U.S. Department of Health and Human Services 2015 Fleet Management Plan

July 23, 2015

James H. Kerr
HHS Fleet Manager
Jim.Kerr@hhs.gov
301-492-4851

Abstract

The Department of Health and Human Services (HHS) is the United States government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. This fleet management plan will provide the following: an introduction, criteria for justifying and assigning vehicles (including home-to-work vehicle assignments), an HHS Vehicle Allocation Methodology (VAM), a description of efforts to control fleet size and cost, an explanation of how law enforcement vehicles are characterized within the agency[1], justification for restricted vehicles[2], a vehicle replacement strategy and results, a description of the agency wide Motor Vehicle Management Information System (MVMIS)[3], a discussion on vehicle sharing, impediments to optimal fleet management, anomalies and possible errors[4] and a summary with contact information.

HHS FY2015 Fleet Management Plan Highlights

Focus Area	Objective	Status	
1	Replace all covered light-duty, gasoline powered vehicles with low greenhouse gas emitting – alternative fuel vehicles	70% complete	
2	OMB/CEQ Scorecard-Petroleum Reduction	Green	
3	Petroleum 2005 Baseline Reduction Target Exceeded	Plan	Actual
		30%	42%
4	Alternate Fuel Increase	Plan	Actual
		114 percent	389 percent
5	Reduced Operating Cost FY13 vs. FY14	$1.8 million	

[1] See Federal Management Regulation (FMR) Bulletin B-33
[2] Justification for any vehicle ≥ Class III (midsize) vehicles
[3] See Federal Management Regulation (FMR) 102-34.340 and 102-34.355
[4] See PL93-638 Native American Right of Self Determination – Fleet Use via GSA

Table of Contents

FY 2015 FLEET MANAGEMENT PLAN AND BUDGET NARRATIVE FOR DEPARTMENT OF HEALTH AND HUMAN SERVICES

A. Introduction

The Department of Health and Human Services (HHS) is the United States government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. The Department staff includes more than 79,000 federal employees and contractors. The Department operations are deployed in every state, certain jurisdictions like Puerto Rico and the U.S. Virgin Islands, as well as in 35 countries in Africa and Haiti. This fleet management plan covers an expansive fleet community and is managed at the HHS Program Support Center (PSC) in Bethesda, Maryland.

The HHS fleet is configured as shown in Table 1.

Table 1 HHS Fleet Configuration FY13 vs. FY14

Vehicle Descriptions	Weight Class	FY13	FY14	Net Change	% Change
Sedans, Station Wagons, Ambulances, and Trucks	**Light Duty**	**4,175**	**4,160**	(15)	**-0.36%**
Bus	**>16 Passengers**	**15**	**17**	2	**13.33%**
Trucks, Tractors	**Medium and Heavy Duty**	**488**	**493**	5	**1.02%**
Total		**4,678**	**4,670**	**(8.00)**	**-0.17%**

Typically, staff involved in investigations or interviews use sedans. The plan will focus on sedans and other light-duty vehicles because of the central focus of mandates in Executive Orders 13693 and updated sections of 13514, respectively. A significant part of this fleet management plan will focus on light-duty vehicle strategies and outcomes. The large passenger vehicles operate as shuttles to carry employees to and from central locations. The agency utilizes trucks and trailers to transport staff, mail, supplies, IT, furniture, and laboratory and facility maintenance equipment.

HHS represents almost a quarter of all federal outlays, and it administers more grant dollars than all other federal agencies combined. The HHS Medicare program is the nation's largest health insurer, handling more than 1 billion claims per year. Medicare and Medicaid together provide health care insurance for one in four Americans.

The Office of the Secretary provides Departmental leadership. Also included in the Department leadership is the Office of the Assistant Secretary for Health, the Office of Public Health and Science, the Office of the HHS Inspector General and the HHS Office for Civil Rights. In addition, the Assistant Secretary for Administration (ASA) provides executive control and reporting for fleet matters. Fleet activities are managed via the HHS/OS/ASA/Program Support Center (PSC), a self-supporting organization of the Department, which provides administrative services for HHS and other federal entities.

B. Criteria for Justifying and Assigning Vehicles

HHS fleet configurations are mixed because of the divergent missions. Broadly, HHS maintains fixed and deployed fleets.

The basis for HHS assignment of fleet used for Home-To-Work (HTW) is 31 USC § 1344 Passenger Carrier Use**.** Funds available to HHS, by appropriation or otherwise, may be expended by the HHS Operating and Staff Divisions for the maintenance, operation, or repair of any passenger carrier only to the extent that such carrier is used to provide transportation for official purposes. Notwithstanding any other provision of law, transporting any individual other than the individuals listed in subsections (b) and (c) of 31 USC § 1344 between such individual's residence and such individual's place of employment is not transportation for an official purpose. For purposes of paragraph (1), transportation between the residence of an officer or employee and various locations that is - (A) required for the performance of field work, in accordance with regulations prescribed pursuant to subsection (e) of this section, or (B) essential for the safe and efficient performance of intelligence, counterintelligence, protective services, or criminal law enforcement duties, is transportation for an official purpose, when approved in writing by the head of the federal agency.

The Secretary has signed and transmitted authority for Home-to-Work Fleet deployments as appropriate to HHS Operating and Staff Divisions in Quarter 2.

(Q2) of Fiscal Year 2013 (FY2013).

1. Vehicles are acquired for specific mission needs based on the following criteria:

    a. Mission
    b. Historical/expected miles of use per vehicle
    c. Historical/expected hours of use per vehicle
    d. Ratio of employees to vehicles
    e. Frequency of trips per vehicle
    f. Vehicle function
    g. Operating terrain
    h. Climate
    i. Vehicle condition, age, and retention cycle
    j. Vehicle down time
    k. Needed cargo and/or passenger capacity
    l. Required employee response times
    m. Greenhouse gas emission level of the vehicle
    n. Terrain
    o. Compliance
    p. Vehicles are selected from an agency approved list and approved by the fleet manager
    q. Home-to-Work requires a business case to accompany the request that is reviewed by a senior official before submission to the head of the agency.

Each request will also provide a detailed business case, including, but not limited to:

i. A cost-benefit analysis for using Home-to-Work transportation
ii. A justification that assesses the relative importance to the agency's mission of authorizing Home-to Work
iii. An explanation of why it is critical to the HHS mission that performance of duties begins at an employee's residence rather than official duty station, if applicable.
iv. Examination of the records to determine the frequency with which response from home has been required, if applicable.

