



Office of Inspections
Office of Inspector General
U.S. General Services Administration

GSA's National Capital Region Internal Fleet is Underutilized

**JE21-001
February 25, 2021**

Introduction

In July 2019, the Office of Inspector General (OIG), Office of Inspections, initiated an evaluation of the U.S. General Services Administration's (GSA) management of its internal fleet of motor vehicles assigned to the agency's Headquarters and National Capital Region (NCR).¹ The purpose of this review was to determine whether GSA managed its NCR internal fleet throughout fiscal year (FY) 2019 in accordance with both federal and agency requirements.²

Our evaluation found that GSA achieved its NCR optimal fleet inventory goals based on the agency's most recent vehicle allocation methodology study (vehicle study).³ However, most NCR vehicles in the FY 2019 inventory were underutilized and did not comply with either minimum federal or GSA mileage guidelines.

We also learned that GSA operates an Executive Driver Program at Headquarters for the exclusive use of its Senior Executive Service employees (senior executives) for their round trip travel in the Washington, D.C. area. The program is both underutilized and operating at a cost that exceeds the estimated costs of alternative transportation methods. We also found that GSA has not enforced both federal and contract requirements to verify the qualifications of its Executive Driver Program drivers.

Our report makes four recommendations to address the issues identified during the evaluation. In response to our report, GSA management agreed with our findings and recommendations. Management comments can be found in their entirety in Appendix 2.

Background

Since 1954, GSA has been providing motor vehicle services to federal agencies on a cost reimbursable basis.⁴ The Office of Fleet Management (GSA Fleet), an office within the agency's Federal Acquisition Service, serves more than 75 federal agencies and departments, including GSA, by acquiring and assigning leased vehicles. GSA issues Federal Management Regulations governing the management and control of government motor vehicles owned or leased through GSA Fleet, as well as Motor Vehicle Management Bulletins that clarify provisions and requirements provided in the regulations they address.

GSA Order OAS 5620.1 *GSA Internal Motor Vehicle Management Manual* (GSA Order) is the agency's internal policy that establishes procedures and responsibilities for the official use of agency

¹ In December 2019, employees in GSA's National Capital Region, Regional Office Building, moved into GSA's Headquarters building at 1800 F St. NW in Washington, D.C.

² The evaluation of NCR internal fleet vehicles did not include vehicles assigned to the OIG or those assigned to NCR for emergency response because these vehicles are required to fulfill the agency or office mission, regardless of utilization guidelines. See 41 C.F.R. §101-39.106-107(a), 41 C.F.R. §102-34.20, and GSA Bulletin FMR B-43 Motor Vehicle Management (March 20, 2017).

³ A vehicle allocation methodology study is required under 41 C.F.R. §102-34.50 (b).

⁴ Exec. Order No. 10579, Sec. 1(b).

internal motor vehicles and related services. The Office of Administrative Services (OAS), Office of Workplace Management and Services has two divisions with responsibilities for GSA's internal fleet management - Operational Support and Workplace Services. The Operational Support Division is responsible for conducting vehicle studies and coordinating with GSA Fleet. Additionally, the agency fleet manager, housed in Operational Support, has primary management and oversight responsibility for GSA's internal motor vehicle fleet. The Workplace Services Division supports the agency fleet manager and coordinates day-to-day motor vehicle activities, including vehicle assignment, operation, and use.

