Department of State

Fleet Management Plan FY 2012

Table of Contents

Vehicle Allocation and Fleet Management Plan Summary

VAM Summary

GSA B-30 Requirement or Metric	Status/Result
Total Vehicles Reported in FAST 2011*	12,267
Vehicles Exempted	11,775**
2011 FAST Non-exempt Baseline Fleet*	492
2015 Non-exempt Optimized Fleet	471
Sum of Vehicles Studied and Exempted*	12,265
Vehicles Surveyed*	490 (100%)
Vehicles Recommended for Elimination (eVAM[1])	21 (4%)
Vehicles – Questionable (eVAM)	149 (31%)
Vehicles Recommended for Retention (eVAM)	320 (65%)
Vehicle Types Assessed	Yes
Vehicle Potential for Alternative Fuels Assessed	Yes
Transportation Alternatives Assessed	Yes
Fleet Management Information System (Bulletin B-15)	Yes

*A fleet inventory is a snapshot in time; consequently, fleet size and vehicle types will vary from month to month for many reasons. The VAM study gathered information on the covered domestic fleet inventory as of November 2011, which differed by two vehicles from the final fleet inventory reported in FAST for 2011.
**See note 4 on page 5 for background information on this number.

Fleet Management Plan Status Summary

VAM and fleet adjusting incorporated into policy and procedures
In process.

Plan and schedule for the optimal fleet
FY 2011 VAM completed. Attainment Plan (GSA VAM Agency Reporting Tool) completed. Fleet Management Plan completed.

Agency plan and schedule for locating alternative fueled vehicles in proximity to AFV fueling stations
Initial vehicle-by-vehicle review completed based on VAM results. An evaluation will be performed in FY 2012 to identify alternative fuel vehicles that may be relocated. All vehicles acquired will be evaluated for compliance with DOS policies (which implement laws and regulations).

Plan for alternative fuel vehicle acquisition
In accordance with DOS acquisition procedures, each new vehicle will be evaluated for use of alternative fuels prior to ordering.

Vehicle sourcing decision(s) for purchasing/owning vehicles compared with leasing vehicles through GSA Fleet or commercially
Cost comparison has been performed for selected classes of vehicles. Cost comparisons for smaller fleet segments will be conducted in FY 2012.

[1] eVAM™ is an electronic tool designed by Mercury Associates for VAM studies that conforms to B-30 standards and requirements. Using electronically gathered data-call information, it applies algorithms that yield recommendations. The next step in the process is for the Department to review the information gathered and the recommendations for reasonableness prior to action.

Introduction

On May 24, 2011, the President issued *Presidential Memorandum—Federal Fleet Performance*. In it, the President directed the General Services Administration (GSA) to develop and distribute to agencies a Vehicle Allocation Methodology (VAM) within 90 days of the date of the memorandum. On August 22, 2011, the General Services Administration (GSA) released Bulletin FMR B-30, *Motor Vehicle Management*. The purpose of the Bulletin is to ensure that agencies "satisfy the requirements of the Presidential Memorandum."

The Bulletin requires three agency actions:

1. Annual Implementation of the Vehicle Allocation Methodology (VAM): The purpose of the VAM is to identify the optimum fleet inventory "that is most efficient to meet the agency's mission and the identification of resources necessary to operate that fleet effectively and efficiently."

2. Report the VAM Results: Using the GSA VAM Agency Reporting Tool, currently an Excel worksheet, the agency must report its Attainment Plan annually "through FAST[2]," with the first submission no later than February 17, 2012.

3. Annual Submission of a Fleet Management Plan: The agency must develop a fleet management plan (FMP) that describes how it will achieve its optimum fleet inventory by December 31, 2015.

Regarding implementation of the VAM, B-30 states:

> *The VAM shall cover an agency's entire fleet in the United States, encompassing all vehicle types, including law enforcement and emergency response vehicles. An agency head may include overseas vehicles when he or she determines doing so is in the best interest of the United States. An agency head may also exempt vehicles used for law enforcement, protective, emergency response, or military tactical operations when in the best interest of the Government.*

The Department of State (DOS) has completed a VAM study of its domestic fleet, as B-30 specifies, except for law enforcement vehicles exempted by the Secretary (exemption documentation available upon request). Many of these vehicles are used for the safe transportation of diplomats and other security-related operations. Overseas vehicles are also exempted.[3] Table 1 shows the categories and number of vehicles the DOS FMP does not cover (i.e., exempted).

[2] Federal Automotive Statistical Tool

[3] DOS conducted a partial VAM study of its overseas vehicles in FY 2010 and will continue to conduct an annual fleet review as part of its on-going initiative to improve fleet management across its worldwide fleet.

Table 1
Exempt Vehicles

Exempted Vehicle Categories	Number
Law enforcement	1,068[4]
Emergency response	0
Overseas	10,707
Other	0
Total Exempted Vehicles	**11,775**

Information on the VAM study can be found in Attachment A. The VAM results, which provide the key data for achieving an optimal fleet, have been reported in the Attainment Plan (aka GSA Agency Reporting Tool) via FAST. This report documents the DOS FMP for all covered (non-exempt) vehicles, describing how the "agency will achieve its optimal fleet inventory."

The consulting team of Runzheimer International and Mercury Associates Inc has been assisting DOS since 2006 with continuously improving its fleet management program. The team worked with DOS to conduct the VAM study and develop the Fleet Management Plan.

Steps already taken by DOS to improve fleet management have laid an organizational foundation essential to successful implementation of the FMP. Three factors characterize an effective fleet organization, and all are advancing at DOS:

1. Centralization
2. Fleet management information system (FMIS)
3. Fleet policies and procedures

Centralization

The DOS fleet is operationally decentralized, with embassies and consulates around the globe. Vehicle missions range from providing secure, armored transportation for diplomats and security personnel to operating pickup trucks with utility tool boxes for maintenance purposes (e.g., plumbers, electricians, etc.). Management of this geographically dispersed and diverse fleet operation is an ongoing challenge.

In 2007, DOS created a Fleet Management Council (FMC) to coordinate efforts to improve fleet management through agreed-upon initiatives, to enhance communication across dispersed fleet organizations both domestically and overseas, and to respond to regulatory requirements more efficiently and effectively. The FMC will supply the organizational leadership needed to implement the FMP. Through shared membership the FMC is linked

[4] DOS has reviewed its LE fleet and identified 35 vehicles that should be classified in the LE-3 category per GSA Bulletin B-33, published November 15, 2011, and not be included on the LE exempt list. These 35 LE vehicles were added to the DS VAM total after the survey closed. The Attainment Plan has been based on the VAM study results. Reporting on the 35 LE-3 vehicles will take place in next year's VAM survey and Attainment Plan.

to the DOS Greening Council, and ultimately reports to the Agency Senior Sustainability Officer, who is also the Under Secretary for Management. Therefore, the organizational structure is in place to ensure integration of the FMP with the Annual Strategic Sustainability Performance Plan by June 2012.

The FMC tool-kit for enhancing centralized management includes a plan for improved and centralized data gathering and a regular review of policies that allows for effective updates.

Fleet Management Information System
DOS has procured a top tier fleet management information system (FMIS); for further information see Attachment A. After it has been fully implemented, DOS will derive the following key benefits from the system:

a. Improved central management of the fleet;
b. Timely response to reporting requirements or special data calls;
c. Current and electronically available inventory data;
d. Current, complete, and electronically available maintenance and fuel costs;
e. Tracking and reporting of fleet performance measures; and
f. Reduced manual data capturing and calculation.

Fleet Policies and Procedures
The DOS Foreign Affairs Manual (FAM) communicates policy and the FAH (Foreign Affairs Handbook) describes operational processes for both domestic and overseas vehicles. Many policies are already in place to move DOS toward compliance with the Presidential Memo and B-30 requirements, and as the FMP is implemented we will continue to update both the FAM and the FAH. Attachment B documents key policies currently in place.

Fleet Management Plan

Plan and Schedule for the Optimal Fleet
In addressing the DOS plan for achieving the optimal fleet, this section of the FMP covers the five steps for determination of an optimal fleet inventory as listed in B-30 (Part 6.D). The completed and uploaded Attainment Plan (aka GSA VAM Agency Reporting Tool) statistically details the DOS plan based upon currently available information. FY 2011 FAST data constitutes the baseline fleet; the VAM study results drive the projected fleet composition and year-by-year adjustments through December 2015, the goal for attaining the optimal fleet size and composition based on the 2011 mission.

The GSA Tool states ***what*** DOS will do to comply with the Presidential Memo and Bulletin. The following discussion describes ***how*** DOS will achieve the statistical outcomes.

Optimal Fleet Inventory Action 1

Identify vehicles that fall below the minimum utilization criteria by VIN. Dispose or re-assign identified vehicles. (B-30 6.D.1)

The DOS program for achieving an optimal fleet is based upon a comprehensive and cohesive set of associated parameters that designate whether to retain or eliminate each vehicle or whether it falls into a questionable category and requires further research. The weighted parameters assess both utilization and criticality; therefore, the DOS methodology is multi-dimensional (as opposed to being one-dimensional and based solely on utilization); for further discussion of the VAM study, see Attachment A. Results of the VAM study indicate the following potential disposition of the fleet.

Table 2
eVAM Recommended Fleet Right-sizing

Recommended Action	Number of Vehicles
Retain	320
Eliminate	21
Questionable	149
Total Vehicles	**490**

Results of the VAM study indicate that the covered fleet might be reduced by more than four percent. The next step for DOS is to study each targeted vehicle to assess whether elimination is appropriate and subsequently develop a plan for fleet-size optimization by December 2015. The Attainment Plan measures the statistical progress toward that goal.

