

DOCUMENT RESUME

07344 - [B2567581] (Restricted)

Efficiency and Effectiveness of General Services Administration Motor Pools. September 5, 1978. 5 pp.

Report to Richard Casad, Administrator, General Services Administration: Auburn Regional Office, WA; by John P. Carroll, Regional Manager, Field Operations Div.: Regional Office (Seattle).

Contact: Field Operations Div.: Regional Office (Seattle).
Organization Concerned: General Services Administration.

General Services Administration (GSA) motor pool operations in Seattle SEA-TAC, Boise, and Portland-Vancouver were reviewed. The pools are generally providing good, economical service to their customers, but management action is needed in several areas. At the Seattle SEA-TAC area, GSA should: perform a feasibility study to determine the possibility of purchasing (or leasing) motor pool space within convenient commuter distance of SEA-TAC Airport, concentrating on a total GSA operation; fully state its parking and vehicle storage requirements in its contracts; and place appropriate signs at contractor locations and SEA-TAC for better GSA visibility. A comparison of the Boise motor pool operations at old and new locations showed that the cost of operating the portion of the pool at the old location was not justified. Changes are also needed in vehicle pickup and drop-off procedures for Government travelers to and from the airport. At the Portland-Vancouver motor pool, improvement is needed in internal control over the use of inventory and equipment. (HTW)



7581

UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE

ROOM 701, 415 FIRST AVENUE NORTH
SEATTLE, WASHINGTON 98109

SEP 5 1978

Mr. Richard Casad
Administrator, Region 10
General Services Administration
Auburn, Washington 98002

Dear Mr. Casad:

We recently reviewed GSA motor pool operations in Seattle SEA-TAC, Boise, and Portland-Vancouver. We believe these pools are generally providing good, economical service to their customers; however, management action is needed in several areas to improve their operational effectiveness as discussed below.

SEATTLE SEA-TAC

Lease versus purchase

Since the SEA-TAC motor pool was established, GSA has leased administrative and parking space from a U-drive rental contractor that also has a GSA contract for leasing some commercial vehicles. We believe this situation gives an unfair advantage to this contractor in leasing vehicles to Government travelers and may result in a loss of competitive bidding for the annual GSA vehicle rental contract.

GSA regional management officials and a U-drive competitor said that the space contractor's advantage over other vehicle rental contractors occurs because

- it operates a rental booth at the airport identifying it as a GSA contractor;
- it provides shuttle service for Government travelers to the GSA SEA-TAC motor pool 24-hours-a-day, 7-days-a-week;
- it is the contact point for Government travelers seeking a GSA car after regular hours;

--its vehicles are available to the travelers at the airport or the GSA location, while the Government contractor for sedans is usually some distance away; and

--procedures are not established for referring customers to the authorized sedan contractor.

These contacts give it the opportunity to offer its vehicles to the Government traveler at the Government contract rate.

Since Government car rental business is apparently increasing, we were told GSA is planning to expand the SEA-TAC fleet from 70 to 100 vehicles. The space contractor's airport manager told us that official Government business at SEA-TAC approximates \$500,000 per year and the contractor had to increase its fleet to 500 cars to handle the 1,200 Government rentals it does a month.

If GSA expands its fleet as proposed, this would provide an excellent opportunity to select other motor pool space. We believe a feasibility study should be initiated to determine the possibility of purchasing needed motor pool space within convenient commuter distance of SEA-TAC Airport, or if purchase is economically impractical, space should be leased from a contractor that does not rent vehicles. The study should concentrate on a total GSA operation, including a shuttle bus service to and from SEA-TAC, independent of contractor support facilities or services. We also believe the study should determine best vehicle mix and fleet size based on customer need as compared to actual fleet size and mix.

Parking

At the SEA-TAC motor pool, GSA has contracted with the U-drive rental contractor for storage space for 50 vehicles. The contract states in part:

"The Contractor shall provide vehicle storage space in one area with vehicle parking stalls adjacent to each other."

The contract also provides for an additional 15 parking spaces for short periods as required, if available.

Site inspections showed only a maximum of 15 to 20 spaces in the designated parking area occupied by GSA vehicles and that the contractor parked his vehicles in this area. The Director, regional Procurement Division, confirmed that the contract provides for 50

parking spaces for GSA use. Motor pool management personnel told us that although they believe the contract provides GSA with exclusive use parking spaces, 50 parking spaces had never been reserved for GSA use. They said they hadn't complained because (1) GSA really didn't require exclusive use space, (2) enforcement of exclusive use could result in increased storage rates in subsequent renewals, and (3) the contractor had always provided them with the required number of spaces. The contractor told us space is seldom leased on a 24-hour reserved basis and that such space would cost GSA more money. He also said that, in his opinion, he could use the GSA assigned spaces until GSA needs them.

