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REPORT TO THE CONGRESS

FILE

Need For Additional Criteria For Evaluating Motor Vehicle Use And Estimating Vehicle Needs B.164534

Corps of Engineers (Civil Functions)

Department of the Army

***BY THE COMPTROLLER GENERAL
OF THE UNITED STATES***

SEPT. 19. 1935



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164534

To the President of the Senate and the
Speaker of the House of Representatives

This is a report on the need for additional criteria for evaluating motor vehicle use and estimating vehicle needs of the Corps of Engineers (Civil Functions), Department of the Army.

Copies of this report are being sent to the Director, Bureau of the Budget; the Secretary of Defense; the Secretary of the Army; and the Administrator of General Services.

A handwritten signature in black ink that reads "James B. Stacks".

Comptroller General
of the United States

D I G E S T

WHY THE REVIEW WAS MADE

The Corps of Engineers (Civil Functions), Department of the Army, owns and operates an extensive fleet of motor vehicles.

At the time of our fieldwork, this fleet included about 3,300 standard-design, general-purpose vehicles of under 1-ton capacity (sedans, sedan deliveries, station wagons, carryalls, and panel and pickup trucks).

During reviews of administrative operations at two Corps district offices, the General Accounting Office (GAO) noted indications of low vehicle use. Accordingly, GAO initiated a review

- to determine whether the situation was similar at other Corps' locations and
- to evaluate the Corps' criteria for determining economical vehicle use.

FINDINGS AND CONCLUSIONS

The Corps has established annual mileage criteria--10,000 miles a year for most of the vehicles included in our review--as its basis for evaluating vehicle use; however, daily use is not considered along with mileage in determining the number of vehicles needed by each district.

GAO believes that adherence to the annual mileage criteria alone will not ensure effective vehicle use, because actual daily use also affects the Corps' need for vehicles.

GAO reviewed the daily use of 947 general-purpose vehicles at seven Corps district offices. The review covered primarily district peak workload conditions and included periods ranging from 3 to 6 months, depending upon the availability of records.

The equivalent of 97 vehicles (see p. 6) were not used on at least 80 percent of the workdays in the test periods. GAO estimates that the net replacement value--excess of average acquisition cost over average resale value--of the 97 vehicles is about \$113,000.

Furthermore, a review of annual mileage records for 861 vehicles assigned and available for use for about a 1-year period at the seven districts, showed that 333 vehicles, or 39 percent, had not met the Corps' standard of 10,000 miles a year and that 78 vehicles, or 9 percent, had been driven less than 5,000 miles during the year.

GAO believes that many of the Corps' general-purpose vehicles were not being effectively used and were not needed to effectively carry out the districts' operations.

RECOMMENDATIONS OR SUGGESTIONS

The Secretary of the Army should direct the Chief of Engineers to establish criteria for evaluating vehicle use, which will provide that daily-use information be considered in conjunction with annual mileage.

The Chief of Engineers should initiate a Corps-wide review of vehicle use for the purpose of establishing

- the number of vehicles needed under normal conditions, giving full consideration to daily use of such vehicles and alternative sources of transportation for meeting peak requirements, and
- the number of excess vehicles that could be either transferred to locations demonstrating needs for additional or replacement vehicles--with the objective of reducing future vehicle procurement--or declared excess, where appropriate.

AGENCY ACTIONS

At some districts, responsible officials concurred in our findings and took action either to sell the excess vehicles or to use them to meet increased work requirements.

The Department of the Army, however, did not indicate that any action would be taken to implement our recommendations. The Department stated that the utilization criteria of the Corps were compatible with criteria of other Government agencies. The Department's comments are included as appendix III and are discussed in detail on pages 16 to 21.

ISSUES FOR FURTHER CONSIDERATION

GAO believes that the Corps' utilization criteria are not consistent with either the criteria that the General Services Administration (GSA) provides for the guidance of Government agencies or the criteria that GSA employs at its interagency motor pools. GAO continues to believe that daily use, as well as annual mileage, should be considered in evaluating vehicle use.

LEGISLATIVE PROPOSALS

None.

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LEGISLATIVE PROPOSALS

None.

INTRODUCTION

The General Accounting Office has made a review of the use of general-purpose motor vehicles by the Corps of Engineers (Civil Functions). Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67). This review was undertaken because we noted indications of low vehicle use during reviews of administrative operations at two Corps district offices.

Our examination was directed to an evaluation of the Corps' criteria for determining the economical utilization of general-purpose vehicles, and primary emphasis was placed on those matters which appeared to warrant particular attention. For the purpose of our review, we designated as general-purpose vehicles those administrative-use motor vehicles of under 1-ton capacity and of standard non-military design, which, in our opinion, could be used to meet ordinary personnel transportation requirements. (See p. 4.)

We reviewed pertinent regulations and examined available records at seven district offices showing the daily utilization of vehicles during selected periods in calendar years 1965 and 1966. In addition, we interviewed responsible Corps officials at both the Washington, D.C., and the district office level concerning procedures followed in evaluating utilization data as recorded on vehicle operation records.

Our review of vehicle utilization was conducted at the Corps' district offices in Omaha, Nebraska; Kansas City, and St. Louis, Missouri; Tulsa, Oklahoma; Mobile, Alabama; New Orleans, Louisiana; and Los Angeles, California.

BACKGROUND

The Corps owns and operates an extensive fleet of motor vehicles, which it classifies as administrative-use vehicles. The vehicles are used for local and long distance travel in support of construction projects, real estate offices, and operation and maintenance activities.