Comprehensive data-gathering results and recommendations are made vehicle-by-vehicle in eVAM™[5] (see Attachment A). Also, eVAM enables decision-makers to enter and track final decisions reached on each vehicle, the results of which automatically populate the Attainment Plan spreadsheet.

DOS actions described below necessitate policies that address re-assignment of vehicles. They will be developed and integrated into the FAM/FAH with a goal of completion before submission of the 2013 FMP.

Between February 17, 2012, and submission of an updated FMP in 2013, the DOS FMC and its respective Bureaus will take the following steps.

Table 3
Optimal-Fleet Action 1 Steps and Timeline

Action Steps	Estimated Timeline
Policy Development	
• FMC working group to draft proposed policy incorporating field input to address re-assignment	March 2012

[5] eVAM is an electronic tool designed by Mercury Associates for VAM studies that conforms to B-30 standards and requirements. Using electronically gathered data-call information, it applies algorithms that yield recommendations. The next step in the process is for the Department to review the information gathered and the recommendations for reasonableness prior to action.

Action Steps	Estimated Timeline
• FMC to review policy and approve	April 2012
• DOS internal policy approval process undertaken	May-July 2012[6]
• Management approval of policy	August 2012
• Policy integrated into FAM and published	September 2012
Vehicles Identified for Elimination	
• Identify vehicles recommended for elimination by organization and location	March 2012
• Bureaus review the eVAM recommendations and agree/accept or rebut to the FMC with justification	April-May 2012
• Bureau and local decision-makers develop a disposal plan for vehicles identified for elimination	June-July 2012
• FMC reviews disposal plan for approval/disapproval	August 2012
• Bureaus and local decision-makers implement disposal plan	September-October 2012
Vehicles Identified as Questionable[7]	
• Identify vehicles that fall into the "questionable" category by organization and location	March 2012
• Review VAM data call results and identify additional information needed to classify vehicles as retain or eliminate	April 2012
• Communicate with Bureau and local decision-makers to obtain necessary information for a) re-assignment, b) retain, or c) eliminate	May 2012
• FMC reviews retain, re-assignment or disposal plans for approval/disapproval	June-July 2012
• Component and local decision-makers implement re-assignment or disposal plan	August-September 2012

DOS will repeat these process steps annually with the objective of reaching the targeted fleet size shown in the Attainment Plan.

Optimal Fleet Inventory Action 2

List of vehicle types approved for each organization and mission requirement. Vehicles selected should be the most efficient possible. (B-30 6.D.2)

The FMC does not impose a list of vehicle types on the respective Bureaus because their operations are too distinctive for such a centralized approach. However, all covered vehicles subject to the VAM have been electronically evaluated for "right-typing" through the study. eVAM documents the current vehicle type and a recommended vehicle type based on the data-call questions. DOS will review every recommended vehicle type and reach agreement on whether a change in type is required. eVAM provides an automated process for capturing changes in vehicle type and electronically populating the Attainment Plan accordingly.

[6] Timelines for mandatory reviews may exceed those shown.

[7] Vehicles identified by the eVAM output as questionable require additional information before a determination to retain or eliminate can be made; therefore, they presently are included in the optimum fleet inventory in the Attainment Plan.

As DOS replaces its current fleet of vehicles, alternative vehicle types will be considered. DOS policy includes a justification and vehicle-type review protocol with which Bureaus must comply (see Attachment C for further information on this and other related policies.)

Between February 17, 2012, and submission of an updated FMP in 2013, the DOS FMC and its respective Bureaus will take the following steps.

Table 4
Optimal-Fleet Action 2 Steps and Timeline

Action Steps	Estimated Timeline
Filter all vehicles for which alternative vehicle types are recommended by the VAM study output	March 2012
Sort the filtered data by Bureau	March 2012
Require Bureaus to review alternative vehicle types recommended by the VAM study output and submit a) justifications for no change or b) plan for changing vehicle type	April-May 2012
FMC reviews and approves (or disapproves) justifications and plans regarding vehicle type	June 2012
Bureau and local decision-makers implement plans regarding vehicle type with their acquisition and disposal forecasts and plan as reported in FAST	October-December 2012

DOS will repeat these process steps annually through December 2015 with the goal of attaining the optimal fleet in terms of vehicle type.

Optimal Fleet Inventory Action 3
Compare the existing fleet composition to mission-task needs. (B-30 6.D.3)

DOS has completed this step. The following table displays the current fleet composition and an alternative fleet composition based on the VAM data-call questions.

Table 5
Current Fleet and Recommended Fleet Composition by Class

Vehicle Types	FAST 2011 Baseline Fleet	2015 Optimized Fleet	Increase/Decrease by Type for 2015
Low Speed Electric Vehicle	0	2	2
Subcompact or smaller	1	26	25
Compact	11	11	0
Midsize	34	57	23
Large	16	0	-16
Limousine	0	0	0
Light SUV	108	109	1
Medium SUV	5	7	2
Light Passenger Van	82	31	-51
Medium Passenger Van	33	21	-12

Vehicle Types	FAST 2011 Baseline Fleet	2015 Optimized Fleet	Increase/Decrease by Type for 2015
Light Truck 4x2 (8500 or less)	25	29	4
Light Truck 4x4 (8500 or less)	31	30	-1
Medium Truck (8501-16,000)	73	65	-8
Heavy Truck (over 16,000)	54	51	-3
Ambulance	0	0	0
Bus	19	32	13
Totals	**492**	**471**	**-21**

Members of the FMC will review every recommended vehicle type and reach agreement on whether a change in type is required. eVAM provides an automated process for tracking all agreed-upon vehicle type changes and electronically populating the Attainment Plan accordingly. As DOS replaces its current fleet of vehicles, alternative vehicle types will be considered.

Action steps are the same as those listed in Table 4 above.

Optimal Fleet Inventory Action 4

Identify mission-essential vehicles regardless of utilization. Ensure that the most efficient vehicle type is assigned to the mission. If the most efficient vehicle is not presently allocated to the mission, the fleet management plan must include a changeover program for shifting to the most efficient alternative. (B-30 6.D.4)

For the DOS VAM study, items 3 and 4 are redundant because all covered vehicles are electronically evaluated for "right-typing"; Table 5 above displays the current fleet composition and an alternative fleet composition. As DOS replaces its current fleet of vehicles, alternative vehicle types will be considered on a vehicle-by-vehicle basis.

As described above, the DOS VAM combines utilization and mission criticality in its vehicle assessment which addresses the requirement to identify mission-essential vehicles regardless of utilization. (For further information, see Attachment A.)

Optimal Fleet Inventory Action 5

Evaluate transportation alternatives such as public transportation, contract shuttle services, car rental. (B-30 6.D.5)

DOS evaluated transportation alternatives for every vehicle through its data-call questions, including whether a specific vehicle could be eliminated through use of those alternatives. If a transportation alternative can be substituted for a government-provided vehicle, DOS will not approve an acquisition request for replacement and may remove the vehicle from its fleet.

Table 6
Optimal Fleet Action 5 Steps and Timeline

Action Steps	Timeline
Filter survey data for vehicles for which transportation alternatives might be used in lieu of an assigned vehicle	March 2012
Sort the filtered data by Bureau	March 2012
Require Bureaus to review vehicles for which transportation alternatives might be used in lieu of an assigned vehicle and communicate results to FMC	April-May 2012
FMC reviews and approves (or disapproves plans regarding use of transportation alternative(s) in lieu of assigned vehicle(s)	June 2012
Bureau and local decision-makers implement plans and integrate any inventory changes into 2012 FAST	October-December 2012

DOS has adopted the fleet best-practice of running a motor pool. The program includes dispatch services with a robust FMIS for electronic reservations and utilization tracking, among other metrics. Vehicles in such a pool tend to be used more consistently than those assigned to individuals or departments because they are rotated among users, balancing out usage. DOS will continue to support this program as part of its fleet-optimization initiative under B-30.

Plan for Alternative Fuel Vehicle Acquisition

The Attainment Plan has been completed and statistically details the DOS plan based upon currently available information. The Attainment Plan shows acquisitions and disposals by vehicle type and by fuel type (conventional vs. alternative) through 2015.

Detailed information that exceeds the requirements of B-30 has been obtained on every vehicle by means of the VAM data call.

All covered vehicles due for replacement through December 2015 will undergo a structured process of evaluation to ensure that they meet all DOS acquisition policies; for specific policies, see Attachment B. The goal is to increase the number of alternatively fueled vehicles and to ensure that those vehicles have access to the type of fuel needed.

Table 7
AFV Acquisition Action Steps

Action Steps	Timeline
Filter all vehicles that were identified in eVAM as being within 5 miles of an alternative fuel station	March 2012
Sort the filtered data by Bureau	March 2012
Require Bureaus to review vehicles within 5 miles of an alternative fuel station and compare the recommended fuel to the present vehicle fuel type to determine the operational feasibility of ordering future vehicle replacements that use the recommended fuel	April-May 2012
FMC reviews and approves (or disapproves) justifications and plans regarding vehicle fuel type	June 2012
Bureau and local decision-makers implement plans regarding vehicle fuel type with their acquisition and disposal forecasts and plan as reported in FAST	October-December 2012

The DOS Fleet Management and Operations (FMO) office has a comprehensive strategy to comply with the current regulatory requirements for reducing vehicular petroleum consumption by two percent per year and for increasing alternative fuel (AF) use in vehicles by ten percent compounded annually as compared to the fiscal year 2005 baseline. The strategy includes the use of E85, a fuel blend of 85 percent ethanol and 15 percent gasoline, instead of conventional gasoline fuel; the use of B20, a fuel blend of 20 percent biodiesel and 80 percent diesel, in place of conventional diesel fuel; continued use of compressed natural gas (CNG) in natural gas vehicles; increased use of AFs in alternative fuel vehicles (AFVs); improvements in the operating efficiency of DOS vehicles; working with other agencies and organizations to improve AF availability; and continued acquisition of light duty or medium duty vehicles with higher fuel economy, to include AFVs such as flex-fuel vehicles, hybrid electric vehicles, low greenhouse gas emitting vehicles (LGHGEVs), and plug-in hybrid electric vehicles (PHEVs) when they are commercially available and cost feasible versus comparable non-PHEVs.

