some cases. This total includes a 1 percent surcharge on vehicle price that agencies pay to GSA for their services.

Five departments (DHS, the Department of Justice, USDA, DOD, and the Department of the Interior) purchased 90 percent of the vehicles purchased through GSA during this 5-year time period, and spent a comparable percentage of the associated funds.¹⁸ (see fig. 1).

Figure 1: Passenger Vehicles and Light Trucks Purchased by Federal Agencies from Fiscal Year 2011 through Fiscal Year 2015, by Department

Agency	Number of vehicles	Average vehicle price	Total cost (in millions)	Percentage of total cost
Department of Homeland Security	15,627	\$26,307	\$411.1	24.9%
Department of Justice	15,129	\$24,484	\$370.4	22.5%
Department of Agriculture	11,907	\$24,163	\$287.7	17.4%
Department of Defense	8,705	\$25,690	\$223.6	13.6%
Department of the Interior	6,784	\$28,101	\$190.6	11.6%
Other federal agencies	6,370	\$26,107	\$166.3	10.1%
All agencies	Total: 64,522	Average: \$25,570	Total: \$1,649.8	Total: 100%

Source: GAO analysis of GSA's ROADS data from fiscal years 2011 through 2015. | GAO-17-426

Note: Costs and prices are in nominal dollars.

The average purchase prices for passenger vehicles and light trucks among these five departments were relatively comparable, ranging from \$24,163 to \$28,101. Similarly, the average price for such vehicles purchased by other federal agencies in our analysis was \$26,107. The most expensive of these vehicles was a cargo van purchased by the Department of Justice for \$158,191 in fiscal year 2012, for use by the FBI. The least expensive vehicle was purchased for \$11,855 in fiscal year 2011 by the Department of Agriculture's Forest Service.

¹⁸ In some cases, one agency (for example, Federal Prison Industries, also known as UNICOR, within DOJ) purchased vehicles on behalf of another agency (the ultimate customer). Where that was recorded, we associated the related vehicle records with the ultimate customer agency.

Federal Agencies Purchased a Variety of Vehicles for Use in Diverse Locations

Federal agencies purchased a variety of passenger vehicles and light trucks during this time period. Relatively large vehicles, such as pickup trucks, made up the majority of acquisitions and had higher average costs than sedans. For example, of the 64,522 vehicles purchased from fiscal years 2011 through 2015, four-by-four (4x4) pickup trucks and 4x4 sport utility vehicles (SUV) accounted for more than half of the purchases, while sedans accounted for about 15 percent. On average, these 4x4 SUVs cost approximately \$7,600 more than a sedan, while 4x4 pickup trucks cost approximately \$5,000 more (see table 2).

Table 2: Quantity and Cost of Passenger Vehicles and Light Trucks Purchased By Federal Agencies from Fiscal Year 2011 through Fiscal Year 2015

Vehicle type	Number of vehicles	Percentage of vehicles	Total cost ^a	Average price per vehicle ^a
Pickup trucks (4x4)	20,642	32.0	\$532.5 million	\$25,795
Sport utility vehicles (4x4)	15,955	24.7	\$454.0 million	\$28,457
Sedans	9,683	15.0	\$201.5 million	\$20,812
Police use vehicles	3,340	5.2	\$82.1 million	\$24,570
Other vehicles ^b	14,902	23.1	\$379.7 million	\$25,481
TOTAL	64,522	100	\$1.65 billion	\$25,570

Source: GAO analysis of GSA's ROADS data from fiscal years 2011 through 2015. | GAO-17-426

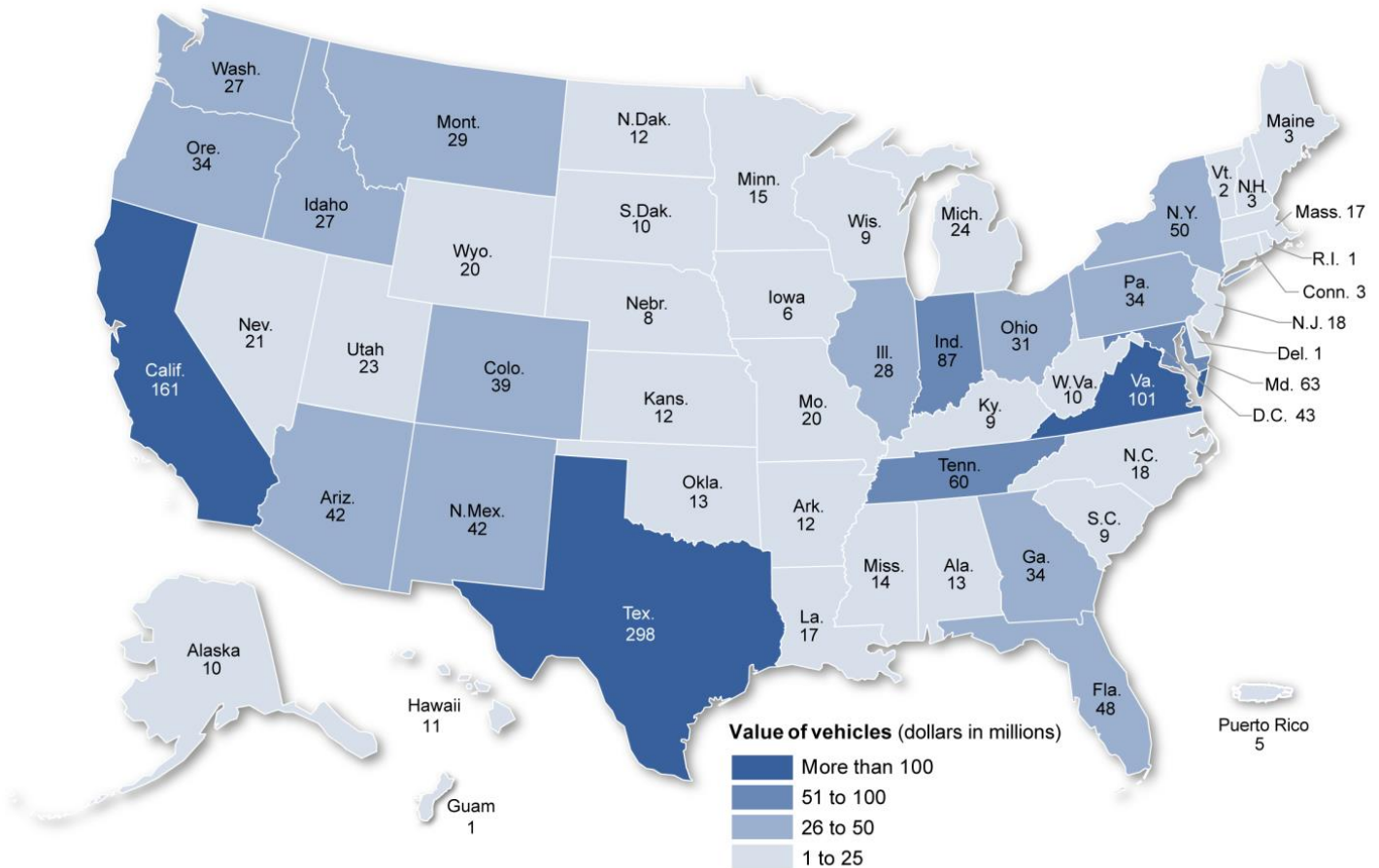
^aCosts and prices are in nominal dollars.

^bThe "Other vehicles" category includes 15 other vehicle types, including, for example, cargo vans and 4x2 pickup trucks and SUVs.

According to available data, at least 52 percent of the passenger vehicles and light trucks purchased during fiscal years 2013 through 2015 were capable of running on alternative fuel. Fuel type information was available for approximately 83 percent of vehicle purchases during that time. According to GSA officials, the fuel type for a vehicle is not reported in the purchase data if manufacturers do not voluntarily specify the fuel type. Manufacturers reported a fuel type for fewer than 10 percent of vehicle purchases in fiscal years 2011 and 2012. As previously discussed, a variety of laws and directives instruct agencies to increase their acquisition of low-greenhouse-gas-emitting, hybrid, or zero-emissions vehicles.