The fleet manager must ensure compliance with federal regulations to obtain the minimum number of vehicles necessary to fulfill the agency mission. A structured vehicle study is required to determine an agency's optimal fleet, which consists of the fewest and most cost efficient vehicles necessary to achieve an agency's mission, complies with all statutory and executive mandates, and meets an agency's utilization criteria or critical vehicle retention guidelines.⁵

The vehicle study, recommended for each internal fleet vehicle at least once every five years, is based on utilization criteria. GSA may consider objective utilization criteria, such as historical/expected miles traveled, hours of use, operating terrain, vehicle age and condition, and mission criticality, in order to identify internal fleet vehicles that are potentially underutilized or unnecessary, and those that require retention regardless of utilization levels.⁶

In FY 2016, OAS conducted a vehicle study of GSA's entire internal fleet of 967 vehicles. Using these vehicle study results, OAS established an agency-wide optimal fleet of 936 vehicles, and an NCR optimal fleet of 250 vehicles. The number of optimal fleet vehicles represented a decrease of 31 vehicles from GSA's overall internal fleet inventory, and a decrease of nine vehicles from the NCR inventory.

NCR ended FY 2019 with 148 vehicles in its fleet, representing a reduction of 102 vehicles from the optimal fleet profile of 250 identified in the FY 2016 vehicle study. Of the 148 vehicles in NCR inventory, 115 standard use vehicles were placed in service for the full FY 2019, and had complete mileage data.⁷

Our evaluation found that despite the reductions accomplished by the end of FY 2019, NCR internal fleet vehicles, including the Executive Driver Program vehicles, were underutilized and did not meet the minimum federal and OAS mileage guidelines. Additionally, we found GSA failed to implement federal and contract safety requirements applicable to the Executive Driver Program. We discuss these findings further below.

⁵ 41 C.F.R. §102-34.50 (b). GSA Bulletin Federal Management Regulation B-43, *Motor Vehicle Management*, March 20, 2017.

⁶ *Id.*

⁷ The FY 2019 NCR internal fleet of 148 vehicles included 20 OIG and emergency response vehicles and 128 standard use vehicles. We based our analysis on 115 standard use vehicles with full year data.

Findings

Finding 1. NCR internal fleet vehicles did not meet minimum mileage guidelines and cost an estimated \$351,618 in FY 2019.

In FY 2019, less than one percent of NCR standard use vehicles met both federal and GSA minimum mileage guidelines. Federal regulation requires agencies to justify a full-time vehicle assignment and provides minimum mileage guidelines (federal guidelines), based on vehicle type, that agencies may use to justify their fleet.⁸ See summary table below.

Federal Guidelines	
Vehicle Type	Annual Miles
Passenger-carrying vehicles	12,000
Light trucks and general purpose vehicles:	
Light trucks and general purpose vehicles, 12,500 lbs. Gross Vehicle Weight Rating (GVWR) and under.	10,000
Trucks and general purpose vehicles, over 12,500 lbs. GVWR to 24,000 lbs.	7,500

For FY 2019, we found that 114 NCR standard use vehicles, or 99.13%, did not meet the federal guidelines. Only one vehicle met the federal guidelines, a shuttle bus GSA used to provide transportation between its National Capital Region, Regional Office Building, and Headquarters.⁹

Federal regulation allows an agency to establish other vehicle utilization factors, such as days used, agency mission, and the relative costs of alternatives, to justify a full-time vehicle assignment when the federal guidelines are not met.¹⁰ In FY 2019, OAS adopted its own, less stringent, minimum mileage guidelines (OAS guidelines). OAS also diverged from federal guidelines by creating their own categories of vehicle types. The agency fleet manager reported that the OAS guidelines were issued because GSA internal fleet vehicles' mileage fell well below the federal guidelines every year. See summary table below.