Section 13218 of the Energy Policy Act of 1992, 42 USC 13218(b), requires each Federal agency to place its annual fleet AFV compliance report on a publicly available website. More information about the DOS AFV Program is provided in its published reports, submitted annually by February 15, which are available at http://www.state.gov/m/a/c8503.htm.

With its policy of exclusively acquiring AFVs for its non-exempt fleet, except where operational requirements make such acquisitions impractical, DOS expects to continue its record of meeting or exceeding the 75 percent EPAct percentage for the foreseeable future. DOS will also continue acquiring LGHGEVs as Original Equipment Manufacturers (OEMs) provide more makes and models that meet operational requirements.

DOS will continue to advance in this area, applying the results of the VAM study to optimize its vehicle fleet by December 2015.

Plan for Fueling of Alternative Fuel Vehicles

The VAM study data call gathered information on where vehicles are domiciled (parked overnight). DOS will use this information to review whether vehicles can be shifted from one location to another. DOS will consider the following factors in assessing possible movement of vehicles from one location to another:

- Is the alternative fuel available in any other office location?
- Is the vehicle type suitable to the mission (e.g., terrain, climate conditions, type of use) if it is moved from one office/location to another?
- Does the replacement cycle of the vehicle call for disposal within the next 12 months?
- Is replacement of the vehicle more efficient and effective than relocation?
- What is the distance between respective office locations?
- What is the best means of arranging transportation of the vehicle?
- What will the cost of transportation be?
- Do office budgets have funds to cover the cost of transporting vehicles from one location to another?

Beyond possible vehicle relocation, DOS will investigate the possibility of working with other agencies for installation of fuel delivery systems where appropriate.

EPAct 2005, Section 701 requires that dual-fuel AFVs (e.g., AFVs that can run equally well on gasoline or an AF) use AF exclusively unless the AF is (1) not reasonably available (neither within a 15-minute drive nor five miles from garaged location) or (2) unreasonably expensive (costs more per gallon than gasoline at the same station). Law Enforcement (LE) vehicles are exempt from this requirement. Federal agencies can request a waiver (annually via FAST by June 30) for each non-exempt, dual-fuel AFV for which the distance, time, and/or cost exceed these criteria. DOE has approved all of the waivers DOS has requested since the waiver process began in 2007, even as the number of non-exempt, dual-fuel AFVs has increased, as reported in the *DOS Fleet AFV Program Report for Fiscal Year 2010* (the deadline for the next report, covering 2011, will be available on February 15, at http://www.state.gov/m/a/c8503.htm).

AF usage in DOS AFVs, which was estimated to be about 33 percent in FY 2010, has not met DOS expectations and targets. Thus, DOS is researching its fuel transaction data to see whether the E85 Flex Fuel Vehicles/bi-fuel CNGs are being fueled with gasoline when E85/CNG, respectively, were available at or near the station where the fuel was actually purchased. In addition, DOS has volunteered to be one of three fleets to pilot a DOE-sponsored software program that will use geographic information system (GIS) software to analyze fuel transaction data and AF station location data to ascertain where specific AFVs could be using more AF. These efforts are ongoing.

DOS has found that fuel coding problems substantially impact the reliability of the fuel transaction data. While the data is available for agencies to download (from GSA and from the Voyager fuel card databases), it is deficient in accurately identifying the fuel purchased because of software problems at the point of sale and problems in the transmission of data from the point of sale to the credit card transaction databases.

A lack of adequate commercial AF infrastructure continues to hinder AF refueling, but DOS endeavors to keep its waiver requests to a minimum and to monitor the expansion of the AF infrastructure.

DOS recognizes that drivers ultimately determine what type of fuel goes into the vehicle so plans are being developed to increase driver awareness regarding AF station locations and encourage use of AF whenever the distance/cost criteria are met.

The Attainment Plan, which includes statistics on conventionally and alternatively fueled vehicles, has been completed. It specifies the DOS plan relating to acquisition of alternative fuel vehicles based upon currently available information.

Table 8
AFV Fueling Action Steps

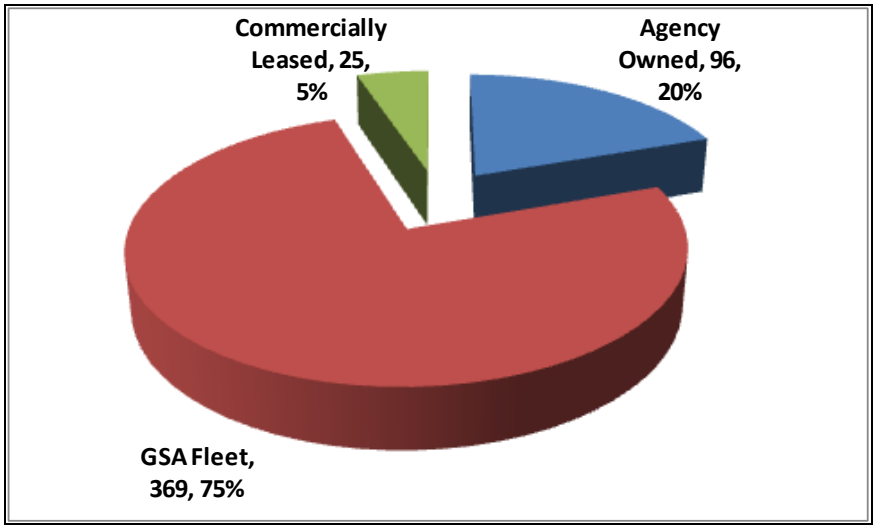
Action Steps	Timeline
Bureaus will review whether AFVs can be moved from a location where the alternative fuel is not available to a location where the alternative fuel is available	March-May 2012

Action Steps	Timeline
If appropriate, Bureaus will relocate vehicles	June-August 2012
FMC will continue to investigate opportunities for installation of alternative fueling stations	Ongoing
Increase driver awareness of station locations and to use AF whenever the distance/cost criteria are met	Ongoing
Pilot a DOE-sponsored software program that will use geographic information system (GIS) software to analyze fuel transaction data and AF station location data to ascertain where specific AFVs could be using more AF	Ongoing

All covered vehicles due for replacement through December 30, 2015, will undergo a structured process of evaluation to ensure that they adhere to all DOS acquisition policies. The goal is to increase the number of alternatively fueled vehicles and to ensure that those vehicles have access to the type of fuel needed.

Vehicle Sourcing Assessment

The Attainment Plan that specifies the number of GSA Fleet, Agency-owned, and commercially leased vehicles has been submitted, based upon currently available information. As the chart below shows, 75% of the non-exempted DOS vehicles included in the VAM study currently are leased from GSA Fleet and 20% are DOS-owned, with many of those falling outside the light-duty vehicle category, as shown in the Attainment Plan. The remainder, 5%, is commercially leased.



All non-exempted vehicles due for replacement through December 30, 2015, will undergo a structured process of evaluation to ensure that they conform to all DOS acquisition policies.

B-30 requires agencies to provide support for their vehicle sourcing decision(s). Specifically it calls for a comparison of purchasing/owning vehicles to leasing vehicles through GSA Fleet or commercially. The bulletin states:

> *When comparing cost of owned vehicles to leased vehicles, compare all direct and indirect costs projected for the lifecycle of owned vehicles to the total lease costs*

over an identical lifecycle. Include a rationale for acquiring vehicles from other than the most cost effective source.

According to GSA, the costs incurred under the current, actual life cycles of owned vehicles should be compared with the fixed and operating costs of GSA Fleet and commercially leased vehicles over that same period of time. Therefore, DOS has applied a costing model that **compares the current "budgetary costs"** for vehicles via the three methods currently available to Federal agencies:

A. Agency Ownership
B. GSA Fleet Lease
C. Contract Closed End Commercial Lease

This differs substantively from an economic optimization model where the total cost of financing and operation for a given fleet asset begins with determining the optimal economic replacement point using life-cycle cost analysis. For informational purposes, in the following box we have provided an overview of what an economic optimization model includes.

Optimized economic analyses examine the "hard" capital and operating costs associated with vehicle financing and operation. First, the costs are reviewed over alternative replacement cycles for a given type of vehicle. After the optimized replacement cycle is determined, a comparison of alternative methods to finance and manage the vehicle over the optimum life cycle is developed. The lowest cost combination of financing and management that is *feasible to implement* becomes the recommended approach. Generally, in such models, the current practice is compared with one or more operating and finance alternatives.

For fleet management, alternatives generally recognized include:

- Agency management & operations
- Central organization management & operations
- Fleet Management Company management/services

For financing, the approaches evaluated for the public sector include:

- Outright purchase with cash from ad hoc appropriations
- Outright purchase with cash accumulated in a reserve fund
- Various forms of debt financing

In the budgetary comparison model employed to meet the requirements of B-30, an optimal life cycle has not been determined, alternative financing methods have not been reviewed, and Fleet Management Company services have not been considered. The current-environment budgetary expenses associated with the primary cost elements of vehicle use and considered for this analysis are:

- Capital Costs,
- Maintenance Costs,
- Fuel Costs, and
- Overhead Costs.

Cost comparison estimates have been developed for selected classes of vehicles to reveal the lowest budgetary cost for vehicle ownership and operation under current cost and rating structures. Cost comparisons for smaller fleet segments will be conducted in FY 2012.