At June 30, 1966, the Corps operated about 4,700 administrative-use vehicles (at June 30, 1967, the number was about the same), including about 3,300 standard-design, general-purpose vehicles of under 1-ton capacity (sedans, sedan deliveries, station wagons, carryalls, and panel and pickup trucks). The acquisition cost of the 3,300 general-purpose vehicles totaled about \$5.6 million. At June 30, 1966, the seven district offices covered by our review operated about 1,200 general-purpose vehicles, or about 36 percent of the Corps' total general-purpose vehicles.

The Vehicles Management Division, Office of the Chief of Engineers, in Washington, D.C., has overall responsibility for management of the Corps' vehicles assigned to civil works activities. Division Engineers in the field are required, under the Corps' regulations, to determine the efficiency and economy of vehicle operations through field inspections at the districts and to recommend to the Chief of Engineers such actions as may be required to ensure maximum utilization of vehicles. District Engineers are responsible for the safe, efficient, and economical management, administration, operation, utilization, and maintenance of all vehicles allocated to their command.

The Vehicles Management Division coordinates annual vehicle procurements based on requirements provided by the divisions, districts, and installations. The Corps purchases new vehicles to meet increased workload requirements or to replace vehicles which exceed the Corps' age or mileage replacement criteria. In fiscal year 1966, the Corps accepted delivery on 734 standard-design, general-purpose vehicles of under 1-ton capacity at a total acquisition cost of about \$1.3 million.

In March 1968, we issued a report to the Congress on "Actions Taken to Improve the Government's Methods for Evaluating Vehicle Use and for Estimating Vehicle Needs--General Services Administration" (B-158712). We found that GSA had relied solely on mileage data in evaluating utilization, and we concluded that a better evaluation could have been made if utilization data in terms of time had been available. We had reviewed utilization of 3,524 vehicles parked at 38 motor pool locations for a 1-week period and found that 706 vehicles classified as available for service were not needed to provide required transportation.

While we were preparing our March 1968 report, we learned that GSA was preparing an in-depth study in the same area. From its study, which was completed in May 1967 and which was closely related to our review, GSA reached conclusions consistent with ours. As a result, GSA adopted time-of-use criteria for evaluating its motor vehicle fleet requirements.

GSA is responsible for the establishment, maintenance, and operation of motor vehicle pool systems for the transportation of Government passengers and property. GSA furnishes motor vehicles and related services to civil agencies to the extent that it determines that so doing is advantageous to the Government in terms of economy, efficiency, or service. Thus our March 1968 motor vehicles report on GSA dealt with an agency whose primary mission was to operate and maintain vehicles for the use of other agencies. The Corps, on the other hand, is a utilizing agency in that its motor vehicle fleet is maintained and used by Corps personnel. As a utilizing agency, the Corps can use GSA vehicles in addition to its own vehicles.

This report, which deals with evaluating utilization of Corps vehicles, demonstrates that the time-of-use criteria is as applicable to a utilizing agency as it is to GSA.

The principal management officials of the Department of Defense and the Department of the Army responsible for the administration of activities discussed in this report are listed in appendix I.

FINDING AND RECOMMENDATIONS

NEED FOR ADDITIONAL CRITERIA FOR EVALUATING MOTOR VEHICLE USE

Our review at seven district offices of the daily use of 947 general-purpose vehicles, under predominantly peak workload conditions for selected test periods, disclosed that the equivalent of 97 vehicles¹ had not been used on at least 80 percent of the workdays in the test periods. The Corps has established annual mileage criteria for evaluating vehicle use; however, daily use is not considered along with mileage in determining the number of vehicles needed by each district.

We believe that many of the Corps' general-purpose vehicles were not effectively utilized and consequently were not needed to effectively carry out the districts' operations. In view of the extent of nonuse and the availability of general-purpose vehicles from other sources (see below), we believe that 97 vehicles could have been removed from service without impairing the districts' operations. We estimate that the net replacement value--excess of average acquisition cost over average resale value--of the 97 vehicles was about \$113,000.

Department of the Army regulations, which are applicable to the Corps, require that allowances for administrative-use motor vehicles be limited to the minimum needed to provide essential motor vehicle transportation services under normal conditions. The regulations provide that peak load and other unusual requirements will be met by arranging for use of vehicles from other Government

¹We did not identify the use or nonuse of specific vehicles on a daily basis but rather identified the total number of idle vehicles on each day at each motor pool. The "equivalent of 97 vehicles" was determined by identifying the least number of vehicles at each location that were not used at all on at least 80 percent of the test period workdays. On many of the workdays there were more than 97 vehicles that were not used. Of the 97 vehicles, some were idle more than 80 percent of the workdays.

agencies, vehicles from commercial sources, or privately owned vehicles on a reimbursable basis.

As pointed out on page 5, GSA adopted time-of-use criteria for evaluating its motor vehicle fleet requirements. Consistent therewith, GSA issued, on April 21, 1967, a "Guide for Improvement of Motor Vehicle Utilization" to assist other Federal agencies in determining their motor vehicle requirements. The guide provided, in part, that:

"A detailed record of daily use of the vehicles currently on hand is a necessity. Miles (or hours) alone do not constitute a basis for unequivocal appraisal.

"*** A vehicle which is idle a significant percentage of time represents the best opportunity for improvement of utilization. The need for retention of such a vehicle must be thoroughly justified."

The Chief of Engineers has established standards of utilization applicable to civil-owned vehicles, as follows:

10,000 miles a year for pooled vehicles having capacities up to and including 1 ton.

5,000 miles a year for pooled vehicles having capacities in excess of 1-1/2 tons and for multidrive vehicles.

5,000 miles a year for project-owned or project-assigned vehicles of all types.

Special-purpose vehicles are excluded from the mileage requirement.