⁸ 41 C.F.R. §101-39.301

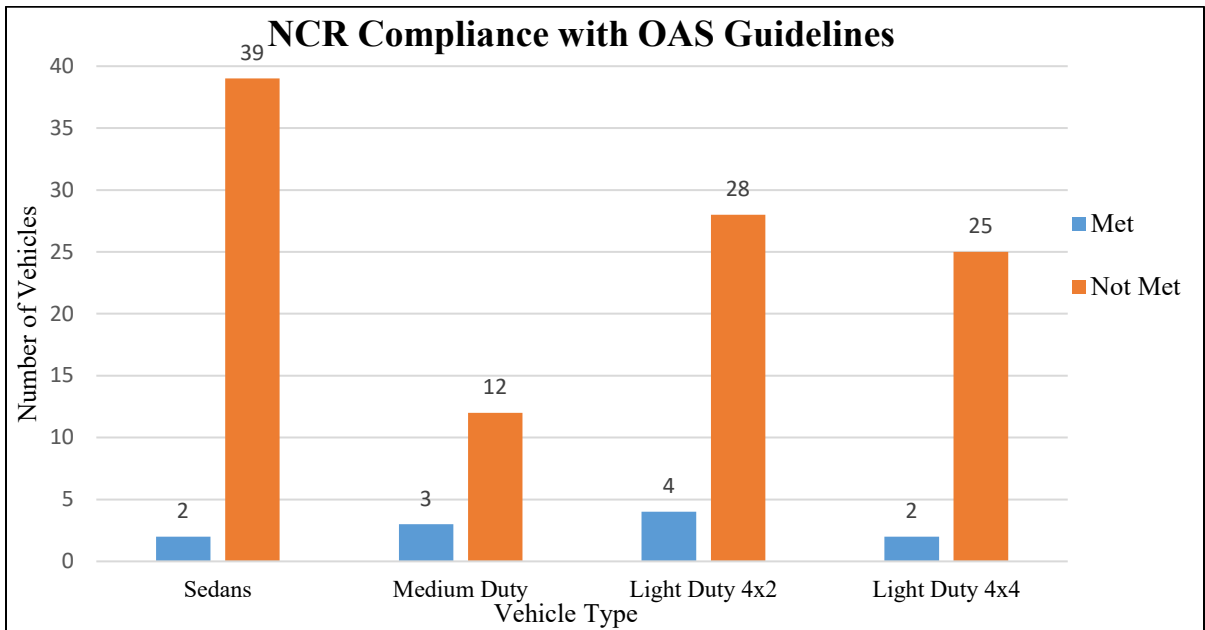
⁹ GSA removed the shuttle bus from the NCR internal fleet in 2020, when employees at the National Capital Region, Regional Office Building, moved into Headquarters.

¹⁰ 41 C.F.R. §101-39.301

FY 2019 OAS Guidelines	
Vehicle Type	Annual Miles
Sedans	5,500
Medium Duty (SUV, Van, Truck)	2,500
Light Duty 4x2 (SUV, Van, Truck)	5,500
Light Duty 4x4 (SUV, Van, Truck)	6,500

Even though OAS adopted these lower mileage guidelines and vehicle types, 104 NCR standard use vehicles, or 90%, still did not meet OAS’ own minimum usage requirements in FY 2019.

The following chart provides additional usage details by OAS vehicle type.



Other than the less stringent OAS guidelines, GSA did not document any utilization criteria to justify the full-time assignment of NCR vehicles that did not meet the federal guidelines. The agency fleet manager stated that OAS prioritizes vehicle mileage, age, and purpose when determining whether to keep or remove vehicles from its internal fleet. However, fleet management staff could not identify any documented standard operating procedure or criteria for evaluating the utilization of its internal fleet vehicles and making determinations about whether to add, eliminate, retain, or replace a vehicle.

The GSA Order states that Workplace Services Division regional offices should continuously evaluate the vehicles assigned to their regions to determine whether vehicles should be added or eliminated, to meet and not exceed transportation needs. The Operational Support Division program manager explained that while OAS identifies vehicles for elimination using data collected from the vehicle studies or from interim evaluations of vehicle data, OAS must work with the individual customers to

secure the proposed eliminations. Fleet management staff reported that the office encounters resistance because customers often refuse to eliminate vehicles. In one instance, a Workplace Services Division specialist proposed the elimination of four vehicles from an NCR office; however, the point of contact replied, "...senior management agreed to just one vehicle." In turn, the specialist simply replied, "Got it" and scheduled a day to pick up the one vehicle.