Comparisons were completed for the largest three classes in each Bureau's fleet. Given the uniqueness of heavy equipment and each vehicle's application, heavy duty vehicles were excluded from class comparisons. Such comparisons would have to be made using individual unit specifications directly matched to a GSA rate. In addition, few GSA Schedule contracts for leasing heavier vehicles and equipment exist; therefore, individual commercial leasing costs would have to be secured and compared to actual costs for the comparison to be meaningful. As a result, DOS has not undertaken cost comparisons for assets in a heavy vehicle/equipment class at this time. However, only one bureau had a significant percentage of heavy vehicles in its fleet and these numbered only 22 units.

Cost data was developed for a single vehicle that is representative of all the vehicles in the selected class. In each case, the agency-owned vs. GSA Fleet vs. commercial lease comparison has been completed. Costs have been estimated for the ownership option even when DOS does not currently own any units in the class. A summary of the model elements and methodology appears below in Table 9.[8]

Table 9
Summary of Costing-Model Elements

What	Agency Owned	GSA Fleet	Commercial Closed End Capital Lease
Vehicle Life Cycle	Current Practice (non-optimized)	GSA Published Replacement Standards	36 months
Capital Cost	Net Capital Cost (Purchase Price less Resale value)[9]	GSA Monthly Rate X Agency Life Cycle	GSA Passenger and Light Duty Vehicle Contract Price X Agency Life Cycle
Maintenance	Agency Data (if complete and accurate) or estimate based on Vehicle Equivalent Unit (VEU)	GSA Mileage Rate (Rate also includes Fuel)	Mercury Estimate based on VEU
Fuel	Agency Data (if complete and accurate) or estimate based on MPG	Included in GSA Mileage Rate	Mercury estimate based on MPG
Management and Operational Overhead	Agency Data (if complete and accurate) or estimate based on experience.	10% of Owned Amount	90% of Owned Amount

Because DOS is just beginning to roll out its FMIS, accurate and complete cost data is not available at a vehicle-unit level. Moreover, the cost data that appears in FAST is

[8] A more detailed description of the methodology for estimating specific costs under the three alternatives, along with core data elements and sources is available upon request.
[9] Acquisition costs through GSA Automotive were requested but not provided.

aggregated at too high a level to be of use in the required comparisons and is often irregular. Therefore, DOS vehicle-cost data was not used in developing maintenance and repair or the overhead cost components. In the future, the FMIS will furnish data that will improve the budgetary analysis.

Because the budgetary comparisons may include looking at vehicles with differing life cycles, it is important to note that there often are other costs, some more easily measured than others, which are impacted by an organization's replacement cycle decisions. Specifically, longer cycles typically carry associated costs that are not easily measurable (and not included in the model). Examples of these "soft" costs include:

- Increasing vehicle downtime and its associated impact on fleet size
- Mission disruptions
- Reduced employee productivity
- Reduced employee safety
- Reduced public safety
- Unmanageability of repair costs

For example, if the agency life cycle for owned vehicles is longer than the GSA Fleet cycle, GSA vehicles will be newer and therefore experience reduced maintenance, breakdowns and downtime. Impact on agency productivity and fleet size could be significant if cycle variance is large. Therefore, to the extent that the agency owned and GSA costs are very close, it would be logical to tip the scales more heavily in favor of the shorter cycle.

Another important point for this costing exercise is that the budgetary costs are viewed from this agency's perspective as opposed to an organizational perspective (i.e., DOS vs. Federal Government). This is important because the GSA Fleet lease rate includes elements that are not included in the agency cost comparison. Specifically, according to the U.S. General Services Administration FY 2011 Summary of Rates and Fees: "*The ASF is authorized to retain earnings to cover the cost of replacing fleet vehicles (Replacement Cost Pricing), maintaining supply inventories adequate for customers' needs, and funding investments specified by the Cost and Capital Plan. Any additional earnings in excess of expenses must be returned to Treasury as miscellaneous receipts."* This means that at the end of a given life cycle reserve funds that might be available would appropriately be considered in a comparison at the organizational level.

The first step in developing the comparison was to identify the largest classes in each Bureau's fleet. For this exercise, both covered and exempted vehicles were considered for the Diplomatic Security fleet. After identifying the classes, DOS selected an individual vehicle model that was representative of the class for comparison. Next, the GSA rate and the commercial lease rate that corresponded to the selected vehicle were identified. The best apparent matches from GSA Fleet rates and commercial-lease contract lists were selected. Table 10 depicts the vehicles selected and the corresponding specification type used to match GSA Fleet and commercial-rate lists.

Table 10
Vehicle Types Selected for Cost Modeling

Bureau	Largest Fleet Classes (GSA Nomenclature)		Specification Type		Sample Model	Number in Fleet Class	Percent of Total Fleet
DS	Sport Utility, 4-Door	4x4 SUV, Compact	6279	105A	Jeep Liberty	433	35.6%
DS	Sedan, Midsize	Sedan, Compact	1100	10B, 10C	Impala	357	29.3%
DS	Sport Utility, 4-Door	4x4 SUV, Full Size	6375	108, 108C	Suburban 2500	91	7.5%
FMO	Van, Passenger	4x2 Van Wagon 7 Passenger	4115	20, 20A	Caravan	60	29.7%
FMO	Sedan, Midsize	Sedan, Compact	1100	10B, 10C	Impala	27	13.4%
FMO	Sport Utility, 4-Door	4x2 SUV, Intermediate	4279	100A	Explorer	25	12.4%
IBWC	Pickup, Regular Cab	4x4 Pickup Min 6000 GVWR	6250	46, 47	F150	16	11.8%
IBWC	Pickup, Regular Cab	4x2 Pickup Min 10,001 GVWR	4350	44, 44A	F350	21	15.4%
IBWC	Pickup, Regular Cab	4x4 pickup min 8000 GVWR	6350	49, 49A, 49B	F250	17	12.5%

A comparison of the three sourcing options was then completed for each model. Table 11 below summarizes the results of the class comparisons for Bureaus covered by this plan.[10]

Table 11
Budgetary Cost Comparisons

Agency	Vehicle Class	Model	Agency Owned	GSA Fleet	Commercial Leasing
DS	4x4 SUV, Compact	Jeep Liberty	**$71,481.42**	$ 82,191.97	$ 96,525.35
DS	Sedan, Compact	Impala	$ 25,761.38	**$ 22,099.93**	$ 30,843.85
DS	4x4 SUV, Full Size	Suburban 2500	$59,480.23	**$51,291.53**	$ 81,753.08
FMO	4x2 Van Wagon 7 Passenger	Caravan	$30,509.78	**$ 27,669.58**	$ 44,445.28
FMO	Sedan, Compact	Impala	$35,574.32	**$ 32,960.08**	$ 40,545.79
FMO	4x2 SUV, Intermediate	Explorer	$47,628.26	**$ 44,713.61**	$ 59,495.11
IBWC	4x4 Pickup Min. 6000 GVWR	F150	$51,029.85	**$ 49,390.33**	$ 66,602.29

[10] Detailed data for each vehicle class is available upon request.

Agency	Vehicle Class	Model	Agency Owned	GSA Fleet	Commercial Leasing
IBWC	4x2 Pickup Min. 10,001 GVWR	F350	$69,356.16	**$ 54,818.15**	$ 96,316.61
IBWC	4x4 Pickup Min. 8000 GVWR	F250	$70,459.53	**$ 68,639.95**	$ 97,744.53

Based upon the standardized costing method used and the costing data available, in all but one class GSA Fleet is the lowest-cost budgetary option. GSA costs range from 3 to 21 percent below the agency-owned cost, a reflection most likely of the GSA Fleet class-average fleet rating method. Because GSA Fleet employs an average-rate system, rather than actual-cost-plus-service method, it is not feasible to determine specifically in what cost areas GSA Fleet is lower. In general, we would expect a centralized operation, if effectively operated, to have a lower cost of administration due to economies of scale.

The one case where GSA Fleet costs are higher than the agency's is where the DOS fleet cycle substantively differs. In this case, the agency is keeping the vehicle 13 years, while the GSA cycle is 8 years. While agency budgetary costs are 15% below GSA Fleet, when the "soft" costs of downtime are considered and the issue of reliability is assessed, owning these units may be in the best interest of DOS.

The commercial lease cost is higher in each instance. Given that it is a closed end 36-month lease, this is to be expected.[11]

Conclusion

Aggressive efforts by DOS to improve fleet management were initiated in 2006 and have included the following actions:

- 2006: Global fleet management and operations review completed
- 2007: Established a Fleet Management Council (FMC) comprising DOS overseas and domestic motor vehicle stakeholders, with the goal of improving fleet management policy and complying with appropriate laws.
- 2009-2010: Undertook review and updating of fleet policy; developed functionality requirements for a FMIS and researched systems; improved quality of overseas data.
- 2010: Procurement of dedicated FMIS; VAM study of the domestic and overseas fleet.
- 2011: Pilot implementation of Fleet Management Information System.
- November 17, 2011: Publish executive agency fleet and plan to reduce number of vehicles.
- November 2011 through January 2012: Conduct second VAM study of the domestic fleet.

[11] Actual contract costs were not available from the Contract Officer for vehicles that are currently commercially leased. Because contract parameters can vary for commercial leasing and negotiated costs can vary by vendor, a standards-based costing approach was used.

- February 15, 2012: Submit Fleet Alternative Fuel Vehicle Program Report for Fiscal Year 2011
- February 17, 2012: Submit FMP.

