

Office of Vehicle Acquisition  
& Leasing Services



# LEASING VEHICLES THROUGH GSA FLEET



Kevin Gibson



*A Financial & Business Management Branch Presentation*

# Topics

- Who we are
- How we operate
- Who are our big customers
- AFVs

# The Office of Vehicle Acquisition and Leasing Services



**GSA Automotive/GSA Fleet**

# AGENCY VEHICLE OPTIONS

- 1. Own their own**
- 2. Commercial lease**
- 3. P.O.V. reimbursement**
- 4. GSA Fleet lease**
- 5. Combination of the above**

# Who is GSA Fleet?

- Provide long term vehicle leasing
- Lease over 193,000 vehicles
- Planned MINIMUM replacement cycle
- Charge monthly/mileage fee
- Provide cradle to grave fleet management services
- Worldwide

## OUR MISSION

**“To provide safe, reliable, low cost vehicle solutions assisting our customers to effectively and efficiently meet their mission requirements.”**

**Right Vehicle**

**at the**

**Right Price**

**“GET IN IT.**



**THEN DRIVE OFF!”**

**IT IS ALMOST THAT EASY**

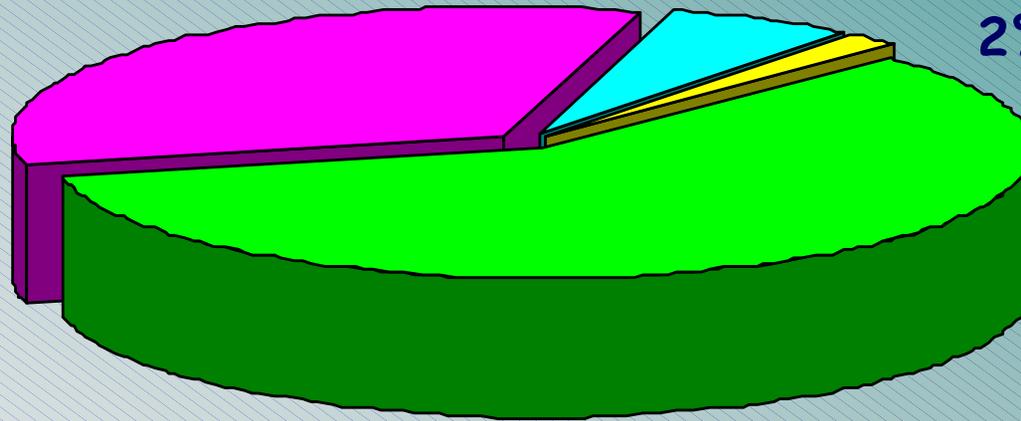
# GSA FLEET VEHICLE PROFILE

193,000 Vehicles  
2.0 Billion Miles

Passenger  
32%

Other  
5%

Buses  
2%



Lt. Trucks  
61%

## Major Customers

Army  
Interior  
Energy  
Navy  
Transportation  
Air Force



# Benefits of GSA

- Best Non-agency Option
- Low National Rates
- Full Service Support
- Guaranteed Vehicle Replacement
- Assume Financial Risk (purchase price, fuel price, resale market)
- Modern Fleet
- AFV Program
- Internet Solutions for Customers

# We are Privatized

- **Vehicle and Delivery**
- **Maintenance/repair**
- **Fuel**
- **Body Repair**
- **Vehicle Remarketing**

# National Maintenance Control Center Call 1-888-622-6344

- National MCC Team
- 4 Locations/1 Toll-free Number
- 400,000 Calls Annually
- Emphasis on Quality of Calls
- Call Monitoring



# National Accident Management Center Call 1-800-325-2958



- 2 Locations/Full Service
- Toll-free Number
- Centralize Accident Reporting/Claims Functions

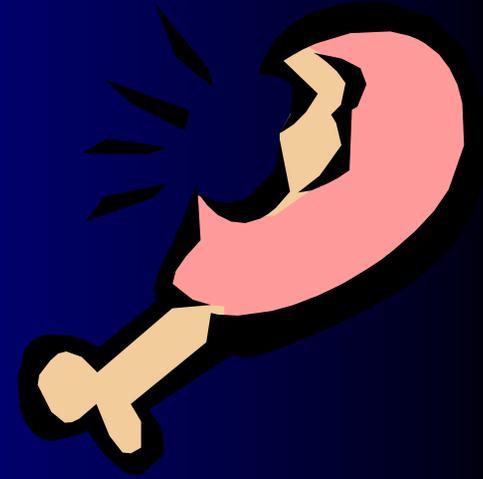
# Vehicle Remarketing

- Use Commercial Auction firms
- "Mini-Business" - Over \$200m Annually
- Proceeds used to Fund Replacement Vehicles
- Focus on Buying Right and Selling Smart