Agencies purchased vehicles during fiscal years 2011 through 2015 for locations throughout the continental United States and other areas. Some concentrations of spending were for vehicles delivered in and around the Washington, DC, capital region (see fig. 2). Another concentration of spending was for vehicles delivered in states such as Texas and California.

Figure 2: Spending on Passenger Vehicles and Light Trucks by Federal Agencies from Fiscal Year 2011 through Fiscal Year 2015, by Delivery Location



Sources: GAO analysis and Map Resources | GAO-17-426

Agencies Selected a Variety of Options when Purchasing Vehicles

Each year, GSA publishes standards for vehicles, including what features will be included with particular base models. When making a purchase, agencies may change these standard vehicle features by selecting “options.” According to federal regulations, when agencies opt for additional systems or equipment to be added to vehicle purchases, these systems and equipment should be selected for purposes related to overall safety, efficiency, economy, and suitability (i.e., mission) of the vehicle.¹⁹

Based on our analysis of ROADS data, agencies added approximately 350 different types of options to passenger vehicles and light trucks purchased from fiscal year 2011 through fiscal year 2015.²⁰ In approximately 41 percent of the instances that an agency added an option to a vehicle, the option increased the vehicle cost. In approximately 45 percent of instances, adding an option did not change the cost. In approximately 14 percent of instances, the selection resulted in a cost reduction.

In analyzing these options, we were not able to determine if six of these types of options were related to safety, efficiency, economy, suitability, or administrative functions.²¹ These six option types included power seats, video entertainment systems, and heated or leather seats, among others (see table 3). Agencies added at least one of these six options to 7,344 vehicles (approximately 11.4 percent of the passenger vehicles and light trucks purchased through GSA during fiscal years 2011 to 2015) at a total

¹⁹ In some cases, agencies also add options to the vehicle for an administrative reason, such as specifying the delivery location.

²⁰ Options appearing in the ROADS data reflect only those features that were actively selected by a customer purchasing a vehicle. According to agency officials, some features may have been bundled in with other option packages. For example, according to GSA officials, when agencies actively select a safety-related feature such as reverse obstacle sensor, the option associated with the reverse obstacle sensor may also include upgraded trim. Thus, the number of vehicles with certain specific features may be higher than what is reflected in the available data.

²¹ We used a multi-step process to categorize options as being related to safety, efficiency, economy, suitability, or administrative functions. For details on our methodology, see appendix I.

cost of over \$2.5 million.²² In some cases, agencies added multiple options to one vehicle. While these six options accounted for approximately 1.9 percent of all instances of options selected, they accounted for approximately 3.4 percent of the total cost of options. GSA does not determine for what purpose an agency may select a particular option. GSA officials discussed some instances of when these six options may have been related to the agency’s mission or could be considered a safety feature. For example, according to GSA officials, remote keyless start could be a safety feature when a vehicle is operated in an extreme climate.

Table 3: Selected Vehicle Options, by Total Number of Instances, of Vehicles Purchased from Fiscal Year 2011 through Fiscal Year 2015

Option description	Number of instances when an option was selected	Average cost per instance ^a	Total cost ^b
Powered driver’s seat	4,409	\$293	\$1,291,310
Remote keyless start	3,136	\$358	\$1,123,391
Heated or leather seats	38	\$1,302	\$49,476
Engine shut-down timer	33	\$224	\$7,407
Parking assist	15	\$2,131	\$31,966
Video entertainment system	6	\$3,087	\$18,524
TOTAL	7,637	\$330	\$2,522,074

Source: GAO analysis of GSA’s ROADS data from fiscal years 2011 through 2015. | GAO-17-426

Note: Vehicles include passenger vehicles and light trucks, but do not include busses, heavy trucks, or certain other types of vehicles.

^aThere was no cost associated with 56 percent of powered drivers seats, 41 percent of remote keyless start, and 8 percent of heated or leather seats.

^bThe cost listed for an option reflects the cost of the actively selected feature—such as leather seats—as well as the cost of any additional features that may have been bundled into the option automatically when the original feature was selected. Since the selection of the original feature results in the additional cost of the entire bundle of features (i.e., the option package), we reflect those costs here. All costs are in nominal dollars.

²² The cost listed for an option reflects the cost of that actively selected option as well as the cost of any additional option(s) that may have been bundled in automatically when the original option was selected. Since the selection of the original option results in the additional cost of the entire bundle of options in those cases, we have reflected those costs here.

Agencies Requested 102 Waivers to Purchase Vehicles from a Non-GSA Source, GSA Approved about Half

From fiscal years 2011 through 2015, agencies submitted 102 waiver requests to GSA, requesting permission to purchase a total of approximately 550 vehicles through non-GSA sources (see table 4). According to GSA officials, vehicles purchased with a waiver account for less than 1 percent of annual purchases in any given year. DOD submitted almost 40 percent of the 102 waiver requests. Cumulatively, the five departments—DOD, Interior, DHS, Veterans Affairs (VA), and the Department of Justice (DOJ)—submitted approximately 80 percent of the requests.

Table 4: Waiver Requests and Related Vehicles for Fiscal Year 2011 through Fiscal Year 2015, by Department or Agency

Department or agency	Number of waiver requests	Total number of vehicles requested
Defense	40	239
Interior	13	16
Homeland Security	11	43
Veterans Affairs	10	19
Justice	8	142
Energy	7	9
Agriculture	4	15
Environmental Protection Agency	3	6
Commerce	3	4
Peace Corps	1	Unspecified ^a
Transportation	1	56
Smithsonian	1	1
TOTAL	102	550^a

Source: GAO analysis of GSA's waiver data from fiscal years 2011 through 2015. | GAO-17-426

^aPeace Corps did not specify the number of vehicles in its waiver request submitted to GSA.

In reviewing these 102 waiver requests, GSA:

- approved 56 (approximately 55 percent),²³

²³ According to a GSA official, GSA does not collect or maintain documentation related to any vehicles that agencies purchase once GSA has approved a waiver.

- denied 32 (approximately 31 percent), and
- did not ultimately process the remaining 14 (approximately 14 percent), in some cases, according to GSA officials, directing agencies to other services or letting them know a waiver was not required.

We selected 17 approved waivers from fiscal years 2013 through 2015 for additional review.²⁴ For these 17 approved waivers, we found agencies purchased vehicles ranging from ambulances to passenger vehicles to dump trucks, with an average cost of approximately \$117,000. See appendix III for more details on the vehicles purchased with these 17 waivers. Some agency examples include:

- Army purchased a truck with a number of upgrades for \$167,427, to be used for recruiting purposes, according to officials (see figure 3). Army officials noted that the upgrades contributed to its success as a recruiting tool, and that the truck was purchased as a replacement for six Hummers.

Figure 3: Vehicle purchased with a waiver submitted by Army



Source: U.S. Army. | GAO-17-426

²⁴ We selected all waivers submitted by an executive agency that were for either a single vehicle or for executive fleet vehicles. Sixteen of these waivers requested permission to purchase a single vehicle and one waiver requested a pair of executive fleet vehicles. Executive fleet vehicles are vehicles used primarily to transport Senior Executives (Heads of Agencies, Senior Executive Service (SES) employees, and General Officers). For more information on our methodology, see appendix I.

- DHS purchased a pair of leather-appointed Chevrolet Suburbans for approximately \$67,000 each to transport the CBP Commissioner and dignitaries.
- VA purchased a minivan that was adapted to allow injured veterans to operate it, at a total cost of \$50,515 (See fig. 4).

Figure 4: Vehicles purchased with waivers submitted by Customs and Border Protection and Veterans Affairs



Department of Homeland Security (DHS) SUV executive fleet vehicle in Washington DC, purchased with an approved waiver from the General Services Administration (GSA).



A Department of Veterans Affairs (VA) minivan in Richmond, Virginia purchased with an approved waiver from GSA.