An official in the Office of the Chief of Engineers informed us that district and division offices had the primary responsibility for ensuring that individual vehicles met the Corps' mileage standards and that the Chief's Office did not receive reports on individual vehicle mileage.

The official also indicated that individual vehicle mileage might be considered by the Chief's Office during periodic command inspections of the division offices. There are no formal procedures in effect, however, that require justification to the Office of the Chief of Engineers, of retention of vehicles not meeting the mileage standards.

Corps regulations provide for recording daily usage of vehicles on Administrative Vehicle Operation Records (trip tickets); however, no standard practices are in effect nor have any procedural criteria been established by which an objective analysis of daily vehicle usage can be made. We believe that adherence to the annual mileage criteria alone will not ensure effective vehicle utilization, because actual daily usage also affects the Corps' need for vehicles. For example, a vehicle might be driven only 1 workday a week but still exceed the Corps' annual mileage criteria; conversely, a vehicle might be driven each workday of the week and still not attain the annual mileage criteria.

Since the Corps relies on annual mileage for evaluating utilization, we examined fiscal year 1965 mileage records (most recent data available at the time of our review) for all standard-design, general-purpose vehicles of under 1-ton capacity assigned and available for use for about a 1-year period at the selected districts. The Corps' standard for utilization of these vehicles is 10,000 miles a year. We reviewed mileage records for a total of 861 vehicles and, as shown in the following table, 333 vehicles, or 39 percent, did not meet the Corps' standard of 10,000 miles a year and 78 vehicles, or 9 percent, had been driven less than 5,000 miles during the year.

<u>District</u>	<u>Vehicles</u>	<u>Mileage in fiscal year 1965</u>			
		<u>Less than 10,000 miles</u>	<u>Percent</u>	<u>Less than 5,000 miles</u>	<u>Percent</u>
Tulsa	273	119	44	33	12
Omaha	135	70	52	21	16
Kansas City	140	52	37	12	9
Los Angeles	54	35	65	8	15
St. Louis	66	11	17	1	2
Mobile	111	32	29	2	2
New Orleans	<u>82</u>	<u>14</u>	<u>17</u>	<u>1</u>	<u>1</u>
Total	<u>861</u>	<u>333</u>	<u>39</u>	<u>78</u>	<u>9</u>

It is apparent from the table that each district included in our review had many vehicles which were not sufficiently utilized to meet the Corps' minimum annual mileage criteria. This fact, in conjunction with our observation of the number of vehicles at each district that had not been used on the workdays of our test periods, as hereinafter discussed, led us to the conclusion that the districts could have operated effectively with substantially fewer vehicles.

In our review of the actual usage of 947 vehicles (see p. 10), we considered the daily use of pooled vehicles at locations having three or more standard-design, general-purpose vehicles of under 1-ton capacity. For analysis purposes we considered the vehicles at each location as a motor pool entity, and we determined the number of vehicles not in use during any part of a workday for each pool. We did not distinguish between the different types of general-purpose vehicles in determining the number of vehicles that were idle 80 percent of the time. We did not consider as general-purpose vehicles those vehicles that were (1) modified to serve special purposes, (2) equipped with four-wheel drives, or (3) used as work platforms so as to make them generally unavailable for use for ordinary transportation requirements. We also did not include in our review those vehicles which were awaiting assignment or disposal.

Our review of the daily vehicle utilization at selected district motor pools, covered primarily district peak workload conditions and included periods in 1965 and 1966 which ranged from 3 to 6 months, depending upon the availability of records. In reviewing daily usage, we considered that a vehicle was used a full day if it was driven 1 mile or more. For example, if five of 10 vehicles at a particular location were used in the morning and the remaining five vehicles were used in the afternoon, we considered that all vehicles were used a full day although five vehicles were idle each hour of the working day. We considered also that a vehicle was in use for a full day if it was in a maintenance status.

On the basis of the considerations stated above, we identified the equivalent number of vehicles in each motor pool that were not used on at least 80 percent of the

workdays in the test periods, because, in our opinion, this number of vehicles were not needed to effectively carry out the district's operations.

We believe that our criterion for determining need--80 percent idle time--is conservative and that the idle-time percentage to be used in practice as a basis for evaluating vehicle needs should possibly be less than 80 percent. Except in unusual circumstances, the replacement or retention of general-purpose vehicles which, in terms of equivalence, are used on 20 percent or less of the workdays, in our opinion, cannot be justified. This is especially true in view of the districts' authority to use vehicles of other Government agencies, vehicles from commercial sources, or privately owned vehicles when Corps-owned vehicles are not available. Also, we believe that other Corps-owned vehicles which were not included in our review could oftentimes be used in emergencies.

At locations which, in our opinion, had excess vehicles, we compared the total days that vehicles were not utilized with the total days that vehicles were available. (See app. II.) On the average, Corps vehicles were idle about 26 percent of the available days during our test periods. Also, the idle vehicle-days for motor pools containing the largest number of vehicles within each district ranged from 15 to 58 percent of the vehicle-days available.

The results of our review of daily vehicle utilization at each selected district are summarized below and are presented in more detail in appendix II. Due to the continuing fluctuations in vehicle inventories at each district, we have used the ending vehicle inventory for each test period to show the number of vehicles reviewed.

District	Period	Number of vehicles reviewed	Vehicles idle at least 80 percent of time		Net replacement value
			Equivalent number	Percent	
Tulsa	Apr. to Oct. 1965	285	39	14	\$ 43,000
Omaha	do.	194	21	11	26,000
Kansas City	Apr. to Jun. 1966	163	14	9	17,000
Los Angeles	Mar. to Sept. 1965	46	8	17	10,000
St. Louis	Jun. to Nov. "	89	7	8	9,000
Mobile	Apr. to Oct. "	105	5	5	5,000
New Orleans	Jul. to Dec. "	62	3	5	3,000
		<u>242</u>	<u>27</u>	<u>10</u>	<u>\$113,000</u>

Discussions concerning our finding at each district follow.