Criticality Methodology

HHS has initiated an evaluative process for every vehicle, especially those units that weigh heavily in the mandated Vehicle Allocation Methodology (VAM) business process. Specifically, each vehicle will be scored with respect to 15 measurement points. (See paragraph above B1 a-q). The combined scores are tracked in a matrix. A unique score for each vehicle will inform the vehicle's utility value. The vehicle will exhibit high, medium, or low utility score.

Fleet Assets	Factor # 1 Mission	Factor # 2 Historical/Expected Annual Miles of Use	Factor # 3 Historical/Expected Annual Hours of Use Per Week Per Vehicle	Factor # 4 Ratio of Employees to vehicle	Factor # 5 Frequency of Trips Per Week/Per Vehicle	Factor # 6 Vehicle Function	Factor # 7 Operating terrain	Factor # 8 Climate	Factor # 9 Vehicle condition, age and retention cycle	Factor # 10 Vehicle Down Time	Factor #11 Vehicle Needed Cargo Space	Factor # 12 Vehicle Required Employee Response Time	Factor # 13 Vehicle Greenhouse gas emission level	Factor # 15 Compliance	Factor # 15 Vehicles are selected from an agency approved list and approved by the Fleet Manager	Weighted Criticality Score Per Vehicle	HIGH UTILITY Score	Medium To Low Utility Score	Low UTILITY Score. Range is Marginal
My New Tag 0001	100	100	300	100	100	500	300	500	100	100	100	100	100	100	100	167.612		Yellow	
Vehicle Tag 002	100	100	200	100	100	200	100	400	100	300	100	400	200	100	300	180.702	High Green		
Vehicle Tag 003	100	100	300	100	100	650	300	200	100	100	100	100	100	300	300	217.044	High Green		
Vehicle Tag 004	100	100	200	100	100	700	100	400	100	300	100	400	300	300	300	262.320	High Green		
Vehicle Tag 005	100	100	300	100	100	650	300	400	300	300	200	300	200	100	300	239.964	High Green		
Vehicle Tag 006	100	100	200	100	100	100	100	100	100	100	300	100	100	100	100	109.387		Yellow	Marginal Utility
Vehicle Tag 007	100	100	200	100	100	100	100	400	100	100	300	400	200	100	100	142.580		Yellow	
Vehicle Tag 008	100	100	300	100	100	100	300	500	200	300	100	100	200	100	300	174.112	High Green		
Vehicle Tag 009	100	100	200	100	100	300	100	400	100	100	100	100	100	100	100	132.088		Yellow	
Vehicle Tag 010	100	100	300	100	100	600	100	500	100	100	100	100	100	300	300	212.818	High Green		
Vehicle Tag 011	100	100	200	100	100	100	100	400	100	300	100	400	200	100	300	170.641	High Green	Yellow	
Vehicle Tag 012	100	100	200	100	100	100	200	500	100	100	100	100	200	100	300	155.146		Yellow	
Vehicle Tag 013	100	100	200	100	100	200	300	100	300	300	100	400	200	100	300	184.224	High Green		
Vehicle Tag 014	100	100	300	100	100	100	300	100	100	200	100	100	100	100	100	121.773		Yellow	
Vehicle Tag 015	100	100	300	100	100	100	100	100	100	100	100	100	100	100	100	112.969		Yellow	
Average	100.00	100.00	246.67	100.00	100.00	300.00	166.67	333.33	133.33	186.67	133.33	213.33	160.00	140.00	220.00				
													My Fleet Average Criticality Score ------>			172.227			

Figure 1 Criticality Table

C. Vehicle Allocation Methodology (VAM) Targets

Development and Explanation for Reported Fleet Size and Cost Changes or Not Meeting Agency VAM Targets

The Department's reported FY14 fleet size reflects a sizing shift downward from FY13. This represents a decline in total fleet by roughly 8 percent. Costs do fluctuate, and it should be noted, are decreasing between FY13 and FY14. It is anticipated that HHS will experience a similar reduction at the end of FY15. However, HHS is still working on indirect cost aspects of the fleet operations and this may cause a different outcome going forward. Recent changes in the fleet are due to:

a. HHS Assistant Secretary for Administration (ASA) executive guidance regarding HHS Operating and Staff Division's fleet reduction, specifically in fleet replacement strategies, e.g., reduce replacement volume by 20 percent
b. Update to Vehicle Allocation Methodologies (VAM) initiatives
c. HHS budget challenges overall (Sequestration impacts)
d. Improved oversight and compliance nationwide and in international settings

HHS is the lead Department for oversight and service delivery of health-related programs nationwide and internationally. Accordingly, HHS Operating Divisions like the Food and Drug Administration (FDA), Office of the Inspector General (OIG) and National Institutes of Health (NIH) added fleet in response to new health mandates. These shifts in fleet resource needs were not anticipated in their full scope during Q1 and Q2 of FY13. Our initial VAM attainment for FY12 was estimated at 3,862 units. Our actual projection now is 4,322 or an increase of 460 units above plan (or roughly 11 percent). The FY13 associated cost estimate is shown in Figure 2.

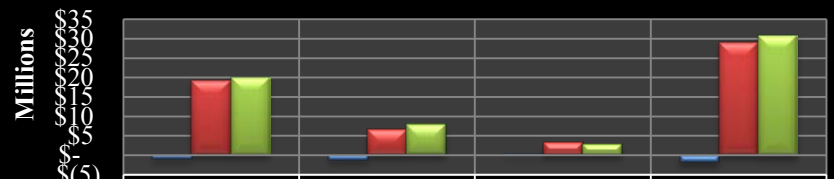
D. HHS Efforts to Control Fleet Size, Composition and Cost

The HHS fleet size, composition and cost changes were due to the following factors:

a. The Department's reported FY14 fleet size reflected **4,678** for the period ending September 30, 2014. This represents a decline in total fleet from the FY13 level at **4,869** by 191 units or roughly 4 percent. It should be noted that the overall cost is going down. However, HHS is still working on the indirect cost aspects of the fleet and this may cause a modest change going forward. Generally these changes are due to a number of factors that include, but are not limited to:
    i. Budget challenges and resulting requirements imposed due to greater oversight of fleet management and operating constructs.
    ii. Beginning in FY09 through FY14, HHS embarked on the acquisition (General Service Administration leasing) of high-efficiency vehicles characterized by Department of Energy (DOE) as alternative fuel (configured) units. The trade-off resulted in a slight increase in petroleum products during the FY07-FY09 cycles. Subsequently, the HHS cost for fuel increased slightly. HHS began a program designed to focus on fleet utilization and scaling economies by having greater use of online meetings and subsequent reduced travel in all of HHS regions nationwide. The most recent cycles, e.g., FY13 and FY14, reflect an overall reduction in the

range of ~$1.8 million as a result of all of these factors.