Sources: GAO (left photograph) and Department of Veterans Affairs (right photograph). | GAO-17-426

Two of Three Selected Agencies Did Not Follow Policies to Identify Underutilized Vehicles, Spending Millions of Dollars on Vehicles without Determining Their Utilization

According to federal standards for internal control, management should design control activities, such as policies and procedures, to achieve objectives and respond to risks. DHS, USDA, and Navy have policies aimed at achieving the objective of determining if vehicles are utilized and mitigating the risk of retaining vehicles that are not needed. However, as discussed below, we found that two agencies—CBP and NRCS—did not follow their respective departments’ policies for assessing vehicle utilization. Specifically, CBP did not assess the utilization of vehicles that fell below DHS’s mileage minimums, and NRCS did not use USDA’s utilization criteria or annually assess vehicles’ utilization. As a result,

these two agencies could not determine if 2,441 of the 12,175 vehicles we selected (20 percent) were fully utilized. Cumulatively, these two agencies incurred an estimated \$13.5 million in depreciation and maintenance costs for these vehicles during fiscal year 2015 (see table 5).²⁵ While these estimated costs might not be equal to the cost savings if all vehicles with undetermined utilization were determined to be underutilized and eliminated, the amount provides insight into the potential scope of the issue.²⁶ Based on our review of policies and agency-provided data, we found that the Navy uses criteria and justification processes to determine if a vehicle is utilized and was able to determine that all of the 3,652 vehicles we selected for our review were utilized.

Table 5: Number, Percentage, and Cost of Selected Owned Vehicles That Selected Agencies Did Not Identify as either Utilized or Underutilized in Fiscal Year 2015

Agency	Number of owned vehicles selected by GAO	Number of selected vehicles with unknown utilization ^a	Percentage of the agency's selected owned vehicles	Estimated cost incurred to retain vehicles, in millions ^b
Customs and Border Protection	2,300	1,862	81	\$12.7
Natural Resources Conservation Service	6,223	579	9	\$0.8
Navy	3,652	0	0	\$0.0
Total	12,175	2,441	20	\$13.5

Source: GAO Analysis of agency-provided data. | GAO-17-426

^aSelected owned vehicles for each agency in our review covered all passenger vehicles and light trucks, except those that were: (1) emergency responder vehicles, (2) law enforcement vehicles, (3) tactical vehicles, or (4) located outside the continental United States, among other limited exclusions.

^bCosts include maintenance and depreciation where maintenance costs are the realized fiscal year 2015 costs and depreciation costs are the unrealized costs to the agency in fiscal year 2015. Costs are in nominal dollars.

²⁵ The estimated total cost includes aggregate maintenance and unrealized depreciation. Depreciation can be a "hidden" cost because the agencies do not actually pay for the vehicle's depreciation on an annual basis. Rather, depreciation accrues and is realized when the agencies sell a vehicle, as depreciation represents the difference between the acquisition cost and the resale value of the vehicle.

²⁶ Costs incurred may not equal cost savings for a variety of reasons, including but not limited to the possibility that some of maintenance cost will be transferred to another vehicle if it is used more frequently following the elimination of an underutilized vehicle.

CBP Did Not Determine if 81 Percent of Selected Vehicles Were Utilized in Fiscal Year 2015

DHS's fleet policy requires that agencies determine if their vehicles are justified. DHS defines a fully justified vehicle as one that either (1) travels a minimum number of miles per year (12,000 miles for sedans and 10,000 miles for light trucks), (2) meets alternative vehicle utilization criteria developed by the agency to reflect their mission needs, or (3) has an individual written justification if the vehicle did not meet DHS's minimum mileage criteria or any of the alternative criteria developed by the agency.

Of the 2,300 CBP vehicles that we examined, 1,862—81 percent—either did not achieve the DHS mileage utilization criteria or did not have sufficiently accurate mileage data to determine if the vehicle met the DHS mileage minimums.²⁷ CBP officials told us that DHS's mileage criteria are not always an appropriate utilization metric for their diverse fleet. But CBP has not developed its own alternative criteria to determine if the vehicles that did not meet the DHS mileage criteria are utilized. While DHS policy instructs agencies to individually justify vehicles that did not meet DHS's or agency-developed utilization criteria, CBP officials could not provide justifications for these 1,862 vehicles, and one official stated that CBP does not develop such justifications. CBP incurred an estimated \$12.7 million in maintenance and depreciation costs for these vehicles during fiscal year 2015. Because CBP did not determine if these vehicles are utilized, some of this cost may have been for vehicles that the agency did not need.

CBP officials explained that it would not be efficient or cost-effective to manually collect the data needed to establish criteria appropriate for CBP, such as "engine run time."²⁸ Furthermore, even if criteria were to be established, the lack of readily available data would make it difficult to

²⁷ We determined that extreme mileage values, such as 3 million miles traveled in a year or negative mileage, did not provide sufficient information to CBP to determine if the mileage criteria had been met. Thus, such vehicles would require individual justification.

²⁸ CBP officials explained that "engine run time" could potentially be an appropriate metric for vehicles that facilitate surveillance of the southwest border. For example, during the summer an engine may be running to provide air conditioning even though the vehicle is mostly stationary. However, to determine the criteria against which performance would be measured (i.e., how many engine run hours would be expected for a given time period), CBP officials explained they would need to benchmark the agency's current engine hours.

measure vehicle performance against such criteria. However, officials stated that CBP has begun to install “telematics” devices in many of its vehicles.²⁹ These devices can measure and transmit data on the vehicle’s use. CBP officials plan to have the devices installed in approximately 60 percent of its fleet by March 2017. Officials reported that once these devices are fully deployed, a variety of new data points may become available, including engine hours and idle time. Officials stated that they have begun collecting data from the telematics devices installed to date to support the eventual development of appropriate utilization criteria; however, they have not yet developed a specific plan that outlines how they will use the data to develop appropriate utilization criteria and evaluate vehicles against those criteria. Officials also reported that while they intend to eventually install telematics on the remaining 40 percent of CBP’s fleet, there is currently no funding plan or timeline to do so, and CBP does not have a specific plan that details how it will assess the utilization of vehicles not equipped with telematics.³⁰

CBP officials stated that given the large number of vehicles that did not meet the DHS mileage criteria, it was too difficult to develop individual justifications.³¹ If CBP developed utilization criteria that were appropriate for a large percentage of their vehicles’ missions, the number of vehicles requiring individual justifications could substantially decrease. In turn, this decrease in vehicles needing individual justification could facilitate CBP’s compliance with DHS’s policy that requires justifications for vehicles that do not meet utilization criteria.

NRCS Did Not Determine If 9 Percent of Its Selected Vehicles Were Utilized in Fiscal Year 2015

A 2012 USDA policy memo requires that all vehicles be utilized. The memo specifies utilization criteria as either a function of mileage or days

²⁹“Telematics” are devices installed in vehicles that can provide data on speed, location, and other operation metrics.

³⁰ According to CBP officials, the agency plans to collect data for one year and then assess telematics-equipped vehicles’ utilization, as well as make recommendations for utilization criteria; however, without additional action this effort would not address the utilization of vehicles without telematics devices.

³¹In fiscal year 2015, CBP owned 25,032 vehicles. Officials indicated that many of these vehicles, including and beyond those selected for this review, would not meet the mileage minimums.

used, as shown in the table 6 below, although agencies can request changes to these requirements:

Table 6: USDA’s Minimum Utilization Criteria for Owned Vehicles

Type of vehicle	Annual mileage	Days used per year
Passenger vehicles	7,500 miles	80 days
Light trucks (<10,000 gross vehicle weight rating (GVWR))	5,000 miles	80 days
Medium trucks (10,001 to 20,500 GVWR)	4,000 miles	60 days
Heavy trucks (>20,501 GVWR)	4,000 miles or 400 hours	60 days

Source: USDA’s Internal Vehicle Allocation Methodology Memo, 2012. | GAO-17-426

In addition to setting forth utilization criteria, the policy memo allows agencies to individually justify vehicles’ falling below the utilization minimums (for example, law enforcement vehicles or vehicles with a unique mission). Furthermore, the memo outlines USDA’s expectation that NRCS and other agencies will annually identify vehicles that did not meet the utilization criteria or have an individual justification documenting why the vehicle should be retained.