The above observations and comments indicate a need to word the next annual car storage contract so that GSA's parking and vehicle storage requirements are fully stated to protect the Government's interests and ensure that future bidders fully understand GSA's requirements. We believe that the contract should state the lease conditions precisely--including whether leased spaces are reserved 24 hours a day or are made available as needed--and these conditions should be observed by both parties.

GSA visibility at contractor location and SEA-TAC

When visiting the SEA-TAC motor pool, we found it easy to locate the contractor's site but difficult to identify GSA's office. Motor pool officials agreed to place an additional sign on the property to guide Government travelers approaching from the adjoining street or highway.

To avoid the confusion in identifying GSA U-drive contractors when arriving at SEA-TAC Airport, we believe GSA should place a sign showing the current U-drive contractors, the contract vehicles for each, and the GSA motor pool location and phone number in full view of arriving passengers. A GSA regional management official said the Port of Seattle had turned down such a request several years ago, but it was also agreed by GSA regional management officials that another request would be appropriate.

BOISE MOTOR POOL

Comparative economy of old and new locations

In January 1978 a portion of the Boise motor pool was moved from the Federal Building to a leased facility near the airport. Our review of the Boise motor pool showed that the annual cost of operating that portion of the pool remaining in the Federal Building is not justified.

We were told that GSA justified the move to the airport facility because of existing health and safety problems and inadequate facilities for servicing heavy equipment; however, it did not prepare a feasibility study. We believe a feasibility study should have been made in planning this move to list reasons for the move, to evaluate the effect of the new location on service to Federal customers, and to estimate the potential savings, if any, to be achieved.

Current annual lease costs are \$97,546 for the airport facility and \$12,711 for the space retained in the Federal Building. We were told that the Federal Building rental cost before the move was about \$46,000 annually. Consequently, the combined net increase in rental costs resulting from the move is about \$64,000. Without a feasibility study, we do not know what factors other than this rental cost increase would have affected the motor pool's profit/loss situation. For fiscal year 1977 the Boise motor pool reported an \$83,433 profit.

The Boise motor pool manager told us that in the first 2 months of operation following the move, only seven vehicles were dispatched from the Federal Building and 47 hours of direct labor charges to vehicles were incurred. We and the Boise motor pool management concurred that the Federal Building motor pool should be consolidated with the airport operation. The Director, regional Motor Equipment Services Division, said that this branch would be closed soon with required vehicles permanently assigned to agency customers. He said the mechanic who manages the Federal Building operation would be transferred to the airport motor pool.

Vehicle pickup and dropoff procedures

According to the Boise motor pool manager, Government travelers that use GSA vehicles use taxi service to and from the airport. He said afterhour dropoffs require that a taxi follow the traveler to the motor pool while he parks the car and deposits the keys in a key dropoff facility before returning to the airport. He also said he would like to provide shuttle bus service to and from the airport during regular duty hours on an as-required basis if he could hire a GS-1 or GS-2 driver for that purpose. We believe that a shuttle bus service during regular duty hours and the addition of a pay telephone at the motor pool for afterhour use by travelers would be a significant improvement in traveler convenience. The Director, regional Motor Equipment Services Division, told us that shuttle bus service would be implemented on a trial basis for the summer months using a student aid driver.

PORTLAND-VANCCOVER MOTOR POOL

Control over inventory and equipment

During our initial survey work at the Portland-Vancouver motor pool, we identified two areas where motor pool management needs to improve internal control over the use of inventory and equipment.

First, we noted that accountable inventory items and cupboard shelf stock are not under the issue control of a single individual; rather such items are available for withdrawal by all shopworkers. We were told this lack of security did not result in accountable inventory shortages and related account adjustments during physical inventory. We also scanned receipts and issues to inventory control cards looking for inventory adjustments and tested inventory withdrawals to car repair sheets but found no shortage adjustments. However, there is no similar means of checking the status of parts and supplies described as cupboard stocks, which we were told are items costing less than \$6 and are not covered by inventory control cards. To strengthen materials control, the motor pool manager said that he planned to give one person materials issue control responsibility.

We also found that many vehicles permanently assigned to agencies were overused or underused, demonstrating a need for vehicle rotation to insure balanced usage. The motor pool manager told us that agencies would be formally encouraged to rotate vehicles with high mileage to assignments requiring less use and vehicles with low mileage to assignments requiring more use.

We appreciate the courtesies and cooperation extended to our representatives during the review. These matters were discussed with the Regional Commissioner, Federal Supply Service and the Director, regional Motor Equipment Services Division. We are looking forward to receiving your comments on any actions taken or planned on the matters discussed herein.

Sincerely yours,


John F. Carroll
Regional Manager