Figure 2
HHS Fleet Recurring Cost Synopsis
FY12 vs FY13



	GSA Lease Cost	Fuel Cost	Direct Maint Cost	Total
Change	$(879,955)	$(1,245,137)	$342,318	$(1,782,774)
2013	$19,304,188	$6,619,435	$3,292,979	$29,216,602
2012	$20,184,143	$7,864,572	$2,950,661	$30,999,376

iii. Recent increased food safety inspections and investigations also contributed to increased fleet units. To compensate for the increased volume's anticipated use of additional vehicles, FDA employed a tactic where more than one person uses a fleet vehicle instead of assigning a vehicle to every Food Safety Officer (FSO).

iv. Increased Office of Inspector General activity, including greater criminal investigative work, in collaboration with other federal law enforcement initiatives, caused an increase in fleet size, use and deployments.

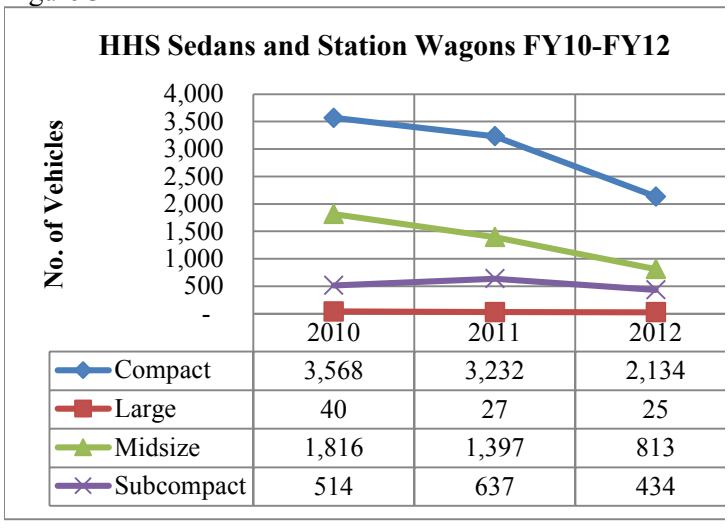
E. Future Changes to HHS Plans for Fleet Configurations

HHS experienced a marked shift in fleet types. **Figure 3** reflects a shift and trend change in the ordinary distribution of certain categories of vehicles. The HHS fleet profile going forward will include:

a. Actions taken by the Assistant Secretary for Preparedness and Response (ASPR)/National Disaster Management System (NDMS) fleet configuration ***will result in a shift from owned vehicles to General Service Administration (GSA) leased units perhaps as early Q4 of FY15***. For example, ASPR/NDMS recently experienced a $900,000 hit for tires for nearly 80 percent of an earlier NDMS-owned fleet inventor. By comparison, a GSA maintenance regimen would have never allowed so many vehicles to be scheduled for a tire replacement at the same time. Instead, GSA would have phased these types of actions – smoothed – over the life cycle of the entire fleet.

b. HHS acquisition of vehicles from other than the most cost-effective source is not commonplace. There was only one situation where HHS acquired any type of fleet asset in a mode other than the most cost-effective alternative. Namely, that happened in FY2007/2008 when HHS took over a significant number of vehicles from the Federal Energy Management Agency (FEMA). All of the vehicles were owned. Hence, HHS/ASPR/NDMS assumed an ***"owned"*** fleet operating posture, which is very expensive. In FY15, the leadership of that Staff Division is moving toward the GSA lease program, which is a much leaner, efficient, and cost effective alternative.

Figure 3



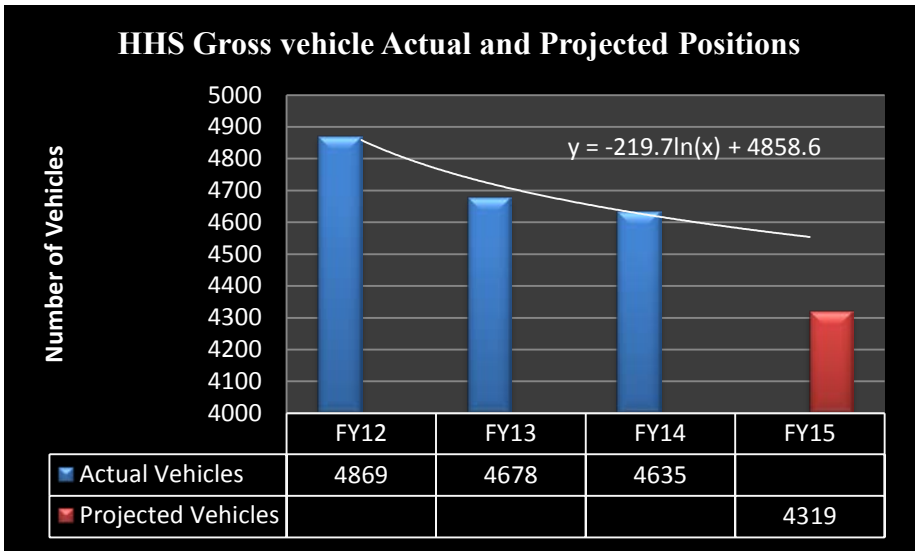
	2010	2011	2012
Compact	3,568	3,232	2,134
Large	40	27	25
Midsize	1,816	1,397	813
Subcompact	514	637	434

c. HHS anticipates a gross vehicle shift from the FY12 quantity of 4,869 to a level in the range of ~ 4,319 in FY2015. This reflects a reduction of approximately 11 percent overall. **See Figure 4**. The main drivers for this shift are (a) improved data from prior year's actuals for international vehicle deployments.

d. Revised Vehicle Allocation Methodology (VAM) results

e. Recent innovations in HHS fleet acquisitions contributed to a gradual reduction in the gross numbers. (e.g., reduce GSA lease replacements by 20 percent)

Figure 4 HHS Gross Vehicle Inventory Actual and Projected



	FY12	FY13	FY14	FY15
Actual Vehicles	4869	4678	4635	
Projected Vehicles				4319

f. For example, HHS will deploy 184 high-efficiency light duty vehicles (i.e., Hyundai Sonata) in FY15, especially in areas where there is scarcity of alternative fuel such as ethanol. The greater efficiencies tend to give rise to smarter use of existing fleet inventories generally. These same actions drive middle as well as executive

management's improved oversight towards increased attention to vehicle utilization strategies going forward.