NRCS did not follow the USDA policies on annual utilization and justification because key officials were not aware of these policies. Specifically, all of the USDA and NRCS fleet managers we spoke to were unaware of this policy memo, which officials from USDA said had not been re-circulated since 2012. According to USDA officials, the utilization policy and the requirement for annual justifications were not widely discussed or shared. Thus, NRCS did not apply USDA’s utilization criteria to its vehicles to determine if the vehicles were utilized. In addition, NRCS does not have a process for annually justifying its vehicles. NRCS conducted a VAM survey, which agencies must conduct at least every 5 years, in fiscal year 2015 (the year covered in our review). As a part of that survey, NRCS developed individual justifications for its vehicles. As a result, NRCS determined that 91 percent of the 6,223 vehicles we selected for this review were utilized.³² For the remaining 9 percent of the selected vehicles (579), NRCS was unable to determine if the vehicles

³² While we did not examine each individual justification, we reviewed the processes followed by NRCS and requested a random sample of the justifications.

were utilized.³³ While the VAM survey provided justifications for fiscal year 2015, NRCS officials reported that they did not plan to conduct an annual VAM survey because the surveys cover every vehicle in the fleet and are resource intensive. If NRCS followed USDA policies on annual utilization and justification, the annual process would be less resource intensive than the VAM because the annual process would not need to cover vehicles that met USDA's utilization criteria. NRCS retained all of the vehicles for which it could not determine if the vehicles were utilized and incurred approximately \$750,000 in maintenance and depreciation costs in fiscal year 2015 for the 579 vehicles that were retained.

Navy Determined All Selected Vehicles Were Utilized in Fiscal Year 2015

DOD has established criteria for minimum annual mileage (either 7,500 or 10,000 annual miles for trucks—depending on vehicle characteristics—and 12,000 annual miles for sedans). According to Navy officials, Navy has additional criteria to assess the utilization of each vehicle based on mission needs and has a process to annually review the usage and justification of one third of its fleet to determine if the vehicles are utilized and still needed.

Navy reported all 3,652 vehicles we selected for review met the DOD mileage criteria or had an individual justification in fiscal year 2015.³⁴ Navy has a process to individually review its entire fleet within a 3-year cycle even if some vehicles meet the DOD mileage requirements. These triannual justifications—known as the TRIO process—are considered valid by the Navy until the vehicles are reassessed again in 3 years. Through this process, each vehicle has its own requirement criteria and justification for retention. According to Navy officials, the TRIO process will be replaced by annual reviews within the next few years.

³³ Of the 579 vehicles, 553 were vehicles that the VAM identified as underutilized, but NRCS officials said VAM respondents may have misunderstood the survey directions and the vehicles' utilization was therefore unknown. NRCS officials said that they have clarified the instructions and are deploying another VAM survey in fiscal year 2017 that will correct this issue. NRCS was not able to determine the utilization of an additional 26 vehicles.

³⁴ While we did not examine each individual justification, we reviewed the processes followed by Navy and requested a random sample of the justifications to verify their claim.

Officials from Three Selected Agencies Identified a Variety of Challenges to Managing the Costs of their Vehicle Fleets

During panel discussions and individual interviews, fleet management officials from three selected agencies—CBP, Navy, and NRCS—identified several key challenges to managing the costs of their fleet. These challenges included alternative fuel vehicle requirements, fragmented data systems, and budget constraints.

Alternative Fuel Vehicle Requirements Can Increase Costs for Owned Vehicle Fleets

Agency officials from CBP, Navy, and NRCS reported that the requirements for purchasing alternative fuel vehicles and using alternative fuel make it challenging to manage fleet costs. Some officials reported that complying with these requirements sometimes involves purchasing more expensive vehicle models. According to data from GSA’s 2016 Model AFV Guide, in some cases acquisition costs for alternative fuel vehicles were substantially more expensive than the gasoline-powered model. For example, an electric-only sub-compact car costs approximately 82 percent more than the standard gasoline-only model. Similarly, the plug-in electric hybrid version of a subcompact car costs approximately 99 percent more than the gasoline-only model. However, in other cases, acquisition costs for alternative fuel vehicles were the same as those of their gasoline-powered counterpart (see table 7).

Table 7: Cost of Gasoline-Powered and Alternative Fuel Vehicles, in Fiscal Year 2016

Fuel type	Price	Vehicle type	Manufacturer / dealer	Model	Engine
Gasoline	\$14,645	Sedan/station wagon	FORD	FOCUS	2.0L, 4 cylinders
E-85	\$14,645	Sedan/station wagon	FORD	FOCUS	2.0L, 4 cylinders
Electric	\$26,684	Sedan/station wagon	FORD	FOCUS BEV	0L, 0 cylinders
Plug-in hybrid Electric vehicle	\$29,164	Sedan/station wagon	FORD	CMAX ENERGI	2.0L, 4 cylinders

Source: GSA’s Model Alternative Fuel Vehicle Guide, 2016. | GAO-17-426

Selected agency fleet management officials also reported that complying with AFV requirements involves installing and maintaining the infrastructure required for AFVs, a process that can be costly. For

example, supporting AFVs can require electric charging stations, which agency officials reported to be costly and difficult to manage, given the outdated condition of some agencies' facilities and the need to ensure National Electric Code standards compliance.³⁵ In addition, one official noted that if an agency's fleet involves a variety of different alternative fuel sources—such as E-85, electric vehicles, and compressed natural gas—the agency would need to incur the cost of developing and maintaining infrastructure that supports each type of fuel source if it is not commercially available. We previously reported similar findings related to the costs of alternative fuel requirements. Specifically, in 2013, we reported that some agency officials found commercial vendors to be reluctant to install alternative fuel tanks when the return on investment was not promising.³⁶ In addition, we noted that agencies found it difficult to meet certain energy requirements in a constrained budget environment due to the potential for related additional costs.

Officials from the three selected agencies also reported that administrative tasks associated with meeting AFV requirements can be difficult and resource-intensive. For instance, these officials reported that it can be time-consuming for fleet managers to ensure that drivers of dual-fueled vehicles, which can run on gasoline or an alternative fuel, use the required alternative fuels when reasonably priced and available, which is defined as within a 5 mile or 15 minute drive.³⁷ Similarly, agency officials reported that completing paperwork associated with the AFV requirements can take up costly staff time. For example, one official stated that an agency's mission may require the use of certain vehicle types—such as pickup trucks—that do not meet the Energy Independence and Security Act of 2007's requirement to purchase only low-greenhouse-gas-emitting vehicles, resulting in the need for an agency to certify that no low-greenhouse-gas-emitting vehicle is available to meet the functional needs of the agency. The official explained that it was very time-consuming for his staff to complete the required paperwork for each vehicle in the fleet that was not a low-greenhouse-gas-emitting vehicle.

³⁵ We previously reported on a similar challenge. See [GAO-13-659](#).

³⁶ See [GAO-13-659](#).

³⁷ 42 U.S.C. § 6374(a)(3)(E).

Inaccurate and Fragmented Data Can Require Additional Personnel Resources

Officials from the three selected agencies reported that limitations of their fleet management information systems—including manual data entry and recording fleet data in multiple systems—can lead to increased costs in the form of staff time and missed opportunities to analyze the available information. Officials also reported that efforts to address these limitations by adopting more sophisticated technology typically involve obstacles such as the complications associated with cybersecurity.

Officials for each selected agency said that their systems require the manual entry of some data, which is resource intensive. For example, one official said users needed to complete some forms by hand before the data were manually entered into the system. Officials also said users sometimes manually enter data in non-standard formats, which can increase the amount of time needed to analyze the data.