Tulsa District

We reviewed the daily utilization of 285 general-purpose vehicles which were assigned to the Tulsa District during a 127-workday period ended October 22, 1965. These vehicles were in 25 separate motor pools operated by the district. Our analysis of trip tickets and other records of daily usage showed that the equivalent of 39 vehicles had not been used on at least 80 percent of the workdays and that the equivalent of seven vehicles had not been used on any day of the 127-workday period.

District personnel had accumulated statistics showing the number of miles a month that each assigned vehicle had been driven. The district provided no evidence, however, that the information had been used to evaluate the effectiveness of individual vehicle utilization or fleet requirements.

District officials questioned the results of our review on the basis that our approach left no vehicle reserve for emergencies. We believe, however, that vehicles from the alternative sources cited in the Army regulations (see p. 6) generally could be used during emergencies.

Subsequent to completion of our field review, district officials made a study of vehicle requirements and concluded that the district had 18 excess vehicles but that increased workloads would eliminate the excess condition. The district officials based their conclusion on estimates of personnel requirements rather than on an analysis of actual daily vehicle utilization. District officials issued instructions to ensure that trip tickets would be more accurately prepared and instituted procedures for compiling monthly usage data on individual vehicles showing days of use and mileage.

Omaha District

We reviewed the daily utilization of 194 general-purpose vehicles which were assigned to the Omaha District during a 127-workday period ended October 22, 1965. These vehicles operated out of nine separate motor pools in the

district. Our analysis of trip tickets and other records of daily usage showed that the equivalent of 21 vehicles had not been used on at least 80 percent of the workdays and that the equivalent of five vehicles at one motor pool had not been used on any day of the 127-workday period.

District officials advised us that data from the vehicle trip tickets was compiled monthly and a utilization rate for the district's vehicle fleet was computed on the basis of days in use versus days available. District officials did not provide any evidence, however, that an analysis was being made of daily utilization for the purpose of identifying excess vehicles.

Subsequent to our field review, district officials, employing an approach similar to ours, made a study of vehicle usage at selected motor pools and, as a result, sold 24 of its general-purpose vehicles and did not replace them.

Kansas City District

We reviewed the daily utilization of 163 general-purpose vehicles which were assigned to the Kansas City District during a 64-workday period ended June 30, 1966. The district operated 16 separate motor pools for these vehicles. Our analysis of trip tickets and other records of daily usage showed that the equivalent of 14 vehicles had not been used on at least 80 percent of the workdays and that the equivalent of three vehicles had not been used on any day of the 64-workday period.

The district accumulated monthly mileage and utilization data (hours used versus hours available) by motor pools. We believe, however, that the usefulness of this data was limited, since all vehicles, at motor pools other than the district office motor pool, were reported to have been utilized 100 percent even though the trip tickets clearly showed that vehicles had not been in use every day.

District officials stated that they had been aware of an excess position in their vehicle inventory for several months and that 13 vehicles of the types we reviewed had been sold subsequent to June 30, 1966.

Los Angeles District

We reviewed the daily utilization of 46 general-purpose vehicles which were assigned to the Los Angeles District during a 110-workday period ended September 20, 1965. The district operated eight separate motor pools for these vehicles. Our analysis of trip tickets and other records of daily usage showed that the equivalent of eight vehicles had not been used on at least 80 percent of the workdays and that the equivalent of four vehicles at one pool had not been used on any day of the 110-workday period.

District officials stated that they reviewed monthly vehicle trip tickets primarily from a mileage standpoint. The district employed a policy whereby generally each sedan was assigned to a specific individual for the life of the vehicle while other types of vehicles were assigned to project motor pools. The district officials indicated that the sharing of sedans by individuals was not practicable because it frequently resulted in delays in work. We believe that the policy of assigning vehicles to specific individuals tends to reduce effective utilization since it reduces the general availability of vehicles. Also, this policy is not consistent with Department of the Army regulations which provide that exclusive, full-time use of administrative-use motor vehicles be restricted to those individuals who are authorized such use by law or by the Secretary of Defense. No district officials are authorized such use by law or by the Secretary.

District officials disagreed with our conclusion that the district had vehicles in excess of its needs. These officials stated that vehicles were important tools necessary for accomplishing their mission and that it was necessary for a certain number of vehicles to stand idle each day so as to be available to meet emergencies or other unforeseen requirements. We recognize that such requirements may occur but, in our opinion, they could be met by using privately owned or other vehicles, as provided for in Department of the Army regulations, rather than by retaining idle vehicles.

St. Louis District

We reviewed the daily utilization of 89 general-purpose vehicles which were assigned to the St. Louis District during a 127-workday period ended November 30, 1965. These vehicles were in eight separate motor pools operated by the district. Our analysis of trip tickets and other records of daily usage showed that the equivalent of seven vehicles had not been used on at least 80 percent of the workdays.

District officials stated that trip tickets were examined monthly to ascertain whether mileage criteria were being met. We found no indication that review was being made of the daily vehicle usage by motor pool location or districtwide.

District officials advised us that they did not have more vehicles than were needed and that they needed a reserve of vehicles to ensure an adequate supply of vehicles during periods of peak usage. This position is contrary to Army regulations. (See p. 6.) Furthermore, the period we selected for review encompassed what the district officials had informed us was their period of peak vehicle usage.

Subsequent to our review, the district initiated a study of the daily utilization of 25 vehicles in the district office motor pool. This study concluded that the district office motor pool could be reduced by three vehicles without impairing the operations of the district. District officials reassigned one vehicle to a field office and placed two vehicles in temporary storage awaiting assignment to field offices. We believe that similar reductions could be made at other motor pools operated by the district.