**Goal: Maximize Net Proceeds**



## HOW WE BUY

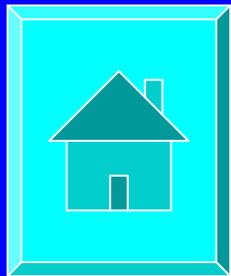


100% Low Bid

- \* Lowest price as equipped
- \* Documented justification for non-low

# ***Snapshot of Income Taxes***

## ***Median One- and Two-Income Families***



1998 Stats

	<u><b>One-Earner</b></u>	<u><b>Two-Earner</b></u>
<b>Salary</b>	<b>\$36,579</b>	<b>\$68,605</b>
<b>Taxes</b>	<b>\$1,931</b>	<b>\$6,083</b>

**Alero**

**\$11,604**



**Caravan**

**\$16,569**



**Tahoe**

**\$24,437**



# ***Customer Responsibilities***



- **Operate vehicles as if it were theirs**
- **Obtain scheduled PM services**
- **Maintain vehicle appearance & cleanliness**
- **Avoid vehicle misuse/abuse**
- **Report all accidents promptly to the AMC**

# ***Customer Responsibilities***

*(cont..)*



- **Use self-service fuel pumps**
- **Use regular unleaded fuel or Alt. Fuel**
- **No smoking in Government vehicles**
- **Wear seatbelts**
- **Safeguard keys and credit card**
- **Pay GSA Fleet bill promptly**



# Greening the Government

*Presidential Executive Order (E.O.) 13149*

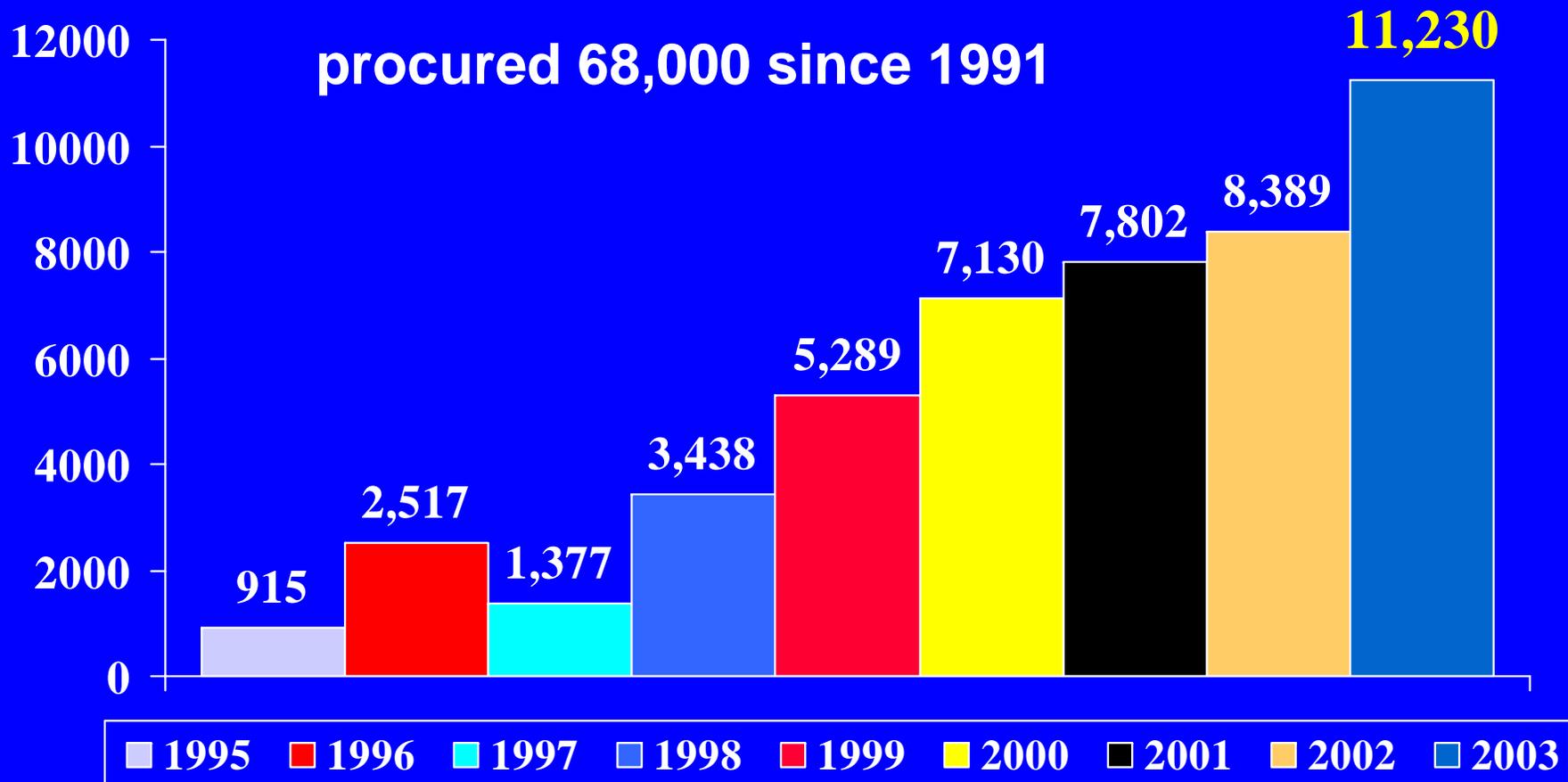
- **Signed on April 21, 2000**
- **Reduce fleet's annual petroleum consumption by at least 20 percent by the end of FY 2005, 3 MPG increase by 2005**
- **Through increases in fleet efficiencies and the use of alternative fuels**

