

Getting a handle on GOVs in Atlanta

Patrick Tremblay | DCMA Public Affairs

At the Defense Contract Management Agency Atlanta, a closer look at getting employees from point A to point B has led to a 20 percent reduction in the size of the contract management office's vehicle fleet. The result is lowered costs through increased efficiency.

Across DCMA, CMOs and personnel work to ensure delivery of quality products and services to the warfighter; on time and on cost. They also look inward to make sure logistics required to perform core functions are providing adequate value to both the customer and taxpayer.

"We started to talk seriously about government owned vehicle use in late 2010," said Scott McDonald, a contracts team leader from the Atlanta office. "By December the CMO had set up a two-person team to look closer at the issue, to see if we were performing local travel in the most cost effective way."

The office was already reporting basic GOV use to the Eastern Region as a

quarterly performance indicator. Under regional guidelines, 80 percent of CMO fleet vehicles must meet a minimum mileage requirement. For example, a typical sedan needs to be driven 750 miles a month to justify remaining in the fleet.

Using the existing requirement as a starting point, McDonald and Emily Hopkins, the CMO's GOV manager formed a two person team and began their work.

"We took it a little further by creating a spreadsheet that, in addition to tracking monthly mileage, calculates a breakeven point based upon each vehicle's cost of ownership," said McDonald.

The team also looked at other variables, things McDonald said require more analysis than just monthly numbers.

Variables like size and type of vehicle affect the operating costs. The Atlanta fleet includes some gas-electric hybrids. These and other small vehicles are more fuel efficient and have a lower breakeven cost in terms of miles driven. The team also has to look at number of seats, keeping at

least one larger vehicle for small groups to travel together.

Nat Ortega, DCMA's GOV program manager, said DCMA Atlanta is ahead of the curve. DCMA headquarters and Operations Directorate are putting together a vehicle allocation methodology, or VAM, to meet the requirements of the Presidential Memorandum to federal Executive Order 13514. The 2011 memorandum sets sustainability goals for agencies and focuses on making improvements in environmental, energy and economic performance.

"The VAM will assess each vehicle against its mission, and identify non-essential vehicles," said Ortega. "DCMA Atlanta has taken a forward approach in assessing and returning vehicles without headquarters or regional requirement."

An added challenge for the Atlanta team is the CMO has smaller offices, and fleet vehicles, dispersed all over Georgia and South Carolina. "One of the considerations we have is access itinerant offices may have to vehicles," said McDonald. "In some

cases there may be only a few employees. Though a local vehicle isn't always meeting the use requirements, it may be the only option for that office."

Significant differences in seasonal and even monthly use can also make decisions difficult. For example, during the holidays there may be very little travel, as people use leave and some contractors close completely for a week or two.

Hopkins says it's a careful balance. "We have to have vehicles available when needed, but at the same time we shouldn't be paying for underutilized vehicles. This data lets me monitor the vehicles and, for those that are underutilized, determine if these vehicles are a cost burden to the CMO."

Vehicle use trend data is presented to the CMO senior leadership team during monthly performance reviews, and quarterly to group chiefs for input on vehicle requirements.

"When we started this process, decisions were made by about 80 percent subjective need determination," said Navy Capt. Bob Cox, DCMA Atlanta commander. "So the sky would fall every time group chiefs or I questioned the validity of underutilized vehicles. Now, with a relatively simple break-even cost analysis, we're at about 80 percent objective and the result is a fairly significant savings to the taxpayer."

The bottom line for the project is to find the best use of funds, and it's already proving successful. In the first year of



Emily Hopkins, Defense Contract Management Agency Atlanta GOV manager, and Scott McDonald, a contracts team leader, have teamed together to reduce the number of vehicles used by the contract management office, leading to lowered costs through increased efficiency. (Photo by Bernice Keith, DCMA Atlanta)

tracking, the CMO was able to decrease its fleet from 32 vehicles to 25. In addition to the 20 percent reduction in vehicles, others have been moved to maximize their use. A smaller fleet now continues to effectively serve the CMO and itinerant offices, some far from Atlanta.

"Our expectation is to continue to look at the fleet so that we're consistently hitting the 80 percent usage number," McDonald said. "When this is examined in

relation to the breakeven cost of owning the vehicle, we may find that in some cases it's more cost effective to occasionally pay mileage for personally owned vehicle use, or to pay for a rental vehicle," he added. "In the end, we should be looking at all options to make sure we're taking the most cost effective course of action." ©