Mobile District

We reviewed the daily utilization of 105 general-purpose vehicles which were assigned to the Mobile District during a 127-workday period ended October 22, 1965. The district operated 12 motor pools for these vehicles. Our review of trip tickets and other records of daily usage showed that the equivalent of five vehicles were not used on at least 80 percent of the workdays.

District officials stated that the type of vehicles we reviewed were not flexible in meeting transportation requirements. These officials believed that the work clothes of an outdoor worker might soil the interior of a vehicle and make it undesirable for use by a white-collar worker who deals with the general public. We believe that cleanliness can be achieved in most cases by appropriate protection and maintenance of vehicle interiors.

The officials stated also that considering all vehicles at a motor pool as an entity for utilization purposes was valid for large motor pools, such as the pools that GSA operates, but was not valid for small motor pools. As previously stated, we excluded from our review any motor pool which had less than three general-purpose vehicles. Each of the Mobile District motor pools where we found idle vehicles had from eight to 15 general-purpose vehicles assigned. District officials indicated that, as a result of our review, a study would be made of vehicle utilization.

New Orleans District

We reviewed the daily utilization of 65 general-purpose vehicles which were assigned to the New Orleans District during a 126-workday period ended December 30, 1965. These vehicles were in 15 separate motor pools operated by the district. Our review of trip tickets and other records of daily usage showed that the equivalent of three vehicles had not been used on at least 80 percent of the workdays.

District officials stated that they compiled vehicle mileages every 6 months for comparison to the Corps' annual mileage criteria. These officials stated also that they reassigned vehicles with low mileages unless the using activities furnished adequate justification for their retention. As previously stated, we believe that mileage alone will not show whether the district obtains the most effective utilization of its vehicles.

Conclusions

We believe that Corps policies could more effectively implement Department of the Army directives and Federal Property Management Regulations (FPMR) pertaining to the efficient and economical utilization of administrative vehicles by (1) providing that vehicle utilization be determined on the basis of daily usage, in addition to annual mileage, and (2) encouraging the use of vehicles from other Government agencies, vehicles from commercial sources, or privately owned vehicles to meet emergency requirements.

On the basis of our review of daily utilization, we believe that many of the Corps' general-purpose vehicles were not being effectively utilized and were not needed to effectively carry out the districts' operations. Our analysis of the daily utilization of 947 general-purpose vehicles assigned to seven district offices revealed that the districts had 97, or about 10 percent, more vehicles than, we believe, were needed to meet the districts' normal work requirements. As of June 30, 1966, the Corps had about 3,300 general-purpose vehicles assigned to its 40 district offices. We believe that, if conditions in the 33 districts not included in our review are similar to those in the seven districts in which we made our review, the Corps could considerably reduce its vehicle fleet on a nationwide basis.

Agency comments and our evaluation thereof

A draft of this report was sent to the Secretary of Defense for comment. In our draft report, we proposed that (1) the Chief of Engineers establish criteria for determining vehicle requirements, which will provide that daily usage, as well as annual mileage, be considered, (2) the Chief of Engineers initiate a Corps-wide review of vehicle utilization for the purpose of establishing the number of vehicles needed under normal conditions, giving full consideration to daily utilization of such vehicles, and (3) the excess vehicles identified by such Corps-wide review be transferred to locations demonstrating a need for additional or replacement vehicles.

In commenting on our proposals by letter dated August 15, 1967 (see app. III), the Department of the Army did not indicate that any action would be taken. The Department stated that:

"The utilization criteria of the Corps of Engineers are compatible with those of other Government agencies. (See GSA Bulletin FPMR No. G-29, May 8, 1967, inclosure 1.) Although a report of daily usage is not required by higher authority, daily usage information is maintained at the motor pool level for cost accounting and vehicle assignment purposes."

As previously stated, we found no evidence that daily usage information maintained at the motor pool level was being used at any of the seven district offices where we made our review to evaluate the effectiveness of individual vehicle utilization or fleet requirements.

The GSA bulletin cited by the Department was intended to establish average annual mileage use goals for Federal agencies, such as the Corps. GSA Bulletin FPMR G-28 dated April 21, 1967, presented to the heads of Federal agencies the "Guide for Improvement of Motor Vehicle Utilization" which was intended to assist Federal agencies in determining motor vehicle requirements. The guide provides that mileage alone does not constitute a basis for unequivocal appraisal of utilization and that a vehicle which is idle a significant percentage of the time represents the best opportunity for improvement of utilization. (See p. 7.)

GSA recently adopted time-of-use criteria for evaluating utilization of its motor vehicle fleet. It is our opinion that the Corps' utilization criteria, which are based solely on mileage, are not consistent with either the criteria that GSA provides for the guidance of Government agencies or the criteria that GSA employs at its inter-agency motor pools.

The Department stated also that we had not considered design, road clearance, cargo area, or passenger-carrying capability of the vehicles and that in our review each of

the vehicles had lost its individual identity and had been reduced to an indescribable numerical unit. To demonstrate its point, the Department provided us with a hypothetical example (see p. 28) of a project office having four vehicles (two sedans, one pickup truck, and one panel truck). The example indicated that each vehicle was idle 1 workday a week, effecting an 80-percent utilization level for each vehicle. The Corps stated that, by the method of analysis we had used, one indescribable numerical unit would be considered to have been idle 4 out of 5 days, or 80 percent of the time, whereas each vehicle actually had been utilized 4 out of 5 days, or 80 percent of the time.