g. Improved policy delivery throughout the HHS Operating and Staff Division domains

h. Safety improvements

i. Driver behavior improvements

j. Idling reductions

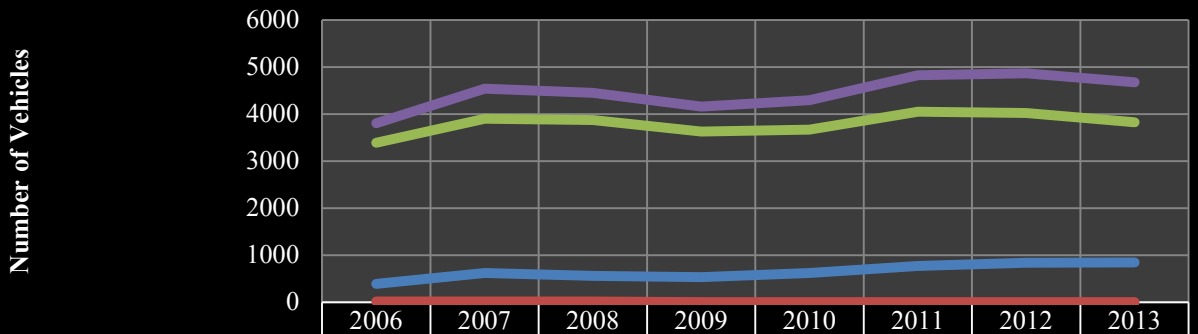
k. Improved data oversight leading to higher visibility of the overall fleet operations and outcomes

HHS is not trending toward larger, less fuel-efficient vehicles. Accordingly, there are limited and almost no justifications for larger (light-duty) vehicles. HHS's fleet vehicle configurations are shrinking. Once again, **Figure 3** illustrates an HHS trend between FY10 through FY13 where HHS compacts, midsize and subcompact units are decreasing over time. Even in the latter case, the volume is leveling off a bit.

The HHS fleet acquisition mix is likely to remain fairly static over the next operating horizons out through FY2015. It can be documented fairly succinctly, that leasing fleet assets via the GSA resource provides the best return on investment for the HHS operating domains, especially in the United States. Figure 3 reflects a stable mix of owned, commercial-leased and GSA-leased assets. The ratios will remain static during FY2015 through FY2020 unless a dramatic epidemiological health event takes place in the interim.

Department of Health and Human Services Fleet Mix FY06-FY13[5]

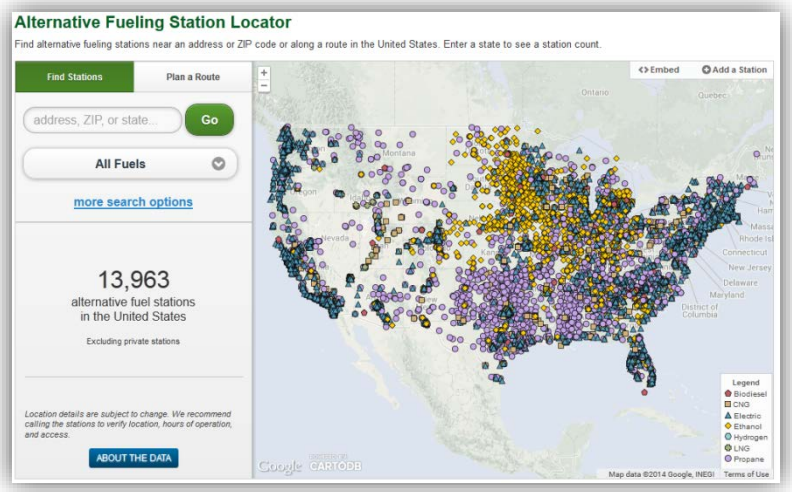
Figure 5
HHS Fleet Mix FY06-FY13



	2006	2007	2008	2009	2010	2011	2012	2013
Owned	392	624	563	531	620	772	841	846
Commercially Leased	18	14	12	3	3	2	2	2
GSA	3,395	3,906	3,879	3,631	3,674	4,053	4,026	3,830
Total	3,805	4,544	4,454	4,165	4,297	4,827	4,869	4,678

F. Meeting Target of > 75 Percent for Light Duty - Alternative Fuel Vehicles (AFVs)

The HHS fleet management program strategy includes understanding manufacturing output in the U.S. marketplace and internationally. New engineering, along with improved power delivery resources - engine configurations, such as the Chevrolet Electric Volt and the Hyundai Sonata, are being piloted at HHS selected locations and deployed in real operational modes. These AFV choices are likely candidates for HHS going forward through FY2015 and possibly until the end of FY2020. GSA is able to acquire large quantities of special configured AFVs, and exact beneficial pricing, which is passed on to the HHS fleet operations. This is not always a foregone conclusion each year because there is keen competition to get these AFVs in a timely manner. HHS will deploy these vehicles in locations where ethanol is scarce. (See map showing low density of ethanol products) HHS maintains enough flexibility to react in a well-timed manner. Flexibility in this case refers to the fact that an Alternative Fueled Vehicle (AFV), such as the Hyundai Sonata, can offer very high operating efficiencies even while using "gasoline". For example, as long as the vehicle is operating in a speed range between 0 - 73 mph, the vehicle uses as its power source a battery. Therefore



[5] Source federal Automotive Statistical Tool (F.A.S.T.) Report FY13

the sonata vehicle does not consume either gasoline or ethanol. Further, the net greenhouse gas (GHG) output is reduced significantly. This strategy facilitates (a) quick acquisitions, (b) smooth deployment, and (C) reduced incremental cost. In FY2015, use of the Sonata in the HHS fleet will save $725,000 in incremental cost. Fuel reductions can be seen in the HHS FAST reports for the period ending September 30, 2014.

For nearly every reporting cycle beginning in FY2009 through FY2013, HHS's AFV acquisitions included the required percentage (≥ 75 percent) of Alternative Fuel vehicles (AFVs). Some years were a bit leaner because of U.S. manufacturing limitations and market conditions. In FY15, GSA offered a number of high efficiency and/or alternative fuel (flex) vehicles. HHS benefitted in an acquisition of 131 high efficiency vehicles, and the net saving for this effort is recorded at $725,000. Moreover, GSA provided an additional 54 high efficiency vehicles to our inventory, bringing HHS's replacement of certain vehicles in this class to 184 for this reporting year.