Planned efforts to continue to improve fleet management include:

- 2011-2014: Global deployment of the DOS Fleet Management Information System (FMIS) worldwide
- January through May 2013, 2014: Conduct annual VAM study[12]
- June 2013, 2014: Submit updated FMP[13]
- June 2012, 2013, 2014: Incorporate FMP into Annual Strategic Sustainability Plan
- December 31, 2015: Complete fleet-size optimization initiative covering number and types of vehicles and fueling of alternative fuel vehicles (per B-30)

END OF FLEET MANAGEMENT PLAN

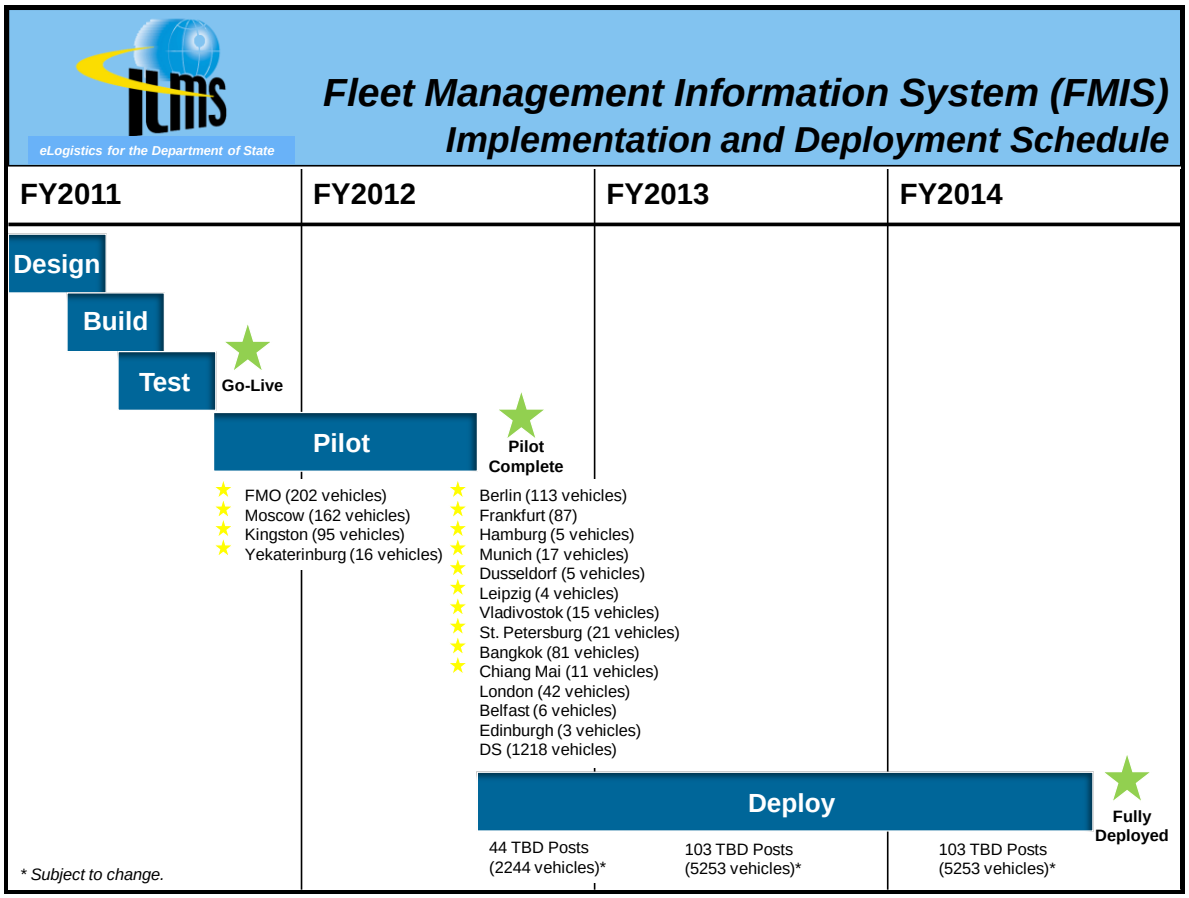
[12] Dates based upon communication with GSA's Office of Governmentwide Policy.
[13] Dates based upon communication with GSA's Office of Governmentwide Policy.

Attachment A: VAM Implementation

DOS contracted with Runzheimer International and Mercury Associates, leading fleet management consultants, to assist with the VAM study.

Fleet Management Information System Status

GSA's guidance document B-30, part 6. A) 1) notes that FMR § 102-34.340 requires agencies to implement a fleet management information system (FMIS). In FY 2009, DOS created a Fleet Management Council (FMC) to facilitate communication and to centralize decision-making among its respective bureaus and organizations with fleet-related responsibilities (e.g., safety). A key action taken by the FMC was to purchase a dedicated fleet management information system. After undertaking a competitive procurement, Chevin's FleetWave was acquired and implementation is under way. As this FMP is being submitted to GSA, pilot tests have been completed with several embassies and domestic fleet operations. Rollout of the FMIS is planned for completion by mid FY 2014, assuming sufficient funding is available to meet the planned schedule. The following chart displays the current status and roll-out plan.



VAM Study Steps

Step 1 (B-30, 6. A. 2): Establish a baseline fleet inventory profile that tracks vehicles individually.

Building a database of individual GSA Fleet, Agency-owned, and commercially leased vehicles, DOS aggregated the covered domestic fleet inventory for each reporting organization as the first step in implementing the VAM study. The following table documents the composition of the fleet for which the Fleet Management Plan (FMP) has been developed. The inventory is current as of November 2011, when work began.

Table 1
Covered Vehicles

Current Covered Vehicles	Number
Agency-owned	96
GSA Fleet	369
Commercially Leased	25
Total Covered Vehicles	**490**

As specified in B-30, the vehicle-by-vehicle inventory data fields included:

- Unique vehicle identifier (at least one)
  - VIN
  - License plate
  - Other (Asset ID or Vehicle #)
- Manufacturer (for example, Ford)
- Vehicle model (for example, Taurus)
- Vehicle type (sedan, truck, other etc.)
- Vehicle size (low speed electric vehicle, midsize sedan, light-duty truck, etc.)
- Vehicle model year
- Acquisition cost or lease cost
- Vehicle ownership (agency owned; GSA Fleet; commercial lease)
- Current mileage
- Date of last odometer reading (if available)
- Fuel type
- Passenger capacity (if available)
- Cargo capacity (if available)
- Installed equipment beyond that provided by the original equipment manufacturer (if available)
- The vehicle's garaged location by address or Latitude/Longitude
- Vehicle in service date

Step 2 (B-30, 6. A. 3): Develop vehicle utilization criteria that justify mission-essential vehicles (specific, objective thresholds). B-30 states that agencies must consider the following criteria. We address each in the order listed.

1) Mission: In its draft of B-30, GSA related mission with vehicle type. The DOS data-call questions map to a decision tree based on that correlation and establishes either that the current vehicle type is appropriate to its mission or recommends an alternative for consideration when replacement occurs. The results are included in the FMP.

2) Historical/expected miles-of-use per vehicle: Historical miles-of-use per vehicle was calculated and used as one of the factors to recommend whether the vehicle be retained or eliminated. Expected miles of use were not applied as part of the VAM, but DOS acquisition policy requires submission of justification that includes that projection (see Attachment B). The data call targeted all covered vehicles.

3) Historical/expected hours of use per vehicle: DOS does not formally track utilization by hours; however, the data-call questions gathered hours-of-use information, and the responses are included in the overall justification assessment.

4) Ratio of employees to vehicles: For its domestic fleet, DOS does not apply a ratio of employees to vehicles as a justification parameter. The VAM study relied on utilization and mission criticality factors in its justification assessment (see Step 3 below for further background).

5) Frequency of trips per vehicle: DOS does not formally track trips per vehicle, except for a segment of its fleet used in a motor-pool operation; however, the data-call questions gathered estimates of this utilization information, and the responses are included in the overall justification assessment.

6) Vehicle function: Data-call questions gathered information to assess this criterion. The responses contribute to the assessment of mission criticality and vehicle-type for the respective missions.

7) Operating terrain: Data-call questions gathered information to assess this criterion. The responses contribute to the assessment of vehicle-type for the respective missions.

8) Climate: Data-call questions gathered information to assess this criterion. The responses contribute to the assessment of vehicle-type for the respective missions.

9) Vehicle condition, age, and retention cycle: GSA Fleet establishes age and retention cycles for its vehicles and these also are applied informally to the owned fleet, as appropriate. The age and retention cycle for commercially leased vehicles are limited according to contract. For GSA Fleet and commercially leased vehicles, condition is rarely an issue that must be addressed.

10) Vehicle down time: DOS does not track this criterion specifically. Utilization information and data-call questions that focus on vehicle condition sufficiently address vehicle availability for meeting respective missions.

11) Needed cargo and/or passenger capacity: Data-call questions gathered information to assess this criterion. The responses contribute to the assessment of vehicle-type for the respective missions.

12) Required employee response times: Data-call questions relevant to criticality gathered information applicable to this criterion.

13) Greenhouse gas emission level of the vehicle: This criterion is assessed when replacing a vehicle as part of the DOS acquisition protocol, per its policy (see Attachment B).

Step 3 (B-30, 6. A. 3): Conduct a utilization survey.

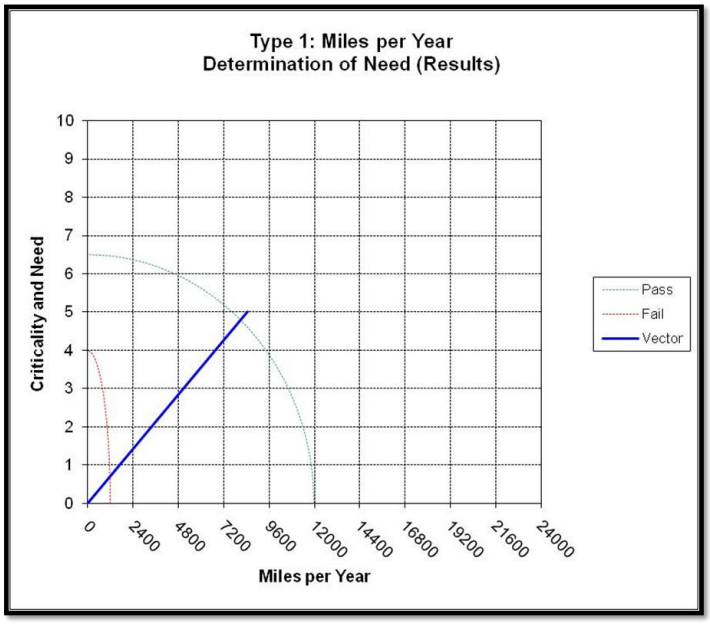
The VAM study method uses an electronic VAM data-call tool (eVAM[14]) to provide users with a structured approach for determining the *need* for vehicles and what *type* of vehicles are appropriate for a given mission. It is automated to enable the efficient processing of vehicle justifications for the entire DOS fleet.

