



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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LOGISTICS AND COMMUNICATIONS
DIVISION

MAR 23 1979



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Mr. Allan W. Beres
Commissioner
Transportation and Public
Utilities Service
General Services Administration

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Dear Mr. Beres:

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We have completed a study of the operation of inter-agency motor pools by the General Services Administration (GSA). Our objectives were to (1) evaluate the efficiency and effectiveness of the motor pools in providing vehicles to meet agencies' needs and (2) determine how GSA could improve its short term dispatch operations to decrease the millions of dollars spent by agency travelers to commercially rent vehicles.

We found several aspects of motor pool operations that should be improved and warrant your attention. For example, the following problems were noted at the Washington, D.C., motor pool:

- Inconvenient locations and restricted hours of operation may discourage use of motor pool vehicles.
- Procedures and practices on use and billing for substitute vehicles need improvement.
- Monitoring of motor pool operations could be improved.

Our review was performed at GSA Headquarters; Region 3's motor pool in Washington, D.C.; the Honolulu motor pool in Region 9; and the Vancouver, Seattle, and Boise motor pools in Region 10.

This report concerns primarily the operations of the Washington motor pool in GSA Region 3. Separate reports concerning the motor pools reviewed in GSA Regions 9 and 10 were issued to the respective regional administrators.

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BACKGROUND

The Washington motor pool provides motor vehicle services to Federal agencies in the metropolitan Washington area and to other authorized Government travelers. Located at the Navy Yard in the Southeast section of the District of Columbia, the motor pool also provides vehicle maintenance and repair services either at the motor pool or through contracts with local commercial firms. Fiscal year 1978 operations ended with a net operations loss of \$120,822.

The motor pools provide customer agencies with either assigned or dispatch vehicles. Assigned vehicles are provided to agencies for an indefinite period, generally for a month or longer. Dispatch vehicles are issued for a single trip or a period of less than 30 calendar days. At the end of fiscal year 1978, the Washington motor pool had about 2,711 vehicles of which 2,101 were assigned to agencies and 610 were available for short term dispatch.

INCONVENIENT LOCATION AND RESTRICTED HOURS
OF OPERATION MAY DISCOURAGE USE OF MOTOR
POOL VEHICLES

Each year, Government agencies spend millions of dollars to reimburse their employees for using their personal vehicles or allowing them to rent vehicles from commercial firms while motor pool vehicles sit idle. For example, during a recent 12-month period Government travelers in the Washington, D.C., area spent over \$1 million renting commercial vehicles instead of using motor pool vehicles. During this same period roughly 10 percent of the motor pool's dispatch vehicles were idle each month.

In many instances, the use of personal vehicles or the rental of a commercial vehicle by Government travelers may be justified. We suspect, however, that many travelers do not use motor pool vehicles because of the motor pool's location and its restricted hours of operation.

Dispatch points for motor pool vehicles are located at the Washington Navy Yard in Southeast Washington and at Constitution Avenue and 14th Street downtown. For transient travelers, these dispatch points are located about 5 and 4 miles, respectively, from the National Airport. Except for taxi service, public transportation service between the airport and the dispatch pool at the Navy Yard is nonexistent. Thus, travelers desiring to use a GSA vehicle must rely on taxi service to and from the motor pool. Even taxi service

presents problems. We were told that it is extremely difficult to obtain a taxi at the Navy Yard. Although public transportation is available between the airport and the dispatch point located downtown, it is inconvenient for travelers who are not familiar with the metro system to use it.

In addition to their inconvenient locations, the dispatch points' business hours also restrict the availability of dispatch vehicles for Government travelers. The dispatch points are regularly open for business from 7:30 a.m. to 5:00 p.m., Monday through Friday. Thus, dispatch vehicles are not available for travelers arriving after 5:00 p.m. or on weekends. Also, no provisions are available for travelers departing after 5:00 p.m. to return Government vehicles.

The dispatch points' inconvenient locations and restricted hours of operation decrease the overall utility of GSA's interagency motor pool system for Government travelers. The system also increases the cost for those travelers who use dispatch vehicles. Although they are difficult to quantify, these costs include

- taxi or other transportation costs to and from the dispatch points to pick up and drop off the vehicle,
- travelers' time going to and from the dispatch points, and
- unproductive time for a traveler who has to quit work early to return a vehicle to the dispatch point before 5:00 p.m.

In some cities where GSA provides motor pool services, similar problems have been resolved by establishing a dispatch point at or near the airport. For example, in Region 10 GSA has a dispatch point near the Seattle-Tacoma airport. Experience has shown that this facility is operating economically and that travelers are making good use of the vehicles which are more conveniently located.

We believe that Government travelers will continue to by-pass the motor pool system unless dispatch vehicles are conveniently located for use by local agency personnel as well as transient travelers. The downtown motor pool is a good example of a pool that is conveniently located for

local agency travelers. Vehicles from this pool experience good use, most of which is by travelers from agencies located near the pool. On the other hand, the lack of adequate public transportation between the motor pool at the Navy Yard and agency locations within the metropolitan area may very well discourage local agency use of these vehicles and may contribute to the large percentage of idle vehicles at the Navy Yard motor pool location.