G. HHS Law Enforcement Vehicles Categorization

The HHS law enforcement (LE) vehicle classification system as described in GSA Bulletin Federal Management Regulation (FMR) B-33, e.g., only exempting Level 1 LE vehicles from Energy Policy Act and VAM reporting is not in place at this time. The Secretary's management team is vetting this initiative with Departmental leadership. A target of August 2015 is planned as the milestone date for HHS's implementation of the GSA guidance in this area. The final resolution of the GSA FMR B-33 construct may be slightly different. However, it will certainly make refinements to accommodate studies like a cost-benefit analysis that will come about from estimated efficiencies arising from the FMR Bulletin 33 initiative.

The HHS fleet Management community is carefully studying a variety of strategies regarding how best to engage certain HHS law enforcement vehicles already exempted from Energy Policy Act and VAM requirements.

H. HHS Justification for Restricted Vehicles

1. HHS vehicles larger than class III are limited. In those limited cases for such a vehicle, there is a written justification for the larger vehicles; especially those units used for "protection" functions. In some rare situations, certain law enforcement vehicles are in that category for certain investigative functions
2. HHS has limited quantity of vehicles larger than a Class III unit. HHS executive fleet vehicles are posted on our agency's website as required by the Presidential Memorandum of May 2011
3. HHS has no limousines
4. HHS has no armored vehicle in the Continental United States (CONUS)

I. Description of Vehicle Replacement Strategy and Results

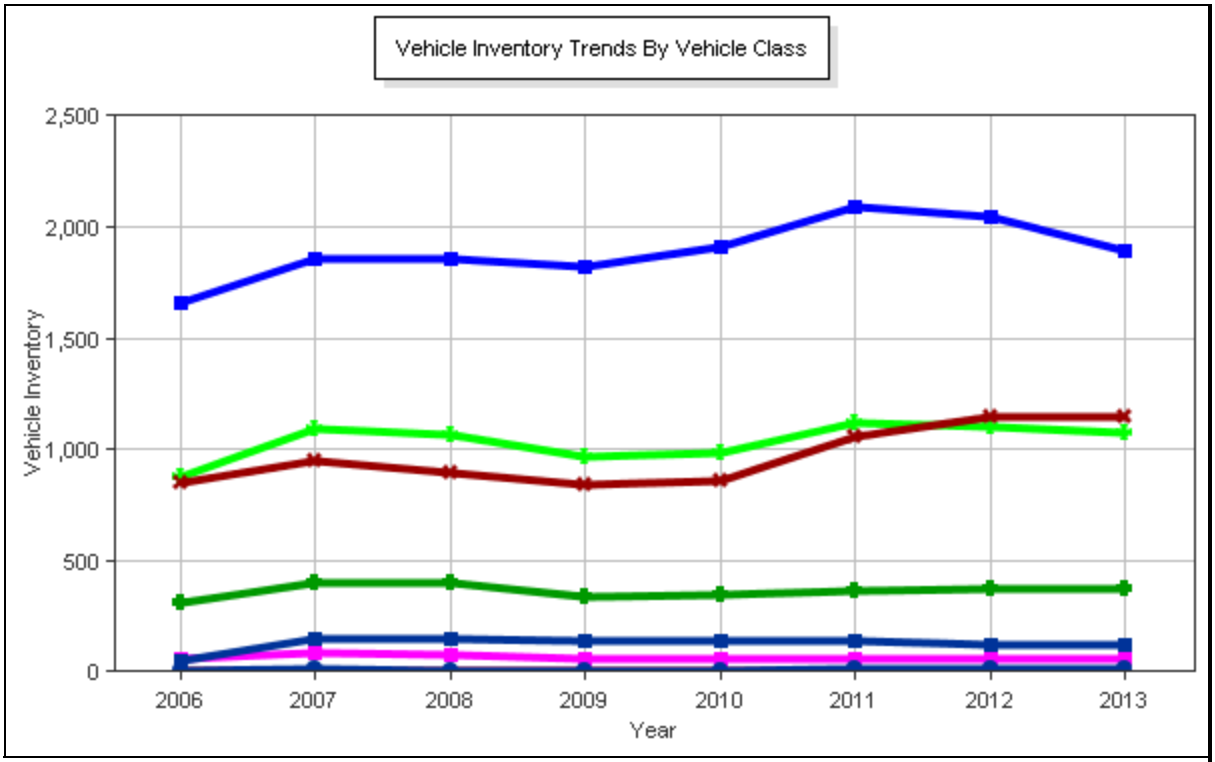
The HHS plans to follow a set schedule in order to achieve its optimal fleet inventory, including plans for acquiring all Alternative Fueled Vehicles (AFVs) by December 31, 2015 that will be guided by the following:

1. Review of in-house reduction plan @ 20 percent of acquisitions – Q2 and Q4 of each fiscal year
2. Approval at HQ of all GSA acquisitions, using the GSA Customer Account Module data resource (leases) during Q1 and Q2 of each fiscal year
3. Review each major Op/Staff Division's Fleet Management Plan during Q2/Q3 of each fiscal year
4. Revise VAM projections during Q4 of each fiscal year. (Revised VAM values have to be negotiated with EOP/CEQ, OMB and GSA). HHS fleet size is trending toward a quantity below FY 2011 in the category of sedans and station wagons
5. Analysis of cost and whether or not outlays are stabilizing over the last three operating cycles
6. Compliance issues are within the scope of the EO13423 and 13514.
7. Studies relative to cost-benefit analysis associated with law enforcement (LE), emergency/emergency response (E/ER) and protection functions
8. Improvements in alternative fuel use and effectiveness is measured by each of the affected Operating and Staff Divisions using user friendly tools

Agency plans and schedules for locating AFVs in proximity to AFV fueling stations. In those situations where alternative fuel resources are readily available, HHS will make judicious use of a Federal Energy Management Program (FEMP) alternative fuel control and reporting tool to monitor the performance going forward.

The Department will receive and deploy 184 high-efficiency sedans (Hyundai Sonata) during Q3 of FY15 (see embedded photo). These will be leased from GSA and HHS will avoid $725,000 in incremental cost. The vehicle will be deployed in as many operating venues that can sustain their mission with this size vehicle. This vehicle will also be deployed where alternative fuel is scarce. Typically, this includes locations in the Midwest and West regions of CONUS. For the period ending September 30, 2013, HHS met the required Alternative Fuel Vehicle (AFV) standard as called out in EPAct2005, i.e., the target.

When comparing cost of owned vehicles to leased vehicles, compare all direct and indirect costs projected for the lifecycle of owned vehicles to the total lease costs over an identical life cycle. This is an ongoing challenge owing to a need to upgrade the HHS selected Motor Vehicle Management Information System (MVMIS).