The eVAM Tool was built using MS Excel spreadsheets and consists of two components:

a. *Determination of Need*; i.e. how badly is the vehicle needed. Need is ascertained by addressing:
   i. The *criticality* of the work or mission to be performed;
   ii. The projected *utilization* of a vehicle or group of vehicles.
b. *Determination of Type*; i.e., if a vehicle is needed, what type should be provided.

DOS weighted the parameters to reflect the relative importance of the need and type questions and pass/fail parameter adjustments for the respective organizational components. In sum, eVAM is an automated vehicle justification protocol that applies utilization (defined as miles, hours in use, and trips taken) and data call responses to make recommendations for vehicle actions automatically.

Regarding determination of need, the study process views the VAM approach as two dimensional. eVAM outputs a graphic for every vehicle studied. The chart to the right displays a curved red line below which a vehicle fails, an area between the red and a green line for a vehicle that requires further review, and above the curved green line is for a vehicle that is deemed justified. Charts for hours and trips are also output.



Actual *use* of eVAM consisted of two steps:

[14] eVAM is an electronic tool designed for VAM studies that conform to B-30 standards and requirements. It applies algorithms that yield recommendations. The next step in the process is for the Department to review the recommendations for reasonableness prior to action.

1. Conducting an electronic data call (in this case, a web-provided questionnaire) to collect information about each vehicle from the users (the justification step);
2. Transfer of data call responses into eVAM to generate results.

The information gathered included per-vehicle mileage; trips per vehicle; mission requirements; operational terrain/environment and extensive additional information. When the data-call information was imported into eVAM, it applied algorithms embedded in the spreadsheet to arrive at a recommended action for each vehicle (such as Retain, Eliminate, or Questionable -- meaning further discussion was suggested; it also reported when "No Response" was received; see the eVAM index below).

The DOS data call covered all questions listed in B-30 and many others pertinent to optimizing the covered fleet. Moreover, the FY 2011 VAM study data call required information pertinent to most of the utilization criteria discussed under step 2.

Step 4: Determine optimal fleet inventory. Per B-30, this step has five requirements to complete:

1. Identify vehicles that fall below the minimum utilization criteria by VIN. Dispose or re-assign identified vehicles.
2. Create a list of vehicle types approved for each organization and mission requirement. Vehicles selected should be the most efficient possible.
3. Compare the existing fleet composition to mission-task needs.
4. Identify mission-essential vehicles regardless of utilization. Ensure that the most efficient vehicle type is assigned to the mission. If the most efficient vehicle is not presently allocated to the mission, the fleet management plan must include a changeover program for shifting to the most efficient alternative.
5. Evaluate transportation alternatives such as public transportation, contract shuttle services, car rental.

Each action is addressed in the DOS FMP.

Below is the index from eVAM that lists the information DOS has at hand for management decision-making as it implements its FMP.

Tab	Work Sheet Name	Description
1	**Vehicle Attainment Plan**	The base and optimal fleet data resulting from eVAM. This gets fed into the agency FAST reporting tool where the annual plans are developed.
2-4	**Charts**	Charts Depicting Key Results
5	**Department Summary**	A table depicting the eVAM automated tool results.
	No Response	Failure to Respond to Survey
	Eliminate-Turn In	Elimination identified by Department in survey
	Eliminate-Already Turned in	Elimination identified by Department in survey
	Eliminate-VAM Result	Elimination recommended by eVAM automated analysis
	Questionable-VAM Result	eVAM automated analysis indicates possible elimination, further review required
	Retain-VAM Result	Retention of Vehicle Recommended by eVAM Automated Analysis
	Retain-New Vehicle	Vehicles less than a year old excluded because of insufficient time in service to allow for review.
6	**VAM Results**	The eVAM results sheet is a complete list of the Departments vehicles with data and information from a variety of sources as listed in the color key below
	Column Color Key	
	Survey Response	This information is from the actual survey responses
	VAM Result	This information is the output from the eVAM automated tool analysis
	Working Columns	These are open columns for use by the department. If results are entered into the consensus action column, they get brought forward to the attainment plan. If nothing is entered the eVAM result moves forward to the attainment plan
	Calculations from Survey Information	This information was calculated by eVAM automated tool based on survey responses
	Alternative Fuel Data developed by MAI	Alternative Fuel Data developed by Mercury
	Client Inventory Information	This information is from inventory data submitted by the client
7	**Vectors**	The pass and fail curves for each usage view and a sample vector for an individual vehicle. Vehicle may be selected in Column H on the eVAM Results tab.
8	**Class Parameters**	The maximums, pass points and fails points in the automated eVAM analysis.
9	**Criticality Parameters**	The criticality question scoring applied in the automated eVAM analysis
10	**Alt Fuel Parameters**	The alternative fuel parameters used in the automated eVAM analysis
11	**Raw Results**	Actual survey responses as entered in eVAM
12	**Worksheet**	This information includes the key calculations in the eVAM analysis
13-16	**Fuel Stations**	The list of alternative fueling stations used in the eVAM analysis.

Attachment B: FMP-Related Department of State Policies

Policies Related to Plan for the Optimal Fleet

Action Item 1 Related Policies
Identify vehicles that fall below the minimum utilization criteria by VIN. Dispose or re-assign identified vehicles.

The authority for "involuntary withdrawal" of an assigned vehicle exists in policy, as follows:

> ### *6 FAM 1945.3 Involuntary Withdrawal of Assigned Vehicle*
>
> *Vehicle assignments may be terminated by the Office of General Services Management's Fleet Management Operations Division (A/OPR/GSM/FMO) for any of the following reasons:*
>
> *(1) Insufficient utilization. If utilization is low and it is determined that the mission could be accomplished through other more cost-effective means such as temporary rental; or*
>
> *(2) Improper care and/or use of the assigned vehicle, including failure to deliver the vehicle to vendors for scheduled maintenance or inspections in accordance with established due dates; or*
>
> *(3) Failure to comply with administrative guidelines established by the Office of General Services Management's Fleet Management Operations Division (A/OPR/GSM/FMO) for operation of the vehicle; or*
>
> *(4) Failure to provide operational data, such as fuel use, oil consumption, and odometer readings, as prescribed by A/OPR/GSM/FMO; or*
>
> *(5) Failure to submit vehicle assignment justification statements to A/OPR/GSM/FMO during the required annual vehicle inventory reconciliation process.*

Action Item 2 Related Policies
List of vehicle types approved for each organization and mission requirement. Vehicles selected should be the most efficient possible.

6 FAM 1945.1 Vehicle Requests states that vehicles are allocated to Departments based upon a request, in writing, to the Office of General Services Management's Fleet Management Operations Division. The request must be signed by the executive director of the office to which the vehicle will be assigned and it must justify the acquisition by including the following information:

(a) Description of the intended use of the vehicle;
(b) Special requirements (i.e., cargo/passenger capacity, special lights, radio, telephone, etc.);
(c) Approximate mileage per month;
(d) Where the vehicle will be based;
(e) When the vehicle is needed;
(f) Approximate length of assignment;

(g) Accounting information for billing purposes; and
(h) Type of vehicle required.

The request must also indicate that the "existing shuttle bus systems will not meet mission requirements."

Under "Assignment for Vehicles," *6 FAM 1945.1.b* states:

> *Requests for larger, less fuel-efficient vehicles (such as Class IV sedans . . ., sport utility vehicles (SUVs), and heavy-duty 4-wheel-drive trucks) must be accompanied by sufficient justification to warrant assignment; the written request must state why a smaller, more fuel-efficient vehicle and/or an alternate fueled vehicle (AFV) will not meet mission requirements.*

Action Item 3 Related Policies
Compare the existing fleet composition to mission-task needs.

Policies relating to this item are addressed under items 2 and 3.

Action Item 4 Related Policies
Identify mission-essential vehicles regardless of utilization. Ensure that the most efficient vehicle type is assigned to the mission. If the most efficient vehicle is not presently allocated to the mission, the fleet management plan must include a changeover program for shifting to the most efficient alternative.

Below we identify policies that relate directly to requirement 4, as well as to the preceding requirements.

6 FAM 1945.2 Issuing Authority

a. The Office of General Services Management's Fleet Management Operations Division (A/OPR/GSM/FMO) will evaluate vehicle assignment requests and assign vehicles based on a determination of sustained, mission-essential need. In some cases, A/OPR/GSM/FMO may disapprove a request and suggest alternate means of mission accomplishment (such as through use of existing shuttle bus services). Or, A/OPR/GSM/FMO may disapprove the specific type of vehicle requested, but may approve a different type of vehicle after evaluation of all cost, fuel efficiency, regulatory compliance, and mission criticality factors. Vehicle assignments will only be authorized for services considered to be in the best interest of the U.S. Government, which includes consideration of Federal Government-wide mandates for increasing overall fuel efficiency and decreasing petroleum fuel use.

b. Chapter 102 of the Federal Management Regulation (FMR), Subchapter B, Part 102–34, places various size restrictions on the purchase and lease of motor vehicles. Specifically, vehicles must be selected to achieve maximum fuel efficiency, and motor vehicle body size, engine size, and optional equipment must be limited to what is essential to meet the agency's mission. The FMR specifically limits the purchase and lease of sedans to midsize (Class III) sedans and smaller, unless the purchase or lease of higher cost, lower fuel

efficiency large sedans (Class IV) is essential to the agency's mission. Due to these restrictions, as well as to generally negative public opinion on the use of large sedans by U.S. Government officials, the assignment of large Class IV sedans is strictly controlled within the Department of State. As a matter of Department policy, the Bureau of Administration's Deputy Assistant Secretary for Operations (A/OPR) must formally approve all Class IV sedan assignment requests in advance. Generally, A/OPR will consider Class IV sedan assignment requests only for use by the executive motor pool and for positions at the Under Secretary level (or equivalent) and above.

