

AGPMR ADVISORY 17-01

EFFECTIVE: August 22, 2017

**Title: Vehicle Allocation Methodology (VAM) Guidance for Vehicle Utilization
Criteria and Lifecycle Modeling.**

1. SUBJECT

This Advisory reiterates the development of vehicle utilization criteria to justify mission essential vehicles, and the use a lifecycle model as part of the mandatory Vehicle Allocation Methodology (VAM) studies to be performed for all FAST reportable vehicle in the USDA Fleet.

VAM studies ultimately determine the optimal fleet inventory necessary to meet the agency's mission requirements and identify resources necessary to operate those fleets effectively and efficiently. To meet this goal, each agency with FAST reportable vehicles must have processes in place that ensure a VAM study is performed and kept on-file for each vehicle asset currently in inventory or prior to acquisition.

VAM studies are also essential to the following annual agency reporting requirements for GSA, Office of Budget and Management (OMB) and the Department of Energy (DOE):

- March - FAST VAM actual, planned, projected and forecasted inventories
- May - USDA Fleet Management Plan and Budget Narrative responses
- June - Strategic Sustainability Performance Plans – Appendix A: Fleet Management Plan and Five out-year Optimal Fleet Inventory Profile

FMR Bulletin B-43: Appendix 1 list utilization data criteria for justifying vehicles; and Appendix 2 provides a sample VAM Study that agencies should consider when developing their studies. System resources for gathering data include: FAST, GSA Drive-Thru system for GSA leased vehicles, FedFMS and fleet card Wright Express (WEX) Online for agency-owned vehicles, DOE FleetDash, agency vehicle logs, etc.

This advisory is also issued as a result of a recommendation in GAO Audit Report 17-426, available at: <https://www.gao.gov/products/GAO-17-426>

2. AUTHORITY/POLICY

- 41 Code of Federal Regulation (CFR) 102-34.50
- General Services Administration (GSA) Federal Management Regulation (FMR) Bulletin B-43: Vehicle Allocation Methodology for Agency Fleets
- Agricultural Property Management Regulation (AGPMR) Chapter 110 – 34 Motor Vehicle Management

3. UTILIZATION CRITERIA

According to FMR 102-34.50(b), “Agencies must establish and document a structured vehicle allocation methodology to determine the appropriate size and number of motor vehicles.” To assist agencies on implementing this requirement, GSA issued more guidance in FMR Bulletin B-43, which offers suggested VAM strategies.

Per FMR Bulletin B-43, each agency should establish utilization criteria that allows for the differences in mission requirements across its various components. Accordingly, USDA is providing the minimal utilization criteria in the table below for each FAST reportable motor vehicle asset:

USDA Vehicle Minimum Utilization Criteria:

FAST Vehicle Type	Minimum Utilization (annual mileage)	Minimum Utilization (days per year)
FMR 102-34.45 Passenger Automobiles <ul style="list-style-type: none">• Sedans• Station wagons	7,500 miles	80 days
Other Light Duty Vehicles <8,500 GVWR (e.g. 4x2 trucks, 4x4 trucks and SUVs, Vans)	5,000 miles	80 days
Medium Duty Vehicles 8,500 < 16,000 GVWR	4,000 miles	60 days
Heavy Duty Vehicles >16,000 GVWR	4,000 miles OR 400 hours	60 days

To be considered fully utilized, vehicles must meet either criteria for minimum mileage or days of use per year, but not necessarily both. Reporting is based on fiscal year (not calendar year).

The following options are available to agencies with underutilized vehicles:

- a) Vehicles that fall below the pre-established minimum utilization criteria must be identified by Vehicle Identification Number (VIN) and/or license tag number for:
 - i. Disposal, motor pooling/vehicle sharing, short-term rental, or reassignment.
 - ii. Waiver justification for a mission critical low mileage vehicle (e.g., emergency vehicles, law enforcement, unique task-specific). Waivers must be submitted and approved by the Office of Procurement and Property Management (OPPM).
- b) Agencies may establish alternate minimum utilization criteria than specified by OPPM. A lower criteria justification must be submitted to and approved by OPPM. Agencies may substitute the number of trips instead of days of use for specific site locations. A substitute justification must be submitted to and approved by OPPM.

4. USE OF THE LIFECYCLE MODEL

In 2015, USDA launched a Strategic Sourcing Initiative (SSI), which examined how different products and services could be procured more efficiently and cost effective, including the procurement of motor vehicles. The fleet SSI team was established to develop the USDA Lifecycle Model that determines the most cost effective method of acquisition.

Starting in Fiscal Year 2017, all agencies planning to replacement or add vehicles are required to perform an “owning verses leasing” analysis using the USDA Lifecycle Model to determine which would be most cost effective.

Agencies must document and maintain a file copy of each lease versus owning analysis performed documentation for random FMR Bulletin B-43 VAM compliance auditing by the Office of Procurement and Property Management (OPPM), Property Management Division (PMD).

Below is a summary of user inputs required for the USDA Lifecycle model:

User Inputs

- a) Standard Identification Number (SIN)
- b) Estimated Life Years
- c) Annual Mileage
- d) Purchase Price
- e) Hours of Program Management per Full Time Equivalent for a GSA leased vehicle
- f) Hours of Program Management per Full Time Equivalent for an Owned vehicle
- g) Budget Clearing Funds or Existing Sales Proceeds to be applied to purchase

Annual Maintenance Inputs

- a) Safety Inspection cost
- b) Safety Inspection Intervals per Years
- c) Oil Change cost
- d) Oil Change Mileage
- e) Fuel Cost per Gallon
- f) Miles per Gallon
- g) Vehicle Wash Cost
- h) Vehicle Wash Quantity per Year
- i) Tire replacement Cost
- j) Tire Replacement Mileage
- k) Scheduled Maintenance Cost per Year
- l) Estimated Unscheduled Maintenance Cost per year based on History

These relevant cost are entered into the Lifecycle tool to provide the user an educated estimate of what the total operating costs will be for owning or leasing a vehicle over its lifetime.

The Lifecycle Model can be found on the USDA Strategic Sourcing Web via below link;

<https://ems-team.usda.gov/sites/OPPM-SS/Total%20Cost%20of%20Ownership/Forms/AllItems.aspx?InitialTabId=Ribbon%2ERead&VisibilityContext=WSSTabPersistence>

To use the lifecycle model, find it under the AgSSI tab on the SharePoint Site, download it to your local computer or desired working area.

Agencies must not acquire vehicles without the documented analysis of the USDA Lifecycle Model or the agency's substitute life cycle analysis tool. Each designated Fleet Management Office may have their own internal procedures to follow. These procedures will be subject to review by the OPDM USDA Fleet Manager for Acquisitions.

5. SIGNATURE & CONTACT

If you have questions or comments regarding this Advisory, please contact Rhea Jack, USDA Fleet Manager, on (202) 720-816, or by sending an email to Rhea.Jack@dm.usda.gov.

EXPIRATION DATE: Effective upon issue date until canceled.



Paul Walden, Chief, PMD