# GSA Fleet AFV Acquisitions

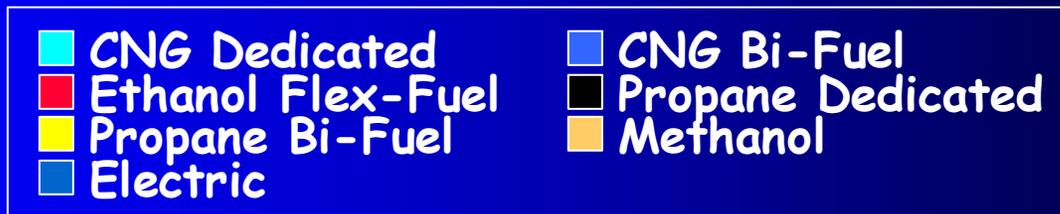
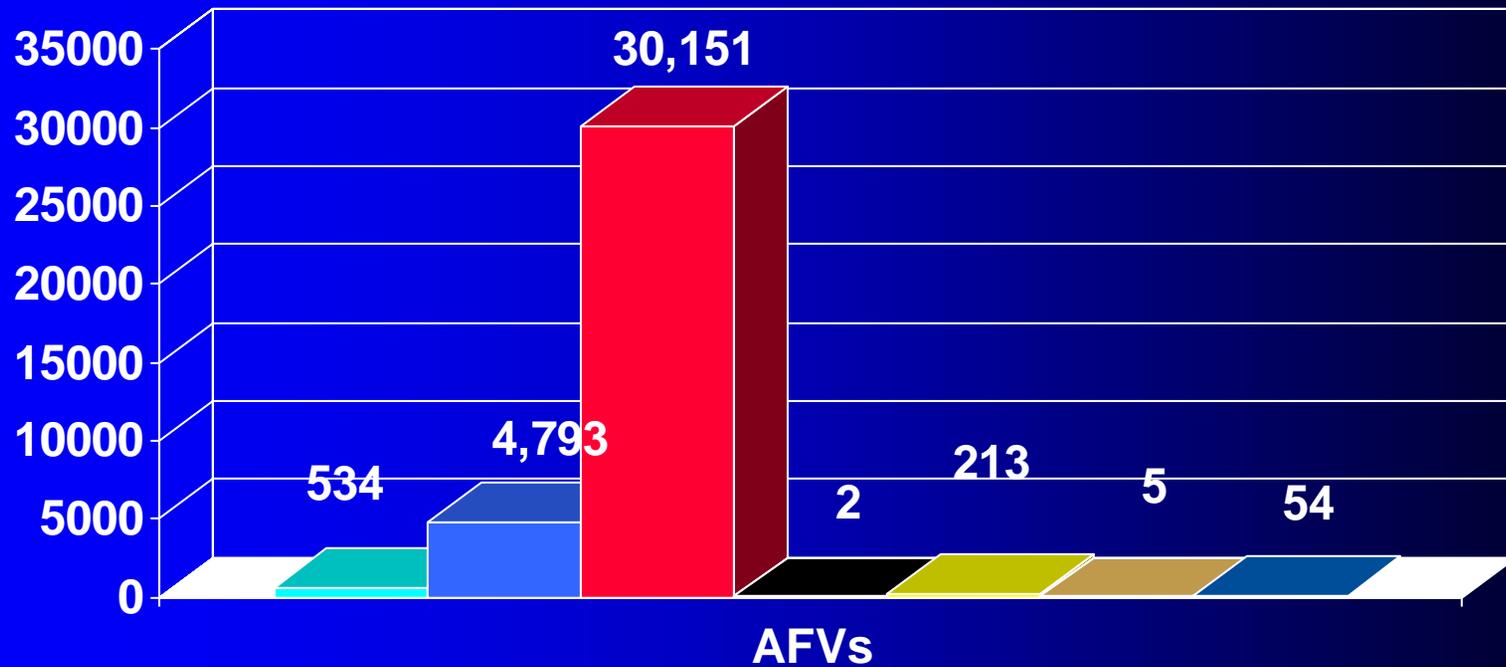
Number of AFVs acquired annually, 1995-2003