In addition, according to agency officials, when fleet data are recorded in multiple systems that do not communicate with each other, it requires more staff time to accomplish fleet management tasks. One official stated that in some cases, agencies within the same department may not use the same data systems, a situation that complicates internal processes such as transferring a vehicle from one agency to another.

Several officials said that they are interested in adopting new technologies that have the potential to streamline the collection and improve the accuracy of fleet data, such as using scanners to collect data from bar codes. However, officials cautioned that it can be costly and time-consuming to adopt new technologies and integrate them into existing systems and processes. For example, an official within Navy said that his office paid a local vendor to run diagnostics on their vehicles' engines—a costly process. In an attempt to minimize these costs, his office identified an available software program that could perform these diagnostics at a potential savings of \$200–300 per test. The official said that as of October 2016 the Navy was 8 months into the process of evaluating the program for potential use. Similarly, officials from Navy

reported challenges in adopting telematics.³⁸ Specifically, according to Navy officials, telematics have been installed in approximately 700 owned vehicles in Navy's fleet, at an estimated cost of approximately \$300,000; however, they have not yet been able to activate 674 of those 700 installed telematics systems due to cybersecurity reviews to ensure that the vehicles cannot be manipulated by outside sources.³⁹ Navy officials said that while telematics offer information that benefits some vehicles and missions, installing telematics in their vehicle fleets required a substantial initial investment.

Budget Restrictions Can Increase Fleet Costs

Some officials said that when budgets are tight they retain vehicles that need to be replaced beyond the standard replacement timeframe of three years or 60,000 miles for sedans and station wagons, which can lead to higher overall fleet costs. Officials explained that maintenance costs increase as vehicles age, so the overall lifecycle costs of owning older vehicles is higher. According to the fiscal year 2015 Federal Fleet Report, the average age of owned passenger vehicles was 5.8 years for DHS, 5.4 years for USDA, and 5.2 years for Navy. According to officials, some agencies perform vehicle lifecycle cost analyses which help determine when vehicles are no longer cost effective to retain, among other decisions. However, one official said they were not always able to replace vehicles when their analyses suggested the vehicle should be replaced due to budget constraints. Moreover, by using more of their fleet funds on maintenance, agencies have even fewer available resources to purchase new vehicles. Officials said that this cycle can make it challenging for fleet managers to contain costs. According to officials, to help address the costs of aging owned vehicles, Navy and NRCS are planning to increase their use of GSA-leased vehicles. An official from CBP reported that

³⁸ In 2014, we reported that experts had agreed that in some cases, telematics could facilitate cost savings by providing fleet managers with information needed to reduce fleet size, fuel use, misuse of vehicles, and unnecessary maintenance. However, telematics will not achieve cost savings for every fleet. The potential return on investment from adopting telematics will vary based on a number of factors, including cost of telematics technology, fleet characteristics, organizational support, and existing information technology systems. See [GAO-14-443](#).

³⁹ According to Navy officials, 240 telematics systems installed in owned vehicles were originally activated, but only 26 systems remained active as of January 2017.

converting their fleet from owned to leased vehicles was generally not financially feasible because CBP installs mission-specific special systems and equipment and operates in conditions that would be likely to damage vehicles.⁴⁰

Conclusions

Given the billions of dollars spent annually to operate and maintain federally owned vehicles and the government-wide emphasis on efficient fleet management, it is critical for agencies to have sound fleet management practices. The three departments in our review have established policies to appropriately use vehicles and facilitate the removal of unnecessary vehicles. Nonetheless, our finding that millions of dollars are being spent on vehicles that are potentially underutilized indicates action is needed.

Because CBP does not view DHS criteria to be appropriate in all cases for its diverse fleet and does not individually justify vehicles, CBP management cannot determine which vehicles, if any, are being properly utilized by CBP staff, and the agency may be spending millions of dollars on vehicles that are not needed. While new telematics devices are capable of providing vehicle usage information, CBP risks losing the opportunity to use these new data to identify and remove underutilized vehicles because CBP has not developed a plan to determine how it will use this usage data to improve its utilization assessment processes, including processes for vehicles without telematics devices.

Additionally, because key NRCS and USDA officials were unaware of USDA's policies on utilization and assessment, staff did not have necessary information to guide retention decisions for vehicles that cost more than \$750,000 annually. Awareness of this policy would provide important information to NRCS officials to determine which vehicles, if any, may be underutilized and could be removed from their fleet. It is important for departments to ensure that all of their fleet management staff, including those in each agency within a department, are aware of and comply with departmental policies.

⁴⁰ Agencies need to return leased vehicles to GSA with nominal wear and tear. Agencies may be charged additional fees for excessive wear and tear. Thus, according to a CBP official, it would not be cost effective to lease those vehicles.

Recommendations for Executive Action

To facilitate the removal of underutilized vehicles, we recommend that the Secretary of Homeland Security direct the Commissioner of Customs and Border Protection to develop a written plan for how CBP will use newly available usage data to improve its utilization assessment processes. Such a plan would define utilization criteria that reflect CBP's mission and describe how CBP will review and individually justify vehicles that do not meet the utilization criteria established by either DHS or CBP.

To enhance awareness of NRCS's utilization assessment process and facilitate the elimination of unnecessary vehicles, we recommend that the Secretary of the Department of Agriculture communicate USDA's policy on vehicle utilization to USDA's fleet management staff to ensure staff are aware of USDA policy. This communication could include redistributing the 2012 utilization policy memo.

Agency Comments

We provided a draft of this report to the departments of Agriculture, Commerce, Defense, Energy, Homeland Security, Interior, Justice, and Veterans Affairs and to GSA for review and comment. The Departments of Defense, Energy, Justice, and Veterans Affairs did not have comments. The Departments of Agriculture, Commerce, Homeland Security, and the Interior, as well as GSA, provided technical comments which we incorporated as appropriate. In its written comments, reproduced in appendix V, DHS stated that it concurred with our recommendation. A Program Analyst in the Office of the Chief Financial Officer provided emailed comments on behalf of USDA's Office of Procurement and Property Management. In these emailed comments, USDA did not agree or disagree with our findings, but noted that the Department will address the recommendation.

We are sending copies of this report to interested congressional committees, the Secretaries of the departments of Agriculture, Commerce, Defense, Energy, Homeland Security, Interior, Justice, and Veterans Affairs, and the Administrator of GSA. In addition, this report is available at 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 IV.

A handwritten signature in black ink that reads "Lori Rectanus". The signature is written in a cursive, flowing style.

Lori Rectanus
Director, Physical Infrastructure

Appendix I: Objectives, Scope, and Methodology

This report covers: (1) the types and locations of vehicles recently purchased across the federal government and the associated costs; (2) the extent to which selected agencies determine what vehicles are utilized; and (3) any challenges that selected agencies face in managing the costs of their owned vehicle fleets.

To determine the types, locations, and costs of vehicles recently purchased across the federal government, we analyzed purchase data from the General Services Administration's (GSA) ROADS database, the primary repository for information on vehicle purchase transactions.¹ Specifically, we analyzed information on more than 64,500 passenger vehicles and light trucks purchased by federal agencies through GSA from fiscal year 2011 through fiscal year 2015 (the most recent, complete fiscal year at the time of the request), including information such as:

- the quantity of vehicles purchased;
- the type of vehicle, such as a pickup truck or sedan;
- the agencies that acquired vehicles;
- the cost of the vehicles purchased; and
- the location of where the purchased vehicles were delivered.