We believe that the Department's example, although numerically accurate, is not representative of the pooled vehicles discussed in this report. Appendix II shows that the majority of the motor pools at which we found excess vehicles had 10 or more vehicles compared with four vehicles at the motor pool in the Department's example. Also, each of the motor pools which, in our opinion, had excess vehicles comprised, for the most part, one class of vehicles, either cargo or passenger-carrying vehicles, depending upon the pool's mission. At a particular location we were able to identify, for example, the number of sedans or trucks that were idle 80 percent of the workdays in our test period. (See app. II.)

We believe that the four vehicles in the Department's example, evenly divided between cargo and passenger-carrying vehicles, overemphasized the diversity of performance capabilities within individual motor pools as a problem for determining which vehicles could be eliminated. The Department also failed to consider (1) that most of the 97 vehicles we identified as being excess were idle more than 80 percent of the test period workdays, (2) some of these vehicles were idle 100 percent of the time, and (3) more than 97 vehicles were idle on most of the workdays.

The Department stated also that obtaining vehicles from alternative sources, such as other Government agencies, commercial rentals, and privately owned vehicles (alternative sources prescribed in the Department's regulations), to meet peak or emergency requirements was not a workable solution

for the Corps. The Department believed that Corps employees were reluctant to use their own vehicles over the terrain where the Corps operates. The only other source considered in the Department's reply was the availability of vehicles from other Corps' project or office sites which the Corps stated was impracticable due to the long distances (ranging from 12 to 525 miles) between projects and from projects to major cities.

We believe that the Department has overstated the problems of obtaining vehicles from alternative sources. Since we are concerned with meeting peak and unusual vehicle requirements, we doubt that the Corps would experience significant problems in meeting such occasional requirements with vehicles from other Government agencies, vehicles from commercial sources, or privately owned vehicles. We noted during our review that Corps employees at the Omaha District used their privately owned vehicles extensively.

We do not advocate that the Corps require its employees to drive their private vehicles over rough or hazardous terrains. Certainly not all Corps' vehicles are driven over only rough terrains. The Department's reply does not adequately consider the availability of vehicles from other Government agencies or commercial sources for meeting peak or emergency requirements. Many of the district and project office motor pools which we found had excess vehicles were in the same town with, or in close proximity to, GSA or commercially operated motor pools; about half were within 10 miles of one or both alternative sources. Also, the Department has motor vehicles for administrative use at about 200 locations within the continental United States, which vehicles could be made available for Corps' use in meeting peak and emergency requirements.

The Department stated further that Corps divisions were surveyed, by command inspections, every 18 months to determine the effectiveness of divisional implementation of the Corps' programs and that, during such inspections, utilization was reviewed under the daily-use concept. The Department stated also that division engineers were required, under Corps regulations, to determine the efficiency and economy of vehicle operations through field inspections of

subordinate installations and to recommend to the Chief of Engineers such action as might be required to ensure maximum utilization of the vehicles.

The most recent command inspection reports covering 10 Corps division offices indicated that motor vehicle utilization had been considered during four of the inspections. During our review of selected district offices, we examined division-level inspection reports. We found no evidence that either the command or the division-level inspections had included any critical analyses of motor vehicle utilization under the daily-use concept.

In conclusion, the Department stated that:

"(1) The Corps program for vehicle utilization requires constant vigilance on the part of the District Engineers and their subordinates to achieve the following:

"a. The minimum number of vehicles are maintained to accomplish our assigned constructive missions.

"b. A sufficient number of vehicles are on hand to assure a state of preparedness in emergency situations.

"(2) Because of the lead time inherent in programing, delays experienced by Congressional funding actions, the 'Act of God' emergencies which must be faced, we cannot be assured of maximum utilization of all of our equipment at all times. However, every effort is made to improve our utilization posture through the relocation of excess vehicles consistent with our construction program."

We believe that the Corps' program is not consistent with FPMR or with Army regulations (see pp. 6 and 7) which provide that allowances for administrative-use motor vehicles be limited to the minimum necessary to provide essential motor vehicle transportation under normal conditions.

In our review we found no authority which allowed the Corps to maintain all the administrative-use motor vehicles necessary to meet peak requirements or act-of-God emergencies. Rather, Army regulations (see p. 6) provide that peak and emergency vehicle requirements be met by obtaining vehicles from alternative sources.

Recommendations

We recommend that the Secretary of the Army direct the Chief of Engineers to establish criteria for evaluating motor vehicle use, which will provide that daily-use information be considered in conjunction with annual mileage.

We recommend also that the Chief of Engineers initiate a Corps-wide review of vehicle use for the purpose of establishing the number of vehicles needed under normal conditions, giving full consideration to daily use of such vehicles and alternative sources of transportation for meeting peak requirements and the number of excess vehicles that could be either transferred to locations demonstrating needs for additional or replacement vehicles--with the objective of reducing future vehicle procurement--or declared excess, where appropriate.

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APPENDIXES

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PRINCIPAL MANAGEMENT OFFICIALS OF
THE DEPARTMENT OF DEFENSE AND THE DEPARTMENT OF THE ARMY
RESPONSIBLE FOR THE ADMINISTRATION OF ACTIVITIES
DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
<u>DEPARTMENT OF DEFENSE</u>		
SECRETARY OF DEFENSE:		
Clark M. Clifford	Mar. 1968	Present
Robert S. McNamara	Jan. 1961	Feb. 1968
<u>DEPARTMENT OF THE ARMY</u>		
SECRETARY OF THE ARMY:		
Stanley R. Resor	July 1965	Present
Stephen Ailes	Jan. 1964	June 1965
CHIEF OF ENGINEERS:		
Lt. Gen. William F. Cassidy	July 1965	Present
Lt. Gen. W. K. Wilson, Jr.	May 1961	June 1965