6 FAM 1936.4 Vehicle Acquisition Approvals

a. Authority to acquire LDMVs and MDPVs as defined herein must be formally requested by the acquiring office and formally approved in advance by A/OPR.

b. Every LDMV and MDPV acquisition as defined herein must be either LGHGE or issued an exception by A/OPR in advance of the acquisition.

c. The following decision path should be utilized to determine the applicability of EISA section 141 requirements to each State vehicle acquisition. A negative response to any of the following questions indicates the acquisition is not subject to EISA section 141 restrictions or the policy described herein. An affirmative response to all of the following questions indicates the acquisition is subject to EISA section 141 restrictions and must be processed as follows:

(1) Is the vehicle a LDMV or MDPV?
(2) Was the vehicle ordered after 22 February 2010?
(3) Will the vehicle be owned, GSA-leased, commercially leased, or transferred from another Federal agency as excess property?
(4) Will the vehicle be retained in inventory by the Department?
(5) Is the vehicle manufactured for sale in the United States?
(6) Is the vehicle self-propelled? and
(7) Is the vehicle capable of exceeding 25 mph?

d. See 6 FAM Exhibit 1936.4, which may be used to determine the required actions for each vehicle in the acquisition plan for which all questions have been answered affirmatively.

Action Item 5 Related Policies
Evaluate transportation alternatives such as public transportation, contract shuttle services, car rental.

Additionally, as described above, by policy the request for a vehicle must indicate that the "existing shuttle bus systems will not meet mission requirements." Below we identify other policies that relate directly to requirement 5:

6 FAM 1930
LOCAL TRANSPORTATION

6 FAM 1931 DEPARTMENT VEHICLES

6 FAM 1931.1 General

6 FAM 1931.1-1 Department of State Employees

a. Department of State motor pool vehicles are available to all Department of State employees for official business. These vehicles are a required first source for local transportation.

b. Priority will be as follows due to the limited availability of resources:

(1) Under Secretaries;
(2) Assistant Secretaries;
(3) Deputy assistant secretaries or their equivalents; and
(4) All others, on a first-come, first-served basis.

c. Other means of transportation should only be utilized when:

(1) Department vehicles are unavailable;
(2) Department shuttle buses do not accommodate the destination;
(3) The trip is less than six blocks or more than 25 miles; and
(4) The use of commercial or private transportation proves to be more cost effective.

***NOTE**: The use of a U.S. Government vehicle for trips of 25 miles or more must be approved by the Office of Claims (RM/GFS/F/C).*

6 FAM 1933.1 Use

a. When a Department car or other means of transportation approved by the Office of General Services Management's Fleet Management Operations Division (A/OPR/GSM/FMO) is not available or will not meet the need, an employee on official business may hire a taxicab or other special conveyance, or use a privately owned automobile for transportation at the employee's official duty station. Also, an employee may hire a taxicab for travel between office and home when the employee is dependent on public transportation for such travel incident to officially ordered work outside of the employee's regular work hours, and travel is during hours of infrequently scheduled public transportation or darkness.

b. In addition, privately owned automobiles may be used for official business by an employee whose duty requires frequent travel within a 50-mile radius of official duty station, and when such use has been approved by the employee's immediate supervisor.

6 FAM 1934 U-DRIVE-IT (UDI) VEHICLES

a. Department of State employees may obtain a U-Drive-it vehicle by prior reservation through the Office of General Services Management's Fleet Management Operations Division (A/OPR/GSM/FMO) motor pool dispatch office. Due to the limited number of vehicles available, vehicles will be provided on a first-come, first-served basis.

Policies Related to Plan for Acquisition of AFVs

Below we identify existing DOS policies that relate to acquisition of AFVs and low-greenhouse gas (GHG) emitting vehicles:

6 FAM 1936 GREENHOUSE GAS-EMITTING VEHICLES

6 FAM 1936.3-3 Authorities and Responsibilities

a. Consistent with EISA section141, the Department of State will not acquire any LDMV or any MDPV that is not low greenhouse-gas emitting (LGHGE) as determined by the U.S. Environmental Protection Agency (EPA), unless formally excepted by the Secretary (or designee) based on "functional needs" or "alternative measures" as described below.

6 FAM 1936.5 Annual Acquisition Plans

a. Before acquisition orders are placed, each sub-fleet manager must develop a fiscal year acquisition plan, calculate an aggregate GHG score for planned acquisitions (via use of a GHG calculator supplied by A/OPR; see the template provided as 6 FAM Exhibit 1936.5(1) and submit the plan to A/OPR for approval.

b. The aggregate sub-fleet GHG score reflected for planned acquisitions in the calculator's Emissions Summary table must be less than the EISA limit for that sub-fleet's acquisitions (see 6 FAM Exhibit 1936.5(2). If initial planning results in an aggregate score that exceeds the EISA limit for the sub-fleet (6 FAM Exhibit 1936.5(3), the sub-fleet manager must either adjust the acquisition plan or request and receive approval for a sufficient number of "functional needs" exceptions to bring the aggregate score below the EISA limit before submitting the plan.

c. A/OPR will evaluate exception requests from the sub-fleets on a vehicle-by-vehicle basis. Sub-fleet managers must submit an individual written exception request with justification to A/OPR for each non-LGHGEV acquisition in the plan; blanket requests for "functional needs" exceptions (6 FAM 1936.7, EISA Section 141, Exceptions may be submitted for specific groups of vehicles as described below. Orders for non-LGHGEVs must not be placed until formally approved by A/OPR via this process.

d. Requests to alter previously approved acquisition plans must be approved by A/OPR in advance of order placement; such requests must include an updated assessment calculator reflecting the change. A/OPR will authorize mid-cycle LGHGEV acquisitions upon request and will authorize non-LGHGEV acquisitions when the request is accompanied by a fully-justified functional needs exception as described in 6 FAM1936.7a.(2). A/OPR will only authorize mid-cycle non-LGHGEV acquisitions under an alternative measures exception request when the acquisition will not result in the sub-fleet's aggregate GHG score exceeding its respective GHG limit.

e. A/OPR will consolidate all State Department annual planned and actual acquisitions into a final State aggregate GHG score, and respond to all external reporting requirements.

6 FAM 1936.6 Low Greenhouse Gas Emitting Vehicle Scores

a. Each model year, EPA establishes GHG emissions ratings for all LDMVs and, beginning in model year 2011, for MDPVs. In order to qualify as a LGHGEV, LDMVs must receive a GHG score of seven or higher when operating on gasoline, diesel fuel or compressed natural gas (CNG) or six or higher when

operating on a (non-CNG) alternative fuel (AF). MDPVs must receive a GHG score of six or higher when operating on gasoline, diesel fuel or CNG, or five or higher when operating on a (non-CNG) AF.

b. Due to differences in GHG emission scores across vehicle types, models and model years, as well as within models in the same model year (depending on vehicle characteristics, such as engine size, fuel type and transmission), each individual vehicle's GHG score must be determined using the EPA Green Vehicle Guide and the EPA Fuel Calculation. If a GHG score for any particular vehicle is not included in the guide (including MDPVs prior to model year 2011), a GHG score must be calculated by cross-referencing the vehicle's minimum fuel economy rating (e.g., the combined city/highway fuel economy rating to the generic GHG scores (via model year link) in the section of the guide entitled "Greenhouse Gas Score."

c. Combined fuel economy is calculated from the city and highway fuel economy values using the following formula:

Example

***Formula**: Combined fuel economy = 1 / [(0.55/city fuel economy) + (0.45/highway fuel economy)]*

*City fuel economy = **20 mpg***

*Highway fuel economy = **30 mpg***

*Combined fuel economy = 1 / [(0.55/**20 mpg**) + (0.45/**30 mpg**)]*

***NOTE**: In using the guide to determine the GHG score, initial data entry requires selection of a state in the United States where the vehicle being acquired may legally be sold; since this is not applicable to vehicles manufactured for sale in the United States but destined for overseas shipment, any state may be selected for those vehicles.*

d. For reporting and compliance purposes, the GHG score will be the score applicable to the fuel type on which the vehicle will actually be operated. Since EPA periodically revises GHG scores for individual vehicles, the GHG "score of record" will be the score on the date the vehicle was ordered. Acquisitions must be reported within the fiscal year in which the vehicle is received, regardless of the date on which the vehicle was ordered.