OAS lacks any mechanism to require internal fleet customers to remove underutilized vehicles from the inventory and ensure efficiency. As a consequence, GSA spent an estimated \$351,618 annually on leasing fees, mileage costs, alternative fuel surcharges, and optional equipment charges for these underutilized vehicles that did not meet the OAS guidelines.¹¹ Assuming continued underutilization, NCR could save up to an estimated \$2.1 million by reducing its fleet of underutilized vehicles based on the average six-year minimum replacement standard of GSA's standard use vehicles.

Finding 2. The Executive Driver Program is underutilized and cost \$83,425 in FY 2019.

During the course of the evaluation, we learned that OAS operates an Executive Driver Program at Headquarters that provides dedicated drivers to transport Agency senior executives to and/or from GSA-related meetings and events in the Washington, D.C. area. We determined that the Executive Driver Program is underutilized and an inefficient use of government resources.

The Workplace Services Division Program Manager, who managed the Executive Driver Program in FY 2019, reported that the program has operated at Headquarters since at least May 2013. OAS receives Executive Driver Program trip requests in a variety of forms, including email and a Google Form. In FY 2019, OAS maintained a shared calendar to document and assign drivers to Executive Driver Program appointments.

In FY 2019, two executive drivers managed the daily appointments, and booked 669 trips, totaling 486 hours for the year. Each trip averaged a distance within 5.3 miles of Headquarters. We found that each driver spent an estimated 5.8% of FY 2019 federal employee work hours making Executive Driver Program trips.¹² In FY 2019, 63 out of 250 calendar workdays, or 25% of workdays, had no Executive Driver Program appointments at all.

One driver stated that when he does not have driving appointments he will perform miscellaneous tasks, such as receive office supplies and set up conference rooms. The second driver, a contractor, who also served as the onsite supervisor for the driver services contract, stated that he sits in the office and does nothing when he has no driving appointments.

¹¹ The estimated FY 2019 NCR fleet costs for the underutilized vehicles do not include Agency-incurred expenses such as repair costs due to accidents.

¹² Federal civilian employee fiscal year work hours are 2,087 hours. *See* 5 U.S.C. § 5504(b). A National Day of Mourning in FY 2019 reduced the fiscal year work hours to 2,079 (2,087-8). Percentage per driver calculated as: (486 total hours booked/ (2,079 work hours * 2 drivers) = 11.6% total, or 5.8% per driver.

In FY 2019, OAS dedicated four NCR vehicles to the Executive Driver Program, and none met the OAS guidelines. The following chart shows the mileage usage of each dedicated Executive Driver Program vehicle compared to its OAS guideline.

Executive Driver Vehicles' Mileage Compared to OAS Guideline			
Vehicle	Model Year	FY 2019 Miles Driven	OAS Mileage Guideline
Chevy Tahoe	2016	2,313	6,500
Ford Fusion	2017	2,279	5,500
Chevy Passenger Van	2014	825	2,500
Dodge Grand Caravan	2016	1,708	5,500

Based on OAS and federal guidelines, all Executive Driver Program vehicles were underutilized in FY 2019.

In FY 2019, OAS assigned the following staff and resources to operate the Executive Driver Program for NCR:

1. Two drivers, including one OAS employee and one contractor;
2. Four NCR internal fleet vehicles; and
3. GSA leased parking.

In FY 2019, OAS spent at least \$83,425 on these Executive Driver Program resources.¹³

FY 2019 Executive Driver Program Costs	
Expense Category	FY 2019 Total
Executive driver – contract driver	\$55,096
Executive driver – OAS employee driver	\$7,077
Leasing fees (4 vehicles) ¹⁴	\$14,960
Parking	\$6,292
Total Costs	\$83,425

¹³ FY 2019 Executive Driver Program costs are based on the driver services contract, contract number GS-33F-0014T, awarded June 4, 2018; the OAS employee driver's hourly salary rate applied to one half of total trip hours (hourly rate is exclusive of federal benefits for full-time employees, such as agency Thrift Savings Plan matching, agency payroll taxes, health benefits, group life insurance, annual and sick leave, performance awards, and the like which are based on individual circumstances and would therefore increase the estimated cost of the Executive Driver Program); vehicle lease costs (excluding accident expenses); and commercial parking expenses paid by OAS.