APPENDIX II

SCHEDULE OF MOTOR VEHICLE UTILIZATION DATA FOR SELECTED DISTRICT OFFICES

Motor pool location (note a)	Total vehicles		Multipurpose vehicles (note b)				Panel and pickup trucks		Utilization of vehicle days at locations with idle vehicles		
	On hand	Idle	On hand	Idle	On hand	Idle	On hand	Idle	Total days (note c) available	Idle	Percent of available days idle
TULSA DISTRICT:											
District Office	43	8	30	6	2	0	11	2	5,132	1,524	29
Soils Laboratory (note d)	2	1	0	0	0	0	2	1	257	161	63
Kerr Lock and Dam resident	23	7	4	1	0	0	19	6	2,890	1,155	40
Muskogee real estate project	19	4	16	3	0	0	3	1	2,374	743	31
East Gibson resident	20	3	4	1	0	0	16	2	2,522	597	24
Delaware real estate project	8	3	6	2	0	0	2	1	1,100	588	53
Delaware resident	19	2	2	0	0	0	17	2	2,327	246	11
Millwood resident	13	2	2	0	0	0	11	2	1,801	454	25
Penkiller resident	11	2	0	0	0	0	11	2	1,397	420	30
Brookwood Pine Creek resident	11	2	1	0	0	0	9	2	1,417	301	21
Raymond resident (construction note e)	21	2	4	0	0	0	17	2	2,419	400	17
Elk City resident	8	1	1	0	0	0	7	1	1,250	461	37
Canon resident	5	1	1	0	0	0	4	1	635	170	27
Emporia real estate project	3	1	3	1	0	0	0	0	342	292	85
Others (10 locations)	79	0	10	0	5	0	64	0			
Total Tulsa District	285	39	86	14	7	0	192	25	26,003	7,289	28
OMAHA DISTRICT:											
Omaha area	55	10	9	2	13	2	33	6	7,140	1,780	25
Oahe area	27	4	8	1	0	0	19	3	3,422	759	22
Garrison area	30	3	10	2	3	0	17	1	3,771	573	15
Big Bend area	25	2	8	1	1	0	16	1	1,382	538	39
Omaha area	8	1	0	0	6	1	2	0	995	309	31
Offutt area	6	1	2	1	0	0	4	0	665	160	24
Others (3 locations)	43	0	11	0	4	0	28	0			
Total Omaha District	194	21	48	7	27	3	119	11	19,375	4,119	21
KANSAS CITY DISTRICT:											
Plant service base	27	4	21	2	4	1	2	1	1,943	523	27
Glasgow resident	18	3	2	0	0	0	16	3	1,134	256	23
Napoleon resident	15	3	2	0	0	0	13	3	949	251	26
Napoleon resident, St. Joseph unit	12	3	1	0	2	0	9	3	751	290	39
Osceola real estate project	6	1	3	0	1	0	2	1	380	125	33
Others (11 locations)	85	0	22	0	15	0	48	0			
Total Kansas City District	163	14	51	2	22	1	90	11	5,157	1,445	28
LOS ANGELES DISTRICT:											
Base yard	11	5	1	1	0	0	10	4	1,188	596	50
Coyote Creek project	10	1	3	0	0	0	7	1	700	154	22
Maintenance unit	8	1	0	0	2	0	6	1	870	267	31
Tucson project	3	1	1	0	0	0	2	1	330	161	49
Others (4 locations)	14	0	5	0	0	0	9	0			
Total Los Angeles District	46	8	10	1	2	0	34	7	3,088	1,278	41
ST. LOUIS DISTRICT:											
Arsenal St. Lot (4 users)	35	4	3	0	16	2	16	2	4,094	687	17
District Office	20	2	13	1	7	1	0	0	2,207	691	31
Rend Lake real estate project	4	1	2	1	1	0	1	0	375	157	42
Others (5 locations)	30	0	3	0	2	0	25	0			
Total St. Louis District	89	7	21	2	26	3	42	2	6,676	1,575	23
MOBILE DISTRICT:											
Seina real estate project	8	2	6	2	1	0	1	0	974	433	44
W. F. George Reservoir	15	1	2	0	1	0	12	1	1,893	291	15
Allatoona Reservoir	13	1	3	0	0	0	7	1	1,558	308	20
Tuscaloosa area	10	1	3	0	0	0	7	1	1,228	293	24
Others (6 locations)	59	0	11	0	3	0	45	0			
Total Mobile District	105	5	25	2	5	0	72	3	5,453	1,235	22
NEW ORLEANS DISTRICT:											
Lafayette area	6	1	2	1	1	0	3	1	629	188	30
Texarkana area	4	1	0	0	0	0	4	1	504	173	34
Maintenance unit #2	4	1	0	0	0	0	4	1	495	265	54
Others (12 locations)	51	0	8	0	2	0	41	0			
Total New Orleans District	65	3	10	1	3	0	52	2	1,628	526	32
Overall total	947	97	251	29	95	2	601	61	67,380	15,414	23

*Includes only those locations with three or more selected vehicles on hand during at least half of the test period.

bIncludes vehicles classified by the Corps as carryalls, station wagons, and sedan deliveries.

cExcludes days that vehicles were in a maintenance status.

dThis activity shares a common storage area with the District Office motor pool.

eActivities located within several hundred yards proximity considered as one pool for computation purposes.



DEPARTMENT OF THE ARMY
WASHINGTON, D.C. 20310

15 AUG 1967

Mr. James T. Hall, Jr.
Associate Director
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Hall:

This responds to the GAO letter of April 27, 1967 to the Secretary of Defense, which transmitted copies of a proposed GAO report to the Congress entitled "Report on Review of Utilization of General Purpose Motor Vehicles, Corps of Engineers (Civil Functions) Department of the Army." (OSD Case #2600). Interim reply was made 29 June 1967.