6 FAM 1936.7 EISA Section 141 Exceptions

a. EISA section 141 does not contain any inherent exemptions. However, the Secretary (or designee) is authorized to issue an exception based on "alternative measures" or "functional needs" for any non-low greenhouse gas-emitting vehicle (LGHGEV) ordered or received after February 22, 2010; all exceptions must be formally requested and approved. If a LGHGEV is available that meets critical needs, it must be acquired in lieu of seeking an exception for an LGHGEV:

(1) Alternative measures exception:

(a) A/OPR may authorize non-LGHGEV acquisitions upon receipt of documentation describing specific alternative measures taken by

the requesting sub-fleet to reduce petroleum consumption and GHG emissions; and

(b) For State, all non-LGHGEVs acquired under an alternative measures exception must be off-set by the acquisition of one or more higher scored LGHGEVs by the sub-fleet requesting the exception. A/OPR will only approve non-LGHGEV acquisitions under this exception when the sub-fleet's aggregate GHG score for all planned LGHGEV acquisitions and non-LGHGEV alternative measures acquisitions does not exceed the EISA limit for the sub-fleet as reflected in the GHG assessment calculator;

(2) Functional needs exception:

(a) A/OPR may authorize a functional needs exception when no LGHGEV is available that meets the needs of the agency. Sub-fleet managers may request a functional needs exception only if no LGHGEV is available to meet mission needs and a suitable number of LGHGEVs cannot be acquired to off-set the non-LGHGEV under an alternative measures exception. All functional needs exception requests must include: (1) an evaluation of available LGHGEVs; (2) a statement of the functional need(s) that cannot be met via acquisition of available LGHGEVs; and (3) a statement of why an available LGHGEV will not meet the stated functional need requirements;

***NOTE**: No LGHGE MDPVs were manufactured in model year 2010; therefore, if sub-fleet managers cannot off-set a non-LGHGE model year 2010 MDPV acquisition (under an alternative measures exception) in the aggregate by acquiring multiple higher-scored LGHGE LDMVs, a functional needs exception request must be submitted and approved for the model year 2010 MDPV acquisition. This same process may be utilized as applicable for pre-model year 2010 LDMVs or MDPVs acquired in fiscal year 2011 or later;*

(b) Sub-fleet managers may request blanket functional needs exceptions for a group of vehicles under a single request justification when all vehicles covered by the request will perform the same or similar functional duties. Examples of vehicle groups where blanket functional needs exceptions might be warranted include security, law enforcement, investigation, surveillance and protective services duties (where vehicles with expanded interior volume, larger engines, heavier frames, specialized equipment, etc., might be required), as well as duties involving extreme operating conditions (where vehicles will be operated off-road, thus requiring a larger engine, heavier suspension and higher ground clearance). In these instances, a cover memorandum describing the functional needs that cannot be met with available LGHGEVs and an attached list of non-LGHGEV acquisitions that will meet the functional needs may be submitted in lieu of individual justifications. Unlike non-LGHGEVs acquired under an alternative measures exception, vehicles acquired under a functional needs exception are not

included in calculation of the aggregate sub-fleet GHG score and thus are not to be included in the GHG assessment calculator. If a functional needs exception request is denied, the acquisition must not be executed.

6 FAM 1936.8 EISA vs. the Energy Policy Act (EPAct)

a. EISA section 141 prohibits agencies from acquiring non-LGHGEVs. EPAct 1992 42 U.S.C. 13212 requires that at least 75 percent of agency LDMV acquisitions in domestic metropolitan statistical areas (MSAs) must be alternative fuel vehicles (AFVs). EPAct 2005 section 701 (42 U.S.C. 6374) requires that domestic dual fuel AFVs must be operated on the AF 100 percent of the time unless issued a waiver by the Department of Energy (DoE). EISA section 141 applies to all LDMVs and MDPVs manufactured for sale in the United States, including those shipped overseas, while EPAct92 and EPAct05 apply to domestically operated light duty vehicles only.

b. While Federal agencies are required to comply with all three mandates, many AFVs are not LGHGEVs, many LGHGEVs are not AFVs, and AFs are not commercially available for many AFVs. However, the National Defense Authorization Act (NDAA) of 2008 expanded the definition of AFVs to include "other type vehicles that demonstrate a significant reduction in petroleum fuel consumption." Based on this expanded definition, DOE has determined that a LGHGEV that is not capable of operating on an AF may still be counted towards EPAct92 AFV acquisition compliance if the non-AFV LGHGEV is acquired in lieu of a dual fuel vehicle that the agency determines would have qualified for an AF waiver under EPAct05. It is anticipated that this scenario will develop in domestic locations where no AFs are available, as DOE has historically issued EPAct section 701 waivers to dual fuel vehicles located in such areas. A/OPR will utilize these criteria in evaluating domestic LDMV and MDPV acquisition plans and exception requests to ensure that both EISA and EPAct requirements are met; these criteria will not be utilized to evaluate non-domestic LDMV and MDPV acquisition plans and exception requests since the EPAct requirements are only applicable to domestic operations in MSAs.

c. All non-LGHGEV LDMV and MDPV acquisitions, including AFVs, must still be issued a formal exception under the Energy Independence and Security Act of 2007 (EISA) section 141. Unless an EISA section 141 exception is sought, the acquisition is prohibited even though it may meet EPAct92 AFV requirements.

6 FAM 1936.10 Documentation and Reporting

a. By September 1 of each year, sub-fleet managers must submit to A/OPR an acquisition plan and completed GHG assessment calculator for all planned acquisitions (as defined herein) in the following fiscal year. Each individual vehicle acquisition must be identified as a LDMV or MDPV and further identified as a LGHGEV or non-LGHGEV; the plan must also identify the EPA GHG score for each vehicle. All non-LGHGEV acquisitions contained in the plan must include an annotation indicating the type of exception being requested (functional needs or alternative measures) and be supported by a formal request for exception as addressed above. The assessment calculator should reflect the sum total of LGHGEVs and non-LGHGEVs to be acquired under the alternative measures exception; vehicles to be acquired under a

functional needs exception are not to be reflected in the assessment calculator but must be identified in the acquisition plan. LDMV and MDPV acquisitions not covered by this policy statement (such as vehicles not manufactured for sale in the United States) are not to be included in the assessment calculator or in the plan.

b. By September 30 of each year, A/OPR will notify each respective sub-fleet manager of plan and exception request approvals/disapprovals; if the plan or any exception requests are disapproved, the sub-fleet manager must revise and resubmit an acquisition plan and greenhouse gas (GHG) assessment calculator that incorporates disapproved acquisitions while meeting the GHG summary score requirement. Sub-fleet managers are encouraged to provide complete and thorough packages for review, as incomplete or unclear packages will delay the approval process, which in turn will delay issuance of authority to proceed with the acquisition plan.

***NOTE**: Acquisitions ordered prior to February 23, 2010 are not subject to EISA 141 restrictions. Therefore, fleet managers must retain sufficient documentation that reflects non-applicability of EISA 141 restrictions for all LDMVs and MDPVs ordered before February 23, 2010.*

c. By December 1 of each year, each sub-fleet manager must submit to A/OPR a list of LDMVs and MDPVs acquired during the prior fiscal year and a completed GHG assessment calculator reflecting those acquisitions. The list must identify each individual vehicle acquisition as a LDMV or MDPV and must further identify the acquisition as a LGHGEV or non-LGHGEV and the EPA GHG score "of record" for that vehicle. All non-LGHGEV acquisitions must include an annotation indicating the type of exception (functional needs or alternative measures) under which the vehicle was acquired and the date of the A/OPR exception authorization. The GHG assessment calculator must reflect the sum total number of LGHGEVs acquired and non-LGHGEVs acquired under the alternative measures exception; vehicles acquired under a functional needs exception are not to be reflected in the GHG assessment calculator but must be included on the acquisition list. LDMV and MDPV acquisitions not covered by this policy statement (such as vehicles not manufactured for sale in the United States) are not to be included in the assessment calculator or in the acquisition list.

d. Throughout the fiscal year, sub-fleet managers must provide to A/OPR updated acquisition plans and exception requests if the previously approved acquisition plan changes; this includes both increases and decreases to planned acquisitions, as all such changes will impact the ratio of LGHGEV to non-LGHGEV acquisitions and thus will change the overall GHG score. Since each acquisition is assigned a GHG score that impacts both the sub-fleet aggregate GHG score and the overall State Department aggregate GHG score, and since EISA section 141 specifically requires approval of exceptions on an individual vehicle basis, all interim changes to the annual acquisition plan must be formally requested by the sub-fleet manager and approved by A/OPR prior to execution. In instances where interim changes involve acquisition of non-LGHGEVs, an exception request for each non-LGHGEV acquisition must be submitted with the revised plan.

e. Sub-fleet managers must retain documentation on file for all LDMV and MDPV acquisitions (including all excepted acquisitions). Sub-fleet managers must retain all documents relative to each individual EISA 141 acquisition, including the specifications for each vehicle that were utilized to determine the GHG score for the vehicle and either a hard-copy printout or an electronic screen-capture of the EPA Green Vehicle Guide that reflects the individual vehicle's GHG score "of record." If no GHG score is available on the EPA website, the sub-fleet manager must retain sufficient documentation on file to indicate how the GHG score "of record" was ascertained.

f. For audit purposes, sub-fleet managers should retain documentation indicating non-applicability of EISA 141 restrictions for all LDMV and MDPV acquisitions not within the scope of this policy.

g. A/OPR will retain agency-level EISA 141 acquisition data and exception documents on file, and will retain a master agency-level GHG assessment calculator to track, verify and quantify the GHG emissions associated with planned and actual acquisitions. In order to satisfy EISA 141 certification requirements, A/OPR will certify that the master GHG assessment calculator properly and accurately accounts for all vehicle acquisitions in the fiscal year.

h. A/OPR will audit a random sample of each sub-fleet's EISA 141 documentation each year; sub-fleet managers must make these documents available to A/OPR upon request. Sub-fleet managers must retain all EISA 141documentation described herein on file for a minimum of five (5) fiscal years.

i. In the October-to-December timeframe of each year, sub-fleet managers must submit EISA 141 acquisition data for the prior fiscal year via FAST. In keeping with FAST reporting requirements, each vehicle acquisition must be reported in the fiscal year in which the vehicle is actually received, not the fiscal year in which it was ordered. However, with respect to EISA 141, the GHG score "of record" reported for each acquisition will be the EPA-defined score on the date the order was placed.