We also used the ROADS data to analyze the options that agencies purchased with these vehicles, as options provide additional insight into the characteristics of the vehicles purchased. Agencies selected 346 unique options for the passenger vehicles and light trucks purchased during this 5-year time period. In order to describe the purpose of these options, we categorized the options into six groups. The first four groups

¹ We determined that the ROADS data were sufficiently reliable for our analysis after checking for outliers, reviewing missing data, and interviewing GSA officials, among other steps.

were derived from the Federal Property Management Regulations (FPMR):²

1. **Safety:** We defined this category as options that serve to prevent collisions, vehicle or other damage, injury, or theft of the vehicle. This includes protecting occupants in the event of a collision and supporting the recovery of a vehicle if it is stolen. Lane-departure warning systems and backup cameras are examples of options we placed in the safety category.
2. **Economy:** We defined this category as options that remove features, or options that reduce the size, power, or features to be included in a vehicle. Reducing the engine size or eliminating air conditioning, thus potentially reducing vehicle's cost, are examples of options we placed in the economy category.
3. **Efficiency:** We defined this category as options that could increase the fuel efficiency of a vehicle (including supporting use of alternative fuels) as well as options that facilitate vehicle maintenance and optimal operation (including reducing operating costs). An engine capable of running on compressed natural gas is an example of an option we placed in the efficiency category.
4. **Suitability:** We defined this category as options that could reasonably be determined to be necessary to accomplish an agency's mission. Pre-wired police equipment is an example of an option we placed in the suitability category.

In addition, we created two additional categories:

5. **Administration:** We defined this category as including options that were related to the purchase, delivery, or warranty of the vehicle (such as the option to send a vehicle overseas).
6. **Undetermined:** We used this category to group options that did not meet any of the five defined categories, including options with unclear descriptions.

We then conducted a content analysis to categorize all 346 options into each of these categories. In order to conduct this analysis, two analysts independently coded each of the options into the six categories, and then

² Federal Property Management Regulations provide that the selection of additional systems or equipment in new vehicles should be based on "the need to provide for overall safety, efficiency, economy, and suitability of the vehicle for the purposes intended." 41 C.F.R. § 101-26.501(e).

met to discuss and resolve any coding discrepancies. After this initial categorization, 48 options were categorized as “undetermined”. We subsequently discussed our categorizations with GSA officials and asked them for any examples of why agencies might select these undetermined options for any of the other five categories. After reviewing GSA’s responses, we placed 38 of the previously undetermined options into one of the five other categories. The remaining 10 options were still categorized as “undetermined” because GSA’s response did not provide assurance that the option belonged in one of the other five categories. For example, GSA replied that power seats could be selected for drivers with mobility impairments, but we found that agencies selected power seats over 5,000 times. Similarly, GSA suggested that remote keyless entry could be a safety feature for vehicles operated in extreme climates, but it is unclear what climates would constitute “extreme”. When we randomly selected zip codes to determine where 10 of the vehicles with remote keyless entry were delivered, we found that they were delivered to Maryland, North Carolina, and Virginia, among other locations. We subsequently reported the cost and frequency of these remaining options, combining some similar options (i.e., leather seats and heated front leather seats), which resulted in the six options we analyzed.

We also analyzed information on the number of waivers that agencies submitted to GSA during this time frame in order to purchase vehicles from a non-GSA source. We examined all 17 waivers that GSA approved from fiscal year 2013 through fiscal year 2015 for an executive agency to either purchase one vehicle or to purchase executive vehicles. For each of these waivers, we requested purchase orders and other relevant information from the agencies that received these waivers to determine what vehicles were purchased.

To determine how selected federal agencies identify what vehicles are utilized, we judgmentally selected three federal agencies for review: the U.S. Navy (Navy); U.S. Department of Agriculture’s Natural Resources Conservation Service (NRCS); and U.S. Department of Homeland Security’s Customs and Border Protection (CBP). We made our selection after considering the following criteria about their respective departments:

- among the largest owned fleets in fiscal year 2015,
- at least 10,000 non law enforcement designated vehicles, and
- a majority of domestic vehicles in their overall fleet.

We then selected the agencies from these three selected departments that reported among the largest number of domestic, non-law enforcement passenger vehicles and light trucks in response to a GAO request for this information. We selected these fleets to broadly discuss the experiences and practices across a section of the federal fleet. These results are not generalizable to their overarching departments or other federal agencies.

We reviewed the selected agencies' policies on utilization and interviewed officials. To estimate the costs associated with potentially underutilized vehicles, we conducted a multi-step analytical process. First, we focused on a selected population of vehicles, which included:

- light trucks or passenger vehicles, because these two categories comprise the majority of federal-owned vehicle fleets (approximately 55 percent and 15 percent respectively);
- vehicles that are still in the selected agencies' inventories as of November 2016; and
- vehicles that were acquired prior to fiscal year 2015, so that the agencies were fully accountable for the selected vehicles' utilization over the entire fiscal year 2015 time period.

We defined passenger vehicles and light trucks using vehicle descriptions in GSA's Federal Automotive Statistical Tool (FAST) database, as shown in table 8.³

Table 8: Passenger Vehicle and Light Truck Designations

Passenger vehicles

- Low-speed Vehicle
- Sedan/Station Wagon Subcompact
- Sedan/Station Wagon Compact
- Sedan/Station Wagon Midsize
- Sedan/Station Wagon Large
- Limousine

³ Agencies annually report information to GSA through FAST; thus, the FAST categories are familiar to agencies.

- Light Duty SUV 4x2
- Light Duty SUV 4x4
- Light Duty Minivan 4x2 Passenger Use
- Light Duty Minivan 4x4 Passenger Use
- Light Duty Van 4x2 Passenger Use
- Light Duty Van 4x4 Passenger Use
- Medium Duty SUV
- Medium Duty Van Passenger Use

Light trucks

- Light Duty Minivan 4x2 Cargo Use
- Light Duty Minivan 4x4 Cargo Use
- Light Duty Van 4x2 Cargo Use
- Light Duty Van 4x4 Cargo Use
- Light Duty Pickup 4x2
- Light Duty Pickup 4x4
- Light Duty Other Vehicle 4x2

Source: GSA's FAST information. | GAO-17-426

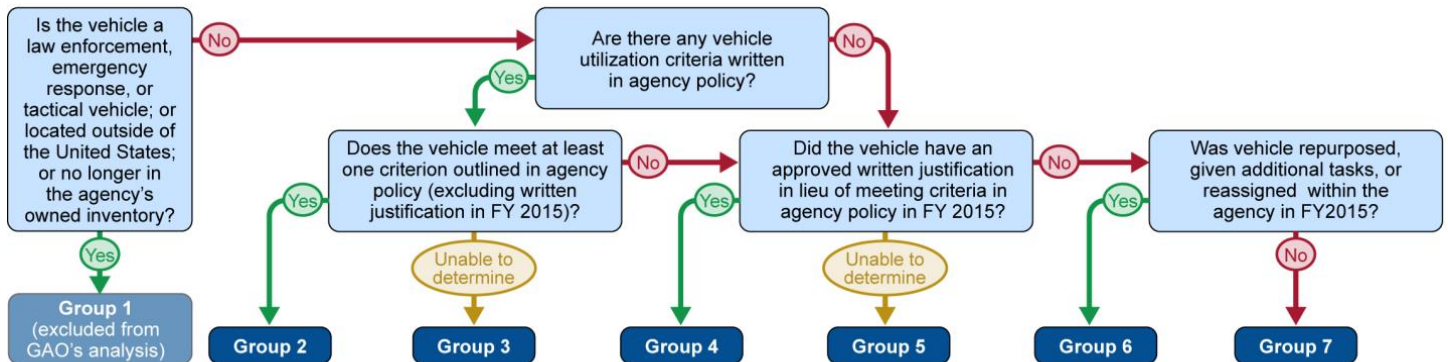
We excluded tactical, law-enforcement, and emergency-responder vehicles from the selected vehicle population as well as vehicles located outside of the continental U.S., due to the differences in reporting and management processes that can be associated with these characteristics. We also excluded vehicles that were procured through non-appropriated funds, such as user fees, as any savings associated with eliminating those vehicles would not accrue to the federal government.