	2006	2007	2008	2009	2010	2011	2012	2013
Sedans	1,662	1,859	1,861	1,822	1,910	2,089	2,049	1,896
LSEVs	0	0	0	0	0	0	0	0
Ambulances	59	81	78	58	57	55	61	58
Buses	7	9	8	8	7	10	17	15
LD 4x2	876	1,093	1,066	966	988	1,116	1,101	1,072
LD 4x4	846	950	896	839	857	1,058	1,145	1,149
MD	309	401	401	337	342	360	372	370
HD	46	151	144	135	136	139	124	118
Total	**3,805**	**4,544**	**4,454**	**4,165**	**4,297**	**4,827**	**4,869**	**4,678**

J. HHS Agencywide Vehicle Management Information System

1. HHS maintains a central data repository for the fleet and it is referred to as the HHS Motor Vehicle Management Information System (MVMIS) as referenced in the FMR Bulletin B-15. It is in fact, fleet dedicated. However, plans are in place to interface the MVMIS with existing HHS acquisition resource (HCAS/iProcurement), the Unified Financial Management System (UFMS), the Outlook (Human Resource) (HR) piece, the HHS Property Management Information System (PMIS) component and the disposal processes incorporated in the PMIS resource.
2. There is a goal to integrate:
    a. Integrate comprehensively with existing agency systems and with external compliance reporting systems. The goal is to capture all transactions and costs), while maintaining integrated business intelligence related to fleet and resources

needed for those same assets. This needs to be accomplished for CONUS facilities as well as a growing international HHS footprint.

b. Reduce obstacles to a comprehensive, optimized fleet portfolio which currently requires an estimated $36 million to $50 million outlay per annum. Examples of challenges include:
    i. Data mining (Data Farm) where key transactional elements, historical data, operational elements, and legislative imperatives can be defined, monitored and put in executive formats for informed decisions.
    ii. Lack of matrix viewpoints of common data among facility related matters, e.g., fleet and space needs, etc.
    iii. Training for Tier I, Tier II, and Tier III Fleet management cadres nationwide.

K. Plans to Increase the Use of Vehicle Sharing

HHS does plan to increase the use of vehicle sharing at this time. For example, the Food and Drug Administration's Office of Regulatory Affairs/Food Safety Officers (FSO) cadre changed their normal fleet operations mode, e.g., one FSO per vehicle to a shared vehicle process. A single fleet asset may now have up to three staff members using a single vehicle. HHS is studying the impacts of this mode of operations.

L. Impediments to Optimal Fleet Management

1. HHS obstacles in place which impact optimization of its fleet:

    a. Business Intelligence – lack of data farm where disparate data can be harmonized to provide management with risks and choices.

2. HHS finds it challenging to make the fleet what it should be, operating at maximum efficiency. Why?

    a. Enterprise resources not talking with one another, a systemic problem
    b. Changing demographics for fleet POCs
    c. Conflicting imperatives between DOE, OMB and GSA relative to what an optimal fleet template looks like.

3. HHS prepared an action/program plan to update existing acquisition, property, and disposal strategies for fleet and environmental aspects associated with fleet. HHS requested resources to optimize fleet requirements for:

    a. Acquisition
    b. Life cycle monitoring

   c. True direct and indirect cost pictures. HHS will use GSA's February 2015 optional standard factors for the current reporting cycle; use 7.5 percent of total cost.
   d. Additional manpower resources are needed.

4. Existing dual imperatives to reduce petroleum product and increase alternative fuel use needs a more harmonious strategy from the CEQ.

   a. One example would be to include an incentive program – funded at the HHS level - for a period of two-to-four years instead of one year at a time.

5. Proposed solutions:
   a. Reverse auction – Low Bid Wins – innovation Grant for Fleet Improvement programs.

Mix a commercial provider with a federal provider in the same environment; goals seek competition (innovation) and drive cost down (K) anomalies and possible errors.

1. HHS finds, from time-to-time, minor apparent problems with agency data reported through the Federal Automotive Statistical Tool (FAST). The frequency is nominal. For example, sometimes the adjusted numbers from GSA leasing are a part of the update after the August A-11 process has ended. As you may know, GSA lease billing end near the end of each month and carry over values show up in succeeding months. Month-end data may be skewed a bit as a result.

2. Most fields in FAST are helpful. However, the SF82 is no longer used as the definitive data summary. We are at a disadvantage without a replacement at this time.

3. Data fields in the FAST resource have to be interpreted introspectively within our internal Motor Vehicle Management Information System (MVMIS). Accordingly, HHS has to rely on manual data input from a large and diverse community of employees.
   a. We also experience a fair amount of turnover of the same staff cadre.
   b. Current MVMIS resource is not connected (directly) to HHS Outlook database. Accordingly, when we have staff shifts changes, etc., the new staff appointees need a training surge. Often the required training is delayed or does not occur in a timely manner because we do not know about the personnel changes for a while.

M. Anomalies and Possible Errors

Federal Automotive Statistical Tool (FAST) possible errors evolve in large data intensive systems like FAST. Examples:

1. Extremely high annual operating costs
2. An abnormal change in inventory that FAST considers outside the normal range, or

3. An MVMIS prediction for fleet replacements is changed due to GSA re-evaluation of age and miles for certain high-efficiency compacts and subcompacts. HHS MVMIS feeds the Federal FAST data resource. Therefore, HHS is not sure that old GSA life cycle replacement standards will still apply in FY15 and beyond. Also DOE is modifying the greenhouse gas emission footprint for certain models as well; and
4. HHS is reviewing flagged, highlighted, or unusual-appearing data. Often these are present as a result of human error or lack of understanding about certain data fields, etc.

N. Summary and Contact Information

1. James H. Kerr, HHS Fleet Manager (301) 492-4851 (jim.kerr@hhs.gov)

2. The Department of Health and Human Services Fleet Management program is meeting the targets set out in Clean Air Act Amendments of 1990, EPAct (Energy Policy Act of 1992, ECRA 1998, EO13423 and E) 13514. The HHS leadership is cognizant of operational fleet missions and moves to augment policies and best practices toward compliance.

3. A budget officer POC was invited and encouraged to participate with each HHS Operating and Staff Division as preparations were made for the formal data call in August 2013 (OMB A-11). Results of the consolidated HHS Fleet Management plan is shared with each affected Operating and Staff Division and with the HHS leadership as appropriate.