This report has been reviewed and attached is a statement of the comments of the Department of the Army.

This opportunity to comment on the draft report is appreciated.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Alfred B. Fitt", with a long horizontal stroke extending to the right.

Alfred B. Fitt
Special Assistant (Civil Functions)

Department of the Army Comments Related To The GAO Review
Of
Utilization of General Purpose Motor Vehicles,
Corps of Engineers (Civil Functions)

Recommendations: "The Corps of Engineers establish a criteria for determining vehicle requirements which provide the effect of daily usage as well as annual mileage."

(1) The utilization criteria of the Corps of Engineers are compatible with those of other Government agencies. (See GSA Bulletin FPMR No. G-29, May 8, 1967, inclosure 1.) Although a report of daily usage is not required by higher authority, daily usage information is maintained at the motor pool level for cost accounting and vehicle assignment purposes.

(2) In the review made by GAO all vehicles have lost their individual identity and have been reduced to a numerical unit. Design, road clearance, cargo area (cubic capacity, closed or opened storage and security of contents) and passenger carrying capability apparently were not considered. Under the unit concept ninety seven (97) vehicles of the Corps of Engineers were reportedly idle eighty percent (80%) of the time surveyed. To show the inequities involved in the numerical unit concept, we offer the following example of a typical weekly dispatch record of a Corps of Engineer Project Office having four (4) vehicles assigned.

	<u>Sedan</u>	<u>Sedan</u>	<u>Pickup</u>	<u>Panel</u>
Monday	x	-	x	x
Tuesday	x	x	-	x
Wednesday	x	x	x	-
Thursday	-	x	x	x
Friday	x	x	x	x
Total Days Idle	1	1	1	1

Note: x(in use) - (idle)

By the GAO method of analysis, one indescribable numerical unit would be considered idle 4 out of 5 days or 80% of the time. Actually, individually each vehicle was utilized 4 out of 5 days or 80% of the time.

(3) Repeatedly, GAO makes reference to the availability of vehicles from other sources, namely, Corps vehicles transferred between projects,

from other Government agencies, and commercial sources. Although on paper this appears to be a workable solution, in reality it is impractical. In the solution, it appears GAO has not considered the element of time, distance or cost. In this regard we have attached inclosures 2 through 8 which reveal distances between projects and from projects to major cities of 12 to 525 miles. Vehicles are provided for on site use wherever possible. In the Corps of Engineers, professional personnel in grades 7 through 13 are required to use government owned vehicles under the "Drive Yourself" concept. Because of these conditions, if employees were to provide shuttle service, as would be necessary under the GAO suggestion, the cost, coupled with the loss of skilled manpower would impair the efficiency of our construction mission. As related to the distances noted above and inclosures 2 through 8, the driving time involved in the GAO suggestion would require .5 to 7.5 manhours per one way trip.

(4) A further solution advanced by GAO was the use of privately-owned vehicles with reimbursement for mileage accrued. Considering the terrain wherein these vehicles are operated, employees are reluctant to utilize their own vehicles. We cannot expect, nor can we by regulation direct, employees to utilize their own vehicles under work conditions that within the same work day involves highway as well as hazardous road conditions, or in cases where neither roads nor trails exist.

Recommendations: "The Chief of Engineers initiate a Corps Wide review of vehicle utilization for the purpose of establishing the number of vehicles needed under normal conditions, giving full consideration to daily utilization of such vehicles."

(1) By Command Inspection each of our Divisions are surveyed every eighteen (18) months to determine the effectiveness of Divisional implementation of the Corps programs. During these inspections, utilization is reviewed under the daily use concept.

(2) Division Engineers are required under Corps regulations to determine the efficiency and economy of vehicle operations through field inspections of subordinate installations and to recommend to the Chief of Engineers such action as may be required to assure maximum utilization of the vehicles.

(3) The effectiveness of the Corps' program is graphically portrayed by the following comparison extracted from the Annual Motor Vehicle Report prepared for the U. S. Congress dated February 1966.

AVERAGE MILES PER VEHICLE FOR
GOVERNMENT-OWNED MOTOR VEHICLES

<u>Agency</u>	<u>Sedans</u>	<u>Station Wagon</u>	<u>Truck 1 Ton & Less</u>
Dept. of Agriculture	13,247	11,346	9,495

<u>Agency</u>	<u>Sedans</u>	<u>Station Wagon</u>	<u>Truck 1 Ton & Less</u>
Dept. of Justice	12,097	7,685	4,108
Dept. of Interior	13,798	11,572	8,142
General Services Administration	13,123	13,261	10,505
Dept. of Defense	13,367	15,496	10,783
Corps of Engineers, Civil	15,881	14,094	10,016

Recommendations: "The excess vehicles identified by the Corps-Wide review be transferred to locations demonstrating a need for additional or replacement vehicles, with the objective of reducing future vehicle procurement."

(1) The Corps program for vehicle utilization requires constant vigilance on the part of the District Engineers and their subordinates to achieve the following:

a. The minimum number of vehicles are maintained to accomplish our assigned constructive missions.

b. A sufficient number of vehicles are on hand to assure a state of preparedness in emergency situations.

(2) Because of the lead time inherent in programing, delays experienced by Congressional Funding actions, the "Act of God" emergencies which must be faced, we cannot be assured of maximum utilization of all of our equipment at all times. However, every effort is made to improve our utilization posture through the relocation of excess vehicles consistent with our construction program.

8 Incl

1. GSA Bul FPMR G-29, 8 May 67

2-8. Dist Bdry Maps