We then requested data from the three selected agencies on all of the relevant vehicles in our defined population. After receiving the data from the selected agencies, we conducted various diagnostic analyses of these data to assess their reliability and performed logic procedures to address obvious data issues. For example, we examined VIN numbers and acquisition cost values and removed any vehicles with errors from the population of analysis, removing approximately 12,900 vehicles in

total across the three agencies.⁴ We received over 25,000 vehicle records from the three agencies that we reviewed for reliability and data issues, and 12,175 vehicle records met our selection criteria for analysis. In total, the selected vehicles from these agencies accounted for about 3 percent of the federally owned fleet. The findings from our analysis of these vehicle records are not generalizable to all vehicles at the agencies or to agencies beyond those we selected.

Next, we sent to each selected agency a list of their selected vehicles and requested that they group the vehicles into one of the categories described below and depicted in figure 5, so that we could determine how many vehicles were utilized, underutilized, or of unknown utilization. Specifically, groups 3, 5, and 7 reflect shortcomings in agency efforts to identify and remove underutilized owned vehicles. We focused on determining the costs associated with the vehicles in these groups.

Figure 5: Decision Tree Provided to the Three Selected Agencies



Source: GAO analysis. | GAO-17-426

Group 1: Vehicle must be a law enforcement, emergency response, or tactical vehicle or located outside of the United States or no longer in the agency's owned inventory. These vehicles are excluded from our population of analysis.

⁴ We removed any vehicles that appeared to have substantial data entry errors in order to ensure greater overall accuracy in our cost analysis assessment. However, approximately 5,000 of these removed vehicles were out of scope of our original population selection criteria.

Group 2: Vehicle must have met at least one agency utilization criteria, specifically defined in the agency's policy or guidance documents in fiscal year 2015. This group did not apply to agencies that do not have utilization criteria written in their policy.

Group 3: The agency must have specific utilization criteria defined in agency policy or guidance documents AND be unable to determine whether the vehicle met this standard in fiscal year 2015. Example: The agency has mileage-based utilization criteria, but the mileage data are either missing or clearly incorrect (negative mileage).

Group 4: For this category, for the vehicle's retention, there must be a written justification that was considered valid by the agency in fiscal year 2015 in lieu of meeting criteria defined in agency policy or guidance. If the agency does not have utilization criteria, then the vehicles would need to have written justifications in regards to vehicle retention in order to be placed in this category.

Group 5: The agency is unable to determine whether there is a written record verifying that in fiscal year 2015, the vehicle's continued use was justified and approved.

Group 6: Vehicle must NOT have met any agency utilization criteria for fiscal year 2015 (or there are no criteria in agency policy) that was specifically defined in agency policy or guidance documents, AND there was no written justification for the vehicle's retention that was considered valid by the agency in fiscal year 2015. AND the vehicle was reassigned, repurposed, or given other tasks within the agency in fiscal years 2015 or 2016.

Group 7: Vehicle must NOT have met, for fiscal year 2015, any agency utilization criteria (or there are no criteria in agency policy) that was specifically defined in agency policy or guidance documents, AND there was no written justification for the vehicle's retention that was considered valid by the agency in fiscal year 2015. AND the vehicle was not reassigned, repurposed, or given other tasks within the agency in fiscal years 2015 or 2016.

Agencies were responsible for categorizing each of the vehicles. We provided the agencies with each vehicle's VIN number, make, model, and other identifying information to assist in the 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's defined criteria or if the vehicle was repurposed). However, to evaluate the overall reliability of agencies' vehicle justification reporting, we selected a random sample of 20 vehicles from each agency that placed vehicles into group 4 and then requested the written justifications for those vehicles.

To determine the cost savings that could be achieved through the reduction of potentially underutilized vehicles (groups 3, 5, and 7), we first determined what factors drove cost for the selected agencies in managing their owned vehicles. After conducting agency interviews, we determined that the main drivers of cost for agencies were depreciation, maintenance, and fuel. While there are other drivers of cost, agency officials reported that they did not collect information on the indirect costs associated with owned vehicle fleets such as fleet manager salaries or the costs to garage the vehicles. Although fuel is a main driver of cost, any reduction in fuel costs by removing these underutilized owned vehicles would most likely be offset to a large extent by an increase in fuel costs for other vehicles in the agency's fleet in order to complete the agency's mission. Thus, we determined that potential cost savings of underutilized vehicles would be achieved through determining the aggregate depreciation—which represents foregone cost avoidance—and maintenance costs for fiscal year 2015.

Agencies used different methods to calculate depreciation, so we used GSA's simplified straight-line depreciation method to calculate a consistent average annual depreciation cost per vehicle for each agency. We asked each agency to provide the average capitalized value, average salvage value, and average useful life (in years) for vehicles in their respective fleets. We then used these values to calculate average annual depreciation per vehicle and multiplied that cost to the number of vehicles that were potentially underutilized. This calculation represented the total depreciation of all potentially underutilized vehicles in each agency's fleet for fiscal year 2015. However, because vehicles typically have greater depreciation during their first few years in operation, the straight-line depreciation method underestimates the actual loss of value for relatively new vehicles but overestimates the actual loss for vehicles nearing the end of their useful lives. The actual total cost savings—in the form of avoiding loss of value—from removing vehicles is difficult to estimate because it depends on many factors specific to each individual vehicle such as age and model, and economic factors such as the fluid market value for used vehicles.

To calculate the total maintenance cost for potentially underutilized vehicles, we asked the agencies to provide all maintenance transaction records by vehicle for fiscal year 2015. While NRCS and Navy could provide this information, CBP could only provide an unknown percentage of their total fleet maintenance transactions.⁵ This response is due to the fact that 60 percent of CBP's fleet has access to agency-owned maintenance garages. CBP does not record asset-level maintenance transactions for their agency-owned maintenance garages. To address this issue, we asked CBP to provide the total maintenance cost incurred to the agency in fiscal year 2015 as well as the total number of vehicles in its fleet for fiscal year 2015. After CBP provided this information, we were able to calculate its average vehicle maintenance cost for fiscal year 2015, and we multiplied this average to the number of potentially underutilized vehicles in its fleet. Although the average per-vehicle maintenance costs are substantively lower for NRCS vehicles (groups 5 and 7) than those of CBP, high maintenance costs are consistent with CBP officials' statements that their vehicles drive in difficult terrain. Given the potential for harsh driving conditions, we determined that their calculated total costs are reliable for reporting purposes.

To gather information related to challenges agencies face in managing the costs of their owned vehicle fleets, we spoke with fleet management officials from our three selected agencies: Navy, CBP, and NRCS. We conducted two discussion groups with fleet management officials in October 2016. We recruited participants by requesting volunteers from each agency's fleet management pool, and then judgmentally selected the eventual participants in order to achieve a balance of representation among all three of the selected agencies. A total of 17 fleet management officials participated in our discussions, with at least one representative from each agency in each group. We also conducted individual interviews with upper management officials from each of the three selected agencies to discuss the challenges agencies face in managing the costs of their fleets. Findings from our discussion groups and interviews, while illustrative, are not generalizable to the full population of fleet management officials at these three agencies or the federal government.

We conducted this performance audit from March 2016 to April 2017 in accordance with generally accepted government auditing standards.

⁵ We did not calculate maintenance costs from Navy because none of their vehicles were in groups 3, 5, or 7.

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: Selected Agencies' Procedures for Purchasing New or Replacing Existing Vehicles

Customs and Border Protection (CBP), Natural Resources Conservation Service (NRCS), and Navy have various processes to add an additional vehicle to their fleet or to replace an existing vehicle, specifically:

- Department of Homeland Security (DHS) fleet policy requires agency fleet managers to submit an annual Fleet Management Plan to the DHS Fleet Manager. According to DHS officials, upon approval by DHS, agencies may purchase vehicles based on available funding, up to the maximum number of vehicles approved.¹ When ordering a replacement for an existing vehicle, CBP officials are to its established vehicle replacement criteria (which include mileage and age minimums) and, according to officials, ensure at least one of these standards are met before replacing a vehicle.
- When ordering a vehicle, NRCS officials are to determine the appropriate type of vehicle to purchase within each state and request vehicle replacements or new acquisitions from a centralized office, called Personal Property Services (PPS).² PPS is responsible for purchasing all vehicles once the projected acquisitions are approved by USDA headquarters.³
- According to Navy officials, Navy is subject to Department of Defense's purchasing guidelines as well as its own policies. To purchase a new vehicle, users must submit a requirement form with a written justification for the vehicle. The justification may include descriptions such as vehicle type, required mileage, and anticipated

¹ According a CBP official, CBP officials are not currently purchasing new, additional vehicles—i.e., increasing the fleet size— due to funding limitations. Rather, the purchases are replacements for existing vehicles. According to CBP officials, replacement vehicles are only acquired to offices adhering to vehicle reduction schedules or those that are at or below their established operating ranges.