¹⁴ Vehicle leasing costs for the Executive Driver Program are also included in Finding 1 in the cost of underutilized vehicles.

In FY 2019, the 669 Executive Driver Program appointments accounted for 486 total trip hours, and cost an average of \$172 per hour.¹⁵ In FY 2019, the four vehicles were driven a combined total of 7,125 miles, and cost on average \$12 per mile.¹⁶

The Washington, D.C. metropolitan area has various commercial transportation options, including ridesharing services such as Uber and Lyft. We calculated that the approximate cost of using Uber and Lyft as transportation alternatives for the FY 2019 Executive Driver Program would have been between \$19,214 and \$30,245.¹⁷ Based on the cost range of these commercial transportation options, the 669 Executive Driver Program appointments would have cost between \$3 and \$4 per mile using the alternative commercial options.¹⁸

The mileage cost comparison demonstrates that in FY 2019, the Executive Driver Program cost was about three times higher than utilizing commercial transportation alternatives. As a result, GSA could have put at least \$53,180 to better use.¹⁹

In December 2019, outside the scope of our FY 2019 review, GSA amended the driver services contract when the National Capital Region moved into Headquarters. With the cancellation of shuttle services, the amendment to the contract assigned the shuttle driver as yet a third executive driver for the remaining six months of the contract, adding an estimated \$30,030 to the overall cost of the program starting December 2019.

OAS has no published policy or procedure to provide oversight and to ensure adequate utilization and efficiency of the Executive Driver Program. In June 2013, the former Chief Administrative Services Officer sent a memorandum to heads of services and staff offices outlining Executive Driver Program procedures.²⁰ The memorandum stated that OAS would develop an instructional letter detailing the policy on executive drivers and the procedure for requesting executive driver services. However, OAS never issued an instructional letter and never provided further guidance for the program. GSA's agency fleet manager reported having very little insight into the Executive Driver Program, including its operation and associated costs.

¹⁵ Calculated as: ($\$83,425 \text{ total costs} / 486 \text{ hours} = \171.66 per hour). Estimates rounded to the nearest whole dollar.

¹⁶ Calculated as: ($\$83,425 \text{ total costs} / 7,125 \text{ miles} = \11.71 per mile). Estimates rounded to the nearest whole dollar.

¹⁷ Uber and Lyft data averaged by lowest and highest cost based on one-way trips. Calculations account for roundtrips of vehicles from Headquarters to appointment, and return to Headquarters. ($\$14.36 * 669 * 2 = \$19,213.68$) and ($\$22.61 * 699 * 2 = \$30,245.49$). The estimated costs exclude tips and are shown in the form of a range due to price fluctuations of ridesharing services based on DC area geography, time of day, traffic delays, or other factors. (Uber and Lyft data accessed January 2021.) Estimates rounded to the nearest whole dollar.

¹⁸ Calculated as: ($\$19,214 \text{ trip costs} / 7,125 \text{ miles} = \2.70 per mile), and ($\$30,245 \text{ trip costs} / 7,125 \text{ miles} = \4.24 per mile). Estimates rounded to nearest whole dollar.

¹⁹ Calculated as: ($\$83,425 \text{ total costs} - \$30,245 \text{ trip costs} = \$53,180$).

²⁰ Memorandum for Heads of Services and Staff Offices, "Driver Services Consolidation," June 26, 2013.

Finding 3. GSA is not implementing federal and contract safety requirements for executive drivers.