Appendix A: Federal Energy Management Program (FEMP) Analysis

Alternative Fuel Analysis

Primary Assumptions

- Models seek to maximize reductions in petroleum use through development of an efficient vehicle acquisition plan
- Vehicle mpg estimates are from FY 2012 GSA AFV Leasing Guide where available
    - FuelEconomy.gov ratings are used when AFV guide data is not available
    - Some vehicle segments are excluded due to a lack of specific ratings (e.g., HD, Bus, etc.)
- Average annual vehicle miles travelled determined for each agency
    - Developed from the *Average Monthly Mileage* field in Reports Carryout Inventory report
- Vehicle locations are determined by the fueling station each vehicle visited most often in FY 2011
    - When station data is not available for a vehicle the garage zip code is used
- Flex Fuel Vehicles use Alternative Fuel (AF) 50 percent of the time when fuel is available
    - AF is considered available if an AF station is within five miles of the vehicle location
- Costs considered are AFV Incremental Costs
    - AFV Incremental budgets are in the form of the AFV surcharge or AFV Incremental Budget
- Only Like-for-Like replacements are allowed for each segment (e.g., sedan for sedan, pick-up for pick-up, SUV for SUV, Van for VAN)
    - LD vehicles are allowed to replace MD vehicles
- GHG estimates developed from GHG emissions factors as determined by CEQ in guidance for E.O. 13514

Agency Specific Assumptions

A theoretical AFV incremental budget was created based on the following:

- Approximately 33 percent of the fleet was replaced in FY 2012
- The AFV incremental budget in FY 2012 was $625,000
- The estimated budget was raised proportionately to cover the entire fleet

Calculation: $625,000 * 3 = $1,875,000

HHS vehicles were assumed to travel 10,000 miles annually

- Mileage was calculated as a rounded average from the *Average Monthly Mileage* field in Reports Carryout

A Theoretical AFV incremental budget was created based on the following:

- FY15 incremental cost may be reduced by approximately $725,000. This is anticipated based upon GSA offers to change routine proposed lease replacement categories from high greenhouse gas emitting, gasoline-powered vehicles to high-efficiency gasoline hybrids (e.g. the Hyundai Sonata), including light duty sedans. HHS will absorb 184 of these units into the fleet. The incremental cost for Hyundai-leased vehicles will be borne by GSA and not HHS.

Existing Inventory Summary

Recommendations were determined for all vehicles in the inventory with the initial vehicle Allocation Methodology (VAM) values in 2012 that have replacement options in the GSA AFV Lease Guide.

Vehicle Segment	Current Inventory	# Recommendations Determined	# Unable to Provide Recommendation
Sedan	1,926	1,926	0
Pick-up	533	533	0
Van	784	778	6
SUV	655	655	0
HDTruck	32	0	32
Bus	4	0	4
Ambulance	54	0	54
Other	59	0	59
Total	4,047	3,892	155

- Vehicle segments not receiving specific recommendations:
  - Lack replacement options with specific efficiency ratings
  - Lack obvious replacement options (e.g., ER/LE vans and pick-ups)

Recommended Vehicle Models

- Vehicle models are chosen based on a balance of alternative fuel availability, cost, and fuel efficiency
- Models allow light-duty vehicles to replace medium-duty vehicles

Model Lessons Learned

Fuel Types:

- E85 capable flex-fuel vehicles (FFVs)
  - 100 percent petroleum reduction per gallon of E85 used
    - –Model assumes 50 percent usage when E85 is available
  - In some cases, FFVs are more efficient than the low-priced gasoline models
  - Low incremental cost
- Gasoline Hybrid Electric Vehicles (HEVs)
  - Highly efficient vehicles
  - Most beneficial where alternative fuel is not available

    - High incremental cost
- Traditional Gasoline Vehicles
    - Some models are highly efficient
    - Most beneficial where alternative fuel is not available
    - No incremental cost
- CNG Vehicles
    - Potential for 100 percent petroleum reduction where CNG is available
    - Limited availability of light-duty CNG vehicles
    - High incremental cost of vehicles
- Electric Vehicles (EVs) and Plug-in Hybrid Electric Vehicles (PHEVs)
    - Extremely high incremental costs
    - Potential for 100 percent petroleum savings, but depending on electricity source, GHG savings may be low
    - HHS may want to treat EV acquisitions as pilot efforts due to uncertain vehicle availability

Vehicle recommendations do not prioritize makes or models

- Vehicle recommendations are based on vehicle efficiency ratings and incremental costs
- Individual makes and models are not treated differently
- **Implications:**
    - A high number of specific vehicle models are recommended
    - e.g., always selects the most efficient model in a particular vehicle class

Low-GHG vehicles are placed whenever possible. However, in order to meet mission requirements, low-GHG vehicles are not always able to be placed.

    - e.g., there are no pick-ups or vans that are classified as low-GHG vehicles

Model Summary – Efficiency Metrics

Significant progress towards high-level agency goals is possible through efficient vehicle acquisitions

Agency	Petroleum Reduction GGE	Petroleum Reduction %	Alternative Fuel Increase GGE	Alternative Fuel Increase %	GHG Reduction MT CO2e	GHG Reduction %
HHS	382,384	23%	68,003	48%	3,308	22%

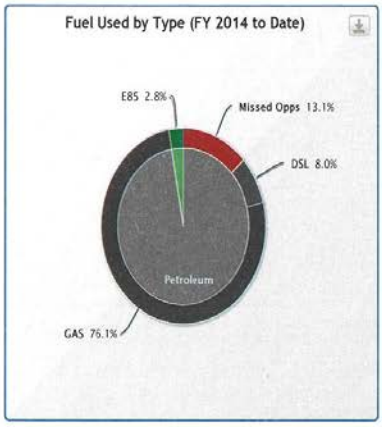
- These metrics represent ***estimates*** of the maximum theoretical performance if all vehicles with an acceptable replacement option are replaced.
    - These figures are based on one year's fuel consumption, and do not represent the full life of the vehicles
- Typical annual acquisitions replace 10-30 percent of the fleet
    - Therefore 10-30 percent of the above reductions could be expected after the replacement is complete

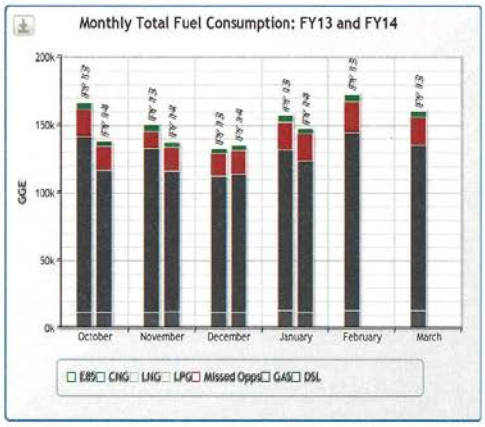
- e.g., A single year replacing 10 percent of the fleet would result in a ~2 percent drop in overall petroleum use

Appendix B: Sustainability Dashboard

Health and Human Services Leased Fleet Fuel Use

For questions or comments, or to provide feedback, please contact Ryan Daley at the National Renewable Energy Laboratory (NREL) at (303) 275-4466.