PROCEDURES AND PRACTICES ON USE AND BILLING
FOR SUBSTITUTE VEHICLES NEED IMPROVEMENT

Under motor pool procedures, substitute vehicles may be provided to agencies to temporarily replace an assigned vehicle while it is undergoing service and/or maintenance. When a substitute vehicle from the dispatch fleet is issued, it is supposed to be identified on the billing documents by entering a zero in the appropriate datafield for the number of days used. This is to assure that the agency pays only for the mileage it accumulates on the substitute vehicle while it continues to pay the monthly rate on the assigned vehicles undergoing maintenance.

We found that the dispatch pool frequently provides a substitute vehicle for agency personnel when their assigned vehicle is delivered to the motor pool for maintenance. Also, the motor pool issues the substitute vehicles as if they were on regular dispatch at a daily rental rate. As a result, agencies are being overcharged for using the substitute vehicles because they are charged for the substitute vehicle as well as their assigned vehicle undergoing maintenance.

In addition, recording substitute vehicles as regular dispatch units results in overstatement of total dispatch vehicles available for, and in use, and causes the various operational and accounting data kept to evaluate and manage dispatch pool operations to be inaccurate.

Although we were not able to document the extent to which substitute vehicles were being furnished to agencies, the number could be significant. To preclude improper charges to customers and to assure that operational and accounting records accurately reflect only dispatch fleet operations, we believe that motor pool practices covering the issuance of substitute vehicles should be corrected to coincide with GSA policy.

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MONITORING OF MOTOR POOL OPERATIONS
COULD BE IMPROVED

Commercial rental firms continuously monitor their daily rental operations to assure that their fleets have the numbers and types of vehicles needed to meet customer demands and vehicle down time is held to a minimum.

For example, the industry has determined that the number of vehicles down for maintenance should not exceed 4 percent of the fleet.

In contrast, GSA does not have an effective system for management to measure motor pool operations and determine vehicle needs. Although GSA gathers information which would be useful in monitoring vehicle operation, it has not developed standards for measuring performance and assessing vehicle requirements. Also, management does not appear to be using the data that is gathered. Consequently, there is little assurance that motor pools are operating efficiently and vehicles are being fully utilized.

For example, we found that during the 6-month period from March through August 1978 about 75 of 440 sedans in the Washington, D.C., dispatch fleet were unused each day. Of these, 53--or 12 percent--were down for maintenance and 22 were available for use but were idle because there were no customer demands. In addition, the percentage of sedans with a maintenance deadline increased from about 9 percent in March 1978 to nearly 17 percent in August 1978.

The large number of idle vehicles and the adverse trend in the percentage of vehicles with a maintenance deadline certainly warrants immediate management attention. Motor pool officials, however, did not appear to be aware of these conditions when we called them to their attention.

We also found that the motor pool staff was not recording instances where agency requests for dispatch vehicles were denied or vehicles other than the type desired were substituted. Information of this nature would assist management in evaluating day-to-day operations and assure that the dispatch fleet contained the numbers and type of vehicles needed to satisfy requests.

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To be able to adequately evaluate the effectiveness of its dispatch fleet operations, GSA needs to establish

- standards which can alert management to adverse trends in the numbers of vehicles that are down for maintenance or standing idle, and
- a procedure for recording actual request denials as well as those instances where the type of vehicle requested was not available but the request was filled with a different type vehicle.

AGENCY COMMENTS AND CORRECTIVE ACTIONS

During the course of our review and at closeout meetings, these matters were discussed with members of your staff and officials of the Federal Supply Service at both headquarters and regional levels. These officials agreed with our findings and assured us that corrective actions would be taken. Some positive actions already taken include:

- A new manager was assigned to the motor pool in Honolulu.
- Personnel changes have been made in the management of the Washington motor pool.
- A survey team has conducted a full evaluation of the Washington, D.C., motor pool and issued direction on corrective actions needed.

The corrective actions taken are commendable and, along with actions planned, should improve motor pool operations. However, we offer the following suggestions for your consideration to further improve motor pool operations:

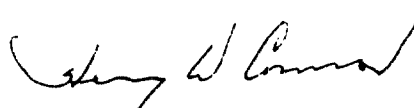
- Consider relocating the Washington, D.C., motor pool so that vehicles will be more readily available to transient as well as local agency customers.
- Consider providing motor pool service after regular duty hours and on weekends.
- Establish standards which can be used to analyze motor pool dispatch fleet operations and vehicle utilization.

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Although the problems discussed in this report were observed only at the Washington, D.C., motor pool, you may want to determine if limited hours of operation and inconvenient locations are discouraging the use of motor pool vehicles at other Regional locations. You may also want to check on similar administrative weaknesses at other motor pools.

Your additional thoughts on the matters discussed in this letter and any actions taken in response to our observations would be appreciated.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Henry W. Connor".

Henry W. Connor
Associate Director