



Highlights of [GAO-04-664](#), a report to congressional requesters

Why GAO Did This Study

Federal agencies spend about \$1.7 billion annually to operate a fleet of about 387,000 vehicles. During the last decade, concerns have been raised about whether agencies have more vehicles than they need. In an April 2002 letter to federal agencies, the Office of Management and Budget stated that the size of the federal fleet seemed excessive.

GAO was asked to determine (1) the extent to which agencies ensure that their fleets are the right size to meet agency missions, (2) whether potential savings could result from the disposal of unneeded vehicles, and (3) what actions are being taken on a governmentwide basis to improve fleet management practices. GAO focused its review on the justification for acquiring and retaining vehicles at the Departments of Agriculture, Army, Homeland Security, Navy, and Veterans Affairs.

What GAO Recommends

GAO is making recommendations to the General Services Administration (GSA), the Office of Management and Budget, and the Departments of Agriculture, Defense, Homeland Security, and Veterans Affairs on the need to periodically assess fleet size and composition using utilization criteria related to the mission of a vehicle. In written and oral comments on a draft of this report, the agencies generally agreed with GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-04-664.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David Cooper at (202) 512-4841 or cooperd@gao.gov.

FEDERAL ACQUISITION

Increased Attention to Vehicle Fleets Could Result in Savings

What GAO Found

Because of a lack of attention to key vehicle fleet management practices, the agencies GAO reviewed cannot ensure their fleets are the right size or composition to meet their missions. Industry practices for cost-efficient fleets include the development of utilization criteria related to the mission of a vehicle and periodic fleet assessments using these criteria to determine the appropriate fleet size and composition. If unneeded vehicles are identified, they are disposed of. However, the agencies GAO reviewed have not established policies that contain clearly defined utilization criteria that would allow them to determine the number and type of vehicles they need. Further, agencies are not routinely conducting periodic fleet assessments. Two agencies, the Navy and the Forest Service within the Department of Agriculture, conduct assessments; however, these assessments are either inconsistently applied or the results are not enforced. Some agencies have begun to recognize the need to revise their guidelines to provide better criteria for determining their vehicle needs.

GAO's work and reviews by inspectors general identified numerous instances where agencies were retaining vehicles they did not need, with potential savings ranging from thousands to millions of dollars if these vehicles were eliminated. For example, the Department of the Interior's Inspector General reported that a significant portion of the department's 36,000 vehicles were underutilized and estimated savings of \$34 million annually if these vehicles were disposed of.

GSA's Office of Governmentwide Policy and the Office of Management and Budget have recently taken a number of actions to require agencies to better manage and improve the cost-efficiency of their fleets. The Office of Governmentwide Policy is currently revising the Federal Management Regulation to require agencies to (1) appoint a central fleet manager with control over all aspects of fleet management, including fleet budgets, which are now generally controlled at the local level; (2) establish utilization criteria and periodically review fleet size; and (3) fund a fleet management information system. The Office of Governmentwide Policy plans to work in a cooperative effort with agencies to implement the revised regulation. However, based on discussions with officials from the agencies GAO reviewed, GAO anticipates that GSA will face opposition to its requirement for centralized budget control over the fleets. In 2002, the Office of Management and Budget began requiring agencies to report, as part of their budget submissions, the size, composition, and cost of their fleets for the current year and to project costs for the next 3 fiscal years.