



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D C 20548

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GENERAL GOVERNMENT
DIVISION

MAR 16 1977

Mr. Julian R. Dugas
City Administrator
District of Columbia Government
Washington, D.C. 20004

Dear Mr. Dugas:

We have been studying the District's management of its motor vehicle fleet to determine how effectively and economically city-owned vehicles are acquired and maintained. We noted that Metropolitan Police Department (MPD) marked and unmarked sedans are acquired by the Department of General Services (DGS), at prices higher than those available for vehicles purchased through the General Services Administration (GSA). Also, intermediate sedans instead of compacts are purchased. Such procurement is resulting in unnecessary acquisition, operation and maintenance costs. We estimate that for a recent 260 car purchase, to replace part of the existing fleet, unnecessary first year costs will total about \$75,500 (See page 3)

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We are reporting this matter to you, before we complete our study, so you can take steps to prevent further uneconomical purchases of police cars. We understand that the Metropolitan Police Department intends to order 130 police cars later this year as part of its planned replacement program. If such an order is placed following the existing procurement practice, the potential unnecessary first year cost will total about \$34,000 (See page 3)

Comments of the Director, Department of General Services and the Director, Office of Finance and Management, Metropolitan Police Department, have been considered in preparing this report.

CURRENT PROCUREMENT PROCEDURES FOR MPD VEHICLES

As of September 28, 1976, MPD had 550 sedans, 341 marked and 209 unmarked, in its motor fleet. (However, by the end of fiscal year 1977 the fleet will be reduced through attrition to 488 sedans) If funds are available, about 1/2 of the marked vehicles and 1/3 of the unmarked vehicles are replaced each year because of high mileage. MPD requests DGS, the District's purchasing agent, to procure the vehicles. DGS decides the procurement source.

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SAVINGS AVAILABLE FROM BUYING POLICE SEDANS THROUGH GSA

DGS is responsible for setting the District's procurement and contracting standards and procedures. According to DGS' District-wide policies and procedures, the District " * * * benefits from cooperative procurement and supply relationships with Federal agencies in the Washington, D.C. area * * *". By combining the District's orders with other agency orders, a Federal agency, such as GSA, can make volume purchases. Usually there is a direct relationship between unit price and volume, i.e., the more that is ordered the lower the unit price vendors are willing to offer

Vehicle needs and contract specifications for police sedans are prepared by MPD, but the vehicles are acquired by DGS. A GSA official told us the District police sedan specifications were identical to those developed by GSA. The District, however, requires some additional equipment such as special lights and police identification markings which are not acquired for most Federal police sedans. Based on 1977 estimated GSA police car prices for the same vehicle type purchased for MPD, \$23,660 of replacement costs for the 260 new MPD vehicles could have been eliminated if DGS had bought the vehicles through GSA.

<u>Number of sedans to be replaced</u>	<u>MPD cost</u>	<u>GSA cost</u>	<u>Savings</u>
190 marked	\$ 814,530	\$ 797,240	\$17,290
<u>70 unmarked</u>	<u>288,330</u>	<u>281,960</u>	<u>6,370</u>
<u>260</u>	<u>\$1,102,860</u> ^{1/}	<u>\$1,079,200</u>	<u>\$23,660</u> ^{1/}

^{1/} Could be reduced by \$25 per vehicle if discount option is exercised

Also, if this type vehicle is procured in 1977, about \$11,800 of vehicle replacement costs for the 130 sedans could be eliminated, based on current 1977 prices.

POTENTIAL SAVINGS IN VEHICLE ACQUISITION AND OPERATING COSTS

The Metropolitan Police Department should consider buying compact sedans to reduce acquisition and operating costs. GSA's Federal Management Circular 74-1, which the District follows, suggests that vehicles with minimum body and engine size and maximum fuel efficiency be purchased to meet operational needs. Although law enforcement vehicles can be exempt from this regulation, the Federal Government and local municipalities have acquired small cars for police operations.

In 1973, the Los Angeles County Sheriff's Department tested and evaluated the performance of a variety of cars to determine their suitability in police operations. Upon completion of the tests, the Department acquired 11 compact cars for its operations. After testing police cars, the Department acquired an additional 75 compacts in 1975 and 246 in 1976 because they had better fuel economy, greater efficiency in handling and performance, quicker acceleration and were safer than the other test vehicles. Also, the Department found through a random sample that the use of compact cars reduced maintenance costs about 50 percent as compared to intermediate size vehicles in the fleet.

The District can buy compact police sedans through GSA. If DGS had acquired compact cars through GSA instead of the 260 intermediate police sedans bought on the open market, \$51,220 in acquisition costs and \$24,365 in first year gasoline costs or a total of about \$75,500, could have been saved. (The savings could be reduced by \$25 per vehicle if the discount option is exercised.)

Also, for the 130 cars to be bought later this year, about \$25,600 in acquisition costs and \$8,500 in first year fuel costs could be saved by buying compact police vehicles through GSA. Similar savings through GSA purchases can be expected when the remainder of the fleet is replaced.

An MPD official told us that because the use of compact police sedans may reduce acquisition and annual operating costs, MPD will review existing studies on the use of compacts in police operations. The official said that MPD will, on a test basis, use compact police sedans for District police operations.

CONCLUSIONS AND RECOMMENDATIONS

The District is acquiring its police cars uneconomically. We believe the city can save money by buying police cars through GSA and by buying compact cars, where feasible, instead of intermediate cars.

We recommend that DGS acquire police cars to meet future needs through GSA.

We also recommend that MPD

--establish a timetable for testing and a timetable for implementing the use of compact cars if test results are favorable.

--test the cars only to the extent necessary to supplement previous studies for any unique circumstances which may exist in the District

DGS agreed to consider purchasing police cars from GSA. MPD agreed with our recommendations but said that it will test the vehicles thoroughly which may require duplicating some aspects of previous studies.

Copies of this report are being sent to the Mayor, City Council, Office of Budget and Management Systems, D C Auditor, Office of Municipal Audit and Inspection, the Department of General Services and the Metropolitan Police Department.

Please let us know within 60 days the actions taken on the matters discussed. If you have any questions, please call me on 629-3123.

Sincerely yours,



Frank Medico
Assistant Director