The agency failed to implement operator safety requirements applicable to the two drivers assigned to the Executive Driver Program in FY 2019. The lack of implementation could increase GSA’s accident expenses as well as threaten the safety and welfare of the drivers, the senior executives using the Executive Driver Program, and others on the road.

One of the drivers is an OAS employee who is subject to federal regulations for incidental drivers. An incidental operator is a federal employee who is required to operate a government vehicle to satisfy their assigned duties, but who does not occupy a position officially classified as a motor vehicle operator.²¹ The OAS employee serving as an executive driver meets the definition of incidental operator because his position description as a GS-0303 Program Support Assistant identifies driving as one of his major duties. Therefore, the OAS employee must satisfy applicable 5 C.F.R. § 930.105 requirements, including the possession of a safe driving record, a valid state driver’s license, and the medical qualifications to safely operate a motor vehicle.²²

Federal regulation requires agencies to have procedures to identify employees authorized to operate government-owned or -leased motor vehicles.²³ The GSA Order states that managers and supervisors are responsible for determining motor vehicle operator qualifications and confirming that operators possess the proper license(s) for operating government vehicles.²⁴ However, the GSA Order provides no procedures for identifying authorized operators and ensuring their compliance with 5 C.F.R. § 930.105 requirements, including an operator’s possession of a safe driving record, a valid state driver’s license, medical qualifications to operate a motor vehicle, and successful completion of a road test.

The Executive Driver Program incidental operator employee reported that none of the supervisors in his GSA chain of command ever asked him to provide the required documentation. His supervisor confirmed to us that his office does not verify if drivers have active and valid driver’s licenses. OAS staff acknowledged that GSA did not have a current practice for verifying the drivers’ licenses of Agency employees assigned as incidental operators of government vehicles.

While the incidental employee operator requirements do not apply to contract drivers, the OAS driver services contract requires the submission of quarterly driver’s license reports. A GSA contracting officer’s representative (COR) is assigned to the driver services contract to ensure the contractor is in compliance with all technical aspects of the contract and submits required reports in a timely manner to the COR, as specified in the contract. The current COR assigned to the OAS driver services contract acknowledged that both they and their predecessor overlooked the requirement to obtain quarterly

²¹ 5 C.F.R. § 930.102.

²² OPM’s Notice of Final regulations, issued on August 27, 1985, clarifies that “agencies may, if they have reason to do so, accept a State driver’s license and/or self-certifications as sufficient evidence of physical qualifications to drive.”

²³ 5 C.F.R. § 930.110.

²⁴ The GSA Order includes categories of motor vehicle operators that include regular, infrequent, incidental, and temporary duty operators. *See* Ch. 6, Roles and Responsibilities.

driver's license reports since the start of the contract. The current COR did not act to obtain a set of quarterly driver's license reports until June 2020, following our request for this documentation.

Conclusion

GSA, along with all agencies that own or lease government vehicles, is responsible for maintaining an optimal fleet and managing its vehicle utilization to ensure it fulfills its mission and meets both federal and Agency requirements, including requirements for operators of government vehicles. Our analysis of the NCR internal fleet at the end of FY 2019 determined that 104 out of 115, or 90%, of its standard use vehicles are not meeting federal or OAS guidelines. While GSA has decreased its internal fleet since its FY 2016 vehicle study, there are still opportunities for the Agency to further evaluate and eliminate underutilized vehicles.

GSA offers its senior executives at Headquarters a driving service as a benefit for business purposes only. However, the Executive Driver Program has no published policy, is underutilized, and is not cost beneficial to the Government. The Executive Driver Program has existed since at least 2013; for FY 2019 alone, it cost at least \$83,425 to operate. Using readily available commercial transportation services, GSA could reduce the annual costs of the Executive Driver Program, and could put at least \$53,180 of funds to better use. Additionally, the Agency could achieve further savings by eliminating the third executive driver added to the Executive Driver Program in December FY 2020 costing \$60,060 per option year of the contract. Finally, GSA has failed to comply with its responsibilities under its own regulations by being negligent in verifying driver's licenses and records for the two drivers of the Executive Driver Program, not enforcing its contractual requirements, and compromising the safety of the program, drivers, and riders.