² According an NRCS official, NRCS officials are not currently increasing the fleet size. Therefore, NRCS's acquisitions would consist of replacements, not additional vehicles.

³ USDA officials reported that while headquarters reviews and approves projected acquisitions, it does not currently approve actual acquisitions. According to officials, USDA is developing guidance to agencies for acquisition approval.

**Appendix II: Selected Agencies' Procedures
for Purchasing New or Replacing Existing
Vehicles**

number of times the vehicle will be used in a day. To order replacement vehicles, users must assess and justify the continued need for the vehicle to be replaced.

Appendix III: Vehicles Purchased by Departments with Selected Approved GSA Waivers from 2013- 2015

Table 9: Vehicles Purchased with Approved GSA Waivers from Fiscal Year 2013 through Fiscal Year 2015

Department	Agency	Vehicle purchased
Department of Defense	<i>Army</i> <i>Army Corps of Engineers</i>	<ul style="list-style-type: none"> • Transport Truck (Mack) • Heavy Equipment Transport Truck (CT660S) • Truck (Ford F650 Crew Cab XLT 4x4) • Brush Fire Truck (Ford F550 Crew Cab 4x4 Truck, with bed conversion) • Heavy Haul Tractor (T-30) • SUV (Chevrolet Suburban) • Passenger Van (Chevrolet Express 2500)
Department of Homeland Security	<i>Federal Emergency Management Agency</i> <i>Customs and Border Protection</i>	<ul style="list-style-type: none"> • Ambulance (PL Custom Classic 170 Dodge 4500 4WD) • (2) SUVs (Chevrolet 1500 Suburbans)
Department of Energy	<i>Western Area Power Administration</i>	<ul style="list-style-type: none"> • Dump Truck (Hook Lift with Flat Bed and 8 Yard Dump Box)
Department of Veterans Affairs	<i>Veterans Health Administration</i>	<ul style="list-style-type: none"> • (2) Minivans (Dodge Grand Caravans) • Ambulance (Ford E450)
Department of the Interior	<i>Fish and Wildlife Service</i>	<ul style="list-style-type: none"> • Truck (Toyota Tacoma, 4WD) • Dump Truck (Mack Model GU713)
Department of Justice	<i>Bureau of Prisons</i>	<ul style="list-style-type: none"> • Passenger Bus (Turtle Top Odyssey XLT with Freightliner M2)
Department of Commerce		<ul style="list-style-type: none"> • SUV (Ford Explorer Limited)

Source: GSA and agency-provided documentation. | GAO-17-426

Appendix IV: GAO Contacts and Staff Acknowledgments

GAO Contact

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

Staff Acknowledgments

In addition to the contact named above, John W. Shumann (Assistant Director), Alison Snyder (Analyst-in-Charge), Margaret Hettinger, Terence Lam, Jerome Sandau, Candace Silva-Martin, Michelle Weathers, Crystal Wesco, and Elizabeth Wood made key contributions to this report.

Appendix V: Agency Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

April 3, 2017

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

Re: Management's Response to Draft Report GAO-17-426, "FEDERALLY OWNED
VEHICLES: Agencies Should Improve Processes to Identify Underutilized Vehicles"

Dear Ms. Rectanus:

Thank you for the opportunity to review and comment on this draft report. U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO) work in planning and conducting its review and issuing this report.


The Department is pleased to note GAO's positive recognition of U.S. Customs and Border Protection's (CBP) progress in the use of telematics installations with its vehicle fleet to improve vehicle utilization assessments. Nearly two thirds of these vehicles now have telematics and CBP remains committed to pursuing installations in the remaining fleet.

It is also important to note that CBP is employing a mission-focused Vehicle Allocation Methodology to further improve the effective management of its motor vehicles. Additionally, CBP fleet "right-sizing" efforts have resulted in more than a 3,000 vehicle reduction with an associated cost avoidance of approximately \$115 million since Fiscal Year 2014.

The draft report contained one recommendation for DHS with which we concurred. Attached find our detailed response to the recommendation.

Again, thank you for the opportunity to review and comment on this draft report. Technical comments were previously provided under separate cover. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,


JIM H. CRUMPACKER, CIA, CFE
Director
Departmental GAO-OIG Liaison Office

Attachment

**Attachment: DHS Management Response to the Recommendation
Contained in GAO-17-426**

GAO recommended that the Secretary of Homeland Security direct the Commissioner of CBP to:

Recommendation: Develop a written plan for how CBP will use newly-available usage data to improve its utilization assessment processes. Such a plan would define utilization criteria that reflects CBP's mission, and describes how CBP will review and individually justify vehicles that do not meet utilization criteria established by either DHS or CBP.

Response: Concur. CBP has installed telematics devices on approximately 60 percent of the vehicle fleet. This system is collecting initial data and will be validated for consistency and accuracy across all 69 sites by the end of fiscal year 2017. To improve utilization assessment processes, the CBP Mobile Assets Program Management Office will establish utilization criteria that also considers mission requirements. These criteria will be developed in accordance with the DHS motor vehicle management policy.

CBP will also develop policies and procedures to address the monthly reporting of mileage for all vehicles not outfitted with telematics devices, including the implementation of performance metrics to monitor compliance. After 12 months of data collection through telematics devices and manual monthly reporting from the remainder of the fleet, CBP will identify vehicles outside of target thresholds and highlight them for additional utilization assessment.

Anticipated Milestones:

- May 31, 2017: Issue communication regarding monthly mileage data entry
- July 28, 2017: Develop mileage performance measure and communication process
- December 31, 2017: Establish operational guidelines and identify utilization criteria
- January 31, 2018: Implement policy regarding monthly entry of mileage
- February 28, 2018: Incorporate mileage verification into annual self-inspection process and document a utilization justification process
- May 31, 2018: Issue formal determination of findings

Estimated Completion Date: May 31, 2018.

Appendix VI: Accessible Data

Data Tables

Data Table for Figure 1: Passenger Vehicles and Light Trucks Purchased by Federal Agencies from Fiscal Year 2011 through Fiscal Year 2015, by Department

Agency	Number of vehicles
Department of Homeland Security	15627
Department of Justice	15129
Department of Agriculture	11907
Department of Defense	8705
Department of Interior	6784
Other federal agencies	6370
All agencies	64522

Agency	Average vehicle price
Department of Homeland Security	26306.7
Department of Justice	24484.1
Department of Agriculture	24162.7
Department of Defense	25690.2
Department of Interior	28101.5
Other federal agencies	26106.9
All agencies	25570

Agency	Total cost (in millions of dollars)
Department of Homeland Security	411.095
Department of Justice	370.42
Department of Agriculture	287.706
Department of Defense	223.633
Department of Interior	190.64
Other federal agencies	166.301
All agencies	1649.8

Agency	Percentage of total cost
Department of Homeland Security	24.9
Department of Justice	22.5

Agency	Percentage of total cost
Department of Agriculture	17.4
Department of Defense	13.6
Department of Interior	11.6
Other federal agencies	10.1

Agency Comment Letter

Text of Appendix V: Agency Comments from the Department of Homeland Security

Page 1

April 3, 2017

Lori Rectanus

Director, Physical Infrastructure

U.S. Government Accountability Office 441 G Street, NW

Washington , DC 20548

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Jim H. Crumpacker

Director

Departmental GAO-OIG Liaison Office

Attachment

Page 2

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