Fleet	Petroleum Total GGE	Petroleum % of Total Fuel Use	Alt Fuels Total GGE	Alt Fuels % of Total Fuel Use	FYTD Total Fuel Use (GGE)	Missed Opportunities Total GGE	Missed Opportunities % of Total Fuel Use
Health Resources and Services Administra	3,841	100%	0	0%	3,841	26.2	0.68%
Administration for Children and Families	102	30.9%	228	69.1%	331	0	0%
Food and Drug Administration	60,389	95.1%	3,142	5.0%	63,531	10,739	16.9%
Office of the Secretary	6,518	100%	0	0%	6,518	713	10.9%
Department of Health and Human Services	13,223	100%	0	0%	13,223	532	4.0%
Indian Health Service	360,452	97.9%	7,813	2.1%	368,265	35,950	9.8%
Center for Disease Control	11,321	95.4%	546	4.6%	11,867	3,427	28.9%
Substance Abuse and Mental Health Servic	464	100%	0	0%	464	0	0%
Health Resources Administration (Expired	35.3	100%	0	0%	35.3	0	0%
Program Support Center	204	100%	0	0%	204	138	67.7%
Departmental Management (IG)	74,677	98.9%	826	1.1%	75,503	18,389	24.4%
National Institute of Health	8,244	72.0%	3,204	28.0%	11,448	2,859	25.0%
Center for Medicare and Medicaid Service	2,687	97.8%	59.3	2.2%	2,746	366	13.3%
Total:	542,156	97.2%	15,819	2.8%	557,975	73,139	13.1%

Missed Opportunities indicates the quantity of conventional fuel purchased at locations where alternative fuel could have been purchased at a publicly accessible alternative fuel station accepting Wright Express within 5 miles.
FYTD Alt Fuel indicates the amount of alternative fuel purchased as a percentage of total fuel purchased.

Learn more about how FleetDASH processes agency fleet data.

Data current through: 02/01/2014

Appendix C: Alternative Fuel Vehicle Statistics – FY2013

1. Actual Light-Duty Vehicle Acquisitions and Exemptions

Vehicle Type	Acquisitions		
	Leased	Purchased	Total
Total Light-Duty Vehicle Acquisitions	702	8	710
Fleet Exemptions: Fleet Size	0	0	0
Fleet Exemptions: Foreign	0	2	2
Fleet Exemptions: Geographic	0	0	0
Fleet Exemptions: Non-MSA Operation	0	0	0
Vehicle Exemptions: LE Vehicle	123	0	123
Vehicle Exemptions: Non-Covered Vehicle	0	0	0
Vehicle Exemptions: Non-MSA Operation	0	0	0
Total EPAct-Covered Vehicles	579	6	585

2. Actual Alternative Fuel Vehicle Acquisition Detail

Vehicle Type	Fuel	LE	Acquisitions			EPAct Credits
			Leased	Purchased	Total	
Light Duty Vehicles						
Sedan/St Wgn Compact	E85 FF	No	25	0	25	25
Sedan/St Wgn Compact	E85 FF	Yes	7	0	7	0
Sedan/St Wgn Compact	GAS AF	No	6	0	6	6
Sedan/St Wgn Compact	GAS AF	Yes	1	0	1	0
Sedan/St Wgn Compact	GAS HY[3]	No	17	0	17	17
Sedan/St Wgn Compact	GAS HY[3]	Yes	1	0	1	0
Sedan/St Wgn Compact	GAS PH	No	2	0	2	2
Sedan/St Wgn Midsize	E85 FF	No	10	0	10	10
Sedan/St Wgn Midsize	E85 FF	Yes	21	0	21	0
Sedan/St Wgn Subcompact	E85 FF	No	52	0	52	52
Sedan/St Wgn Subcompact	E85 FF	Yes	4	0	4	0
Sedan/St Wgn Subcompact	GAS AF	No	23	0	23	23
Sedan/St Wgn Subcompact	GAS AF	Yes	1	0	1	0
Sedan/St Wgn Subcompact	GAS HY[3]	No	28	0	28	28
LD Minivan 4x2 (Cargo)	E85 FF	No	1	0	1	1
LD Minivan 4x2 (Passenger)	E85 FF	No	97	0	97	97
LD Minivan 4x2 (Passenger)	E85 FF	Yes	13	0	13	0
LD Pickup 4x2	E85 FF	No	7	0	7	7
LD Pickup 4x2	E85 FF	Yes	4	0	4	0
LD SUV 4x2	E85 FF	No	11	0	11	11
LD SUV 4x2	E85 FF	Yes	11	0	11	0
LD SUV 4x2	GAS AF	No	1	0	1	1
LD Van 4x2 (Cargo)	E85 FF	No	0	6	6	6
LD Van 4x2 (Passenger)	E85 FF	No	1	0	1	1
LD Pickup 4x4	E85 FF	No	22	0	22	22
LD SUV 4x4	E85 FF	No	69	0	69	69
LD SUV 4x4	E85 FF	Yes	5	0	5	0
LD SUV 4x4	GAS AF	No	19	0	19	19
LD SUV 4x4	GAS AF	Yes	1	0	1	0
LD SUV 4x4	GAS HY[3]	No	2	0	2	2
LD Van 4x4 (Passenger)	E85 FF	No	8	0	8	8
Medium Duty Vehicles						
MD Other	E85 FF	No	5	0	5	5
MD Pickup	E85 FF	No	17	0	17	17
MD Van (Cargo)	E85 FF	No	2	0	2	2
MD Van (Passenger)	E85 FF	No	6	0	6	6
TOTALS:			500	6	506	437

3. Actual EPAct Acquisition Credits Summary

Base AFC Acquisition Credits:	437
Zero Emission Vehicle (ZEV) Credits:	0
Dedicated Light Duty AFV Credits:	0
Dedicated Medium Duty AFV Credits:	0
Dedicated Heavy Duty AFV Credits:	0
Biodiesel Fuel Usage Credits:[4]	8
Total EPAct Credits:	445
Overall EPAct Compliance Percentage:	76%