Recommendations

The Chief Administrative Services Officer should:

- (1) Evaluate the NCR internal fleet program's current utilization and establish a documented mechanism to remove underutilized vehicles from the inventory to ensure efficiency;
- (2) Evaluate the Executive Driver Program current usage against commercially available transportation sources and rates to balance needs and achieve cost savings beneficial to the Government;
- (3) Create procedures to identify GSA employees who are authorized to operate vehicles and ensure compliance with federal requirements for authorized operators, including the OAS employee serving as an Executive Driver Program driver; and
- (4) Enforce existing contract requirements for all drivers of the Executive Driver Program.

Appendix 1: Objectives, Scope, and Methodology

On July 19, 2019, the GSA OIG Office of Inspections initiated an evaluation of GSA's management of its internal fleet of motor vehicles in GSA's NCR. We focused our review on whether GSA managed its NCR internal fleet throughout fiscal year 2019 in accordance with federal and GSA requirements.

To accomplish our objectives, we:

- Researched laws, rules, regulations, and other federal guidance on the assignment, management, and use of government-owned and government-leased vehicles;
- Reviewed relevant audits and inspections conducted by GSA OIG, the U.S. Government Accountability Office, and other federal agencies;
- Accessed and analyzed GSA Fleet Drive-thru and WEXOnline for the inventory, miles driven, and fleet card purchase data for NCR internal fleet vehicles;
- Interviewed GSA staff in both OAS, including the Office of Workplace Management and Services, and FAS, including the Office of Fleet Management;
- Reviewed documentation and communication related to the acquisition, cost, assignment, management, and utilization of NCR internal fleet vehicles, including vehicles assigned to the Executive Driver Program;
- Used Google Maps, Uber, and Lyft to query distances and alternative costs of Executive Driver Program trips; and
- Reviewed driver services contracts and occupancy agreements for the Executive Driver Program.

We assessed the reliability of GSA Fleet Drive-thru data elements needed to answer our objectives by (1) performing corroborative testing, (2) reviewing existing information about the data and the system that produced them, and (3) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

This evaluation was conducted in accordance with the *Quality Standards for Inspection and Evaluation* (January 2012), issued by the Council of the Inspectors General on Integrity and Efficiency.


Appendix 2: Management Comments



Office of Administrative Services

February 23, 2021

MEMORANDUM FOR PATRICIA D. SHEEHAN
ASSISTANT INSPECTOR GENERAL FOR INSPECTIONS
(JE)

FROM: ROBERT STAFFORD 
CHIEF ADMINISTRATIVE SERVICES OFFICER (H)

SUBJECT: Response to the Office of Inspector General (OIG) Draft
Report, *GSA's National Capital Region Internal Fleet Is
Underutilized* (JEF19-003-000)

Thank you for the opportunity to comment on the subject audit report. We reviewed the report and agree with the findings and recommendations.

We would like to add that since 2010, GSA's internal fleet has reduced from 1,273 vehicles to 864, a reduction of 409 vehicles or 32%. The total costs associated with GSA's internal fleet have also been reduced by \$1.6 million, or 30%, over the same period.¹ We will implement a plan to remove even more underutilized vehicles from the inventory moving forward.

If you have any questions, please contact Shannon Doyle, Director, Operational Support Division at (202) 841-9461.

¹ Vehicle numbers include *all* GSA internal fleet vehicles reported that year, including vehicles assigned to OIG. The referenced cost reduction is based on the final number reported in the Federal Automotive Statistical Tool (FAST) for each referenced year and includes both direct and indirect program costs.



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