35,000 in current inventory

procured 68,000 since 1991



# GSA Fleet AFVs



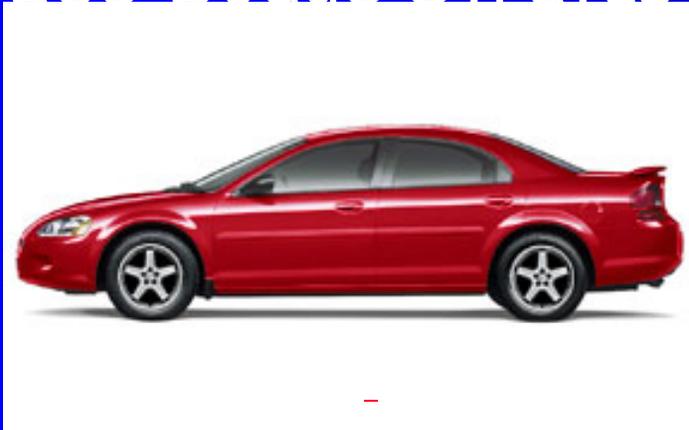
# Available AFV Products from GSA Fleet

- Approximately 48 vehicle configurations available as AFVs in FY04
- E85, CNG, and LPG light duty models



# FY04 AFV Preview

E85 Dodge Stratus



CNG2 GM CG3300



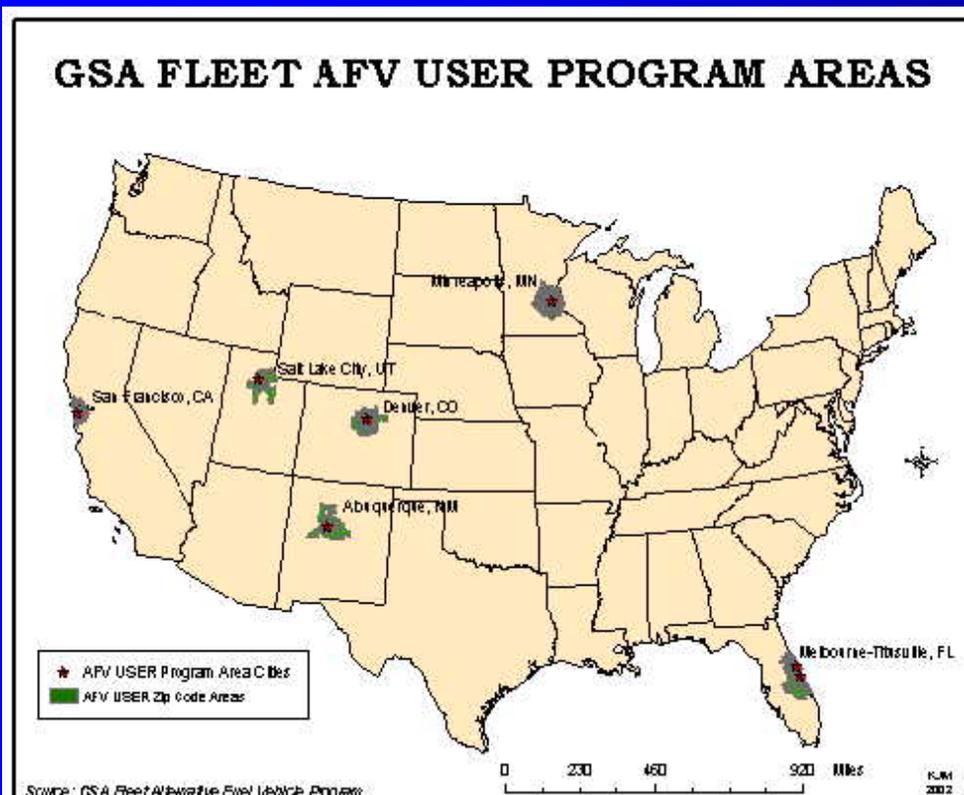
LPG2 Ford F150



# How we help with AFVs

- AFV Customer Planning
- AFV User Program (Six Cities)
- Flexible Funding Options

# AFV USER Program

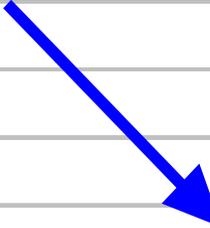


- Albuquerque, NM
- Denver, CO
- Melbourne-Titusville, FL
- Minneapolis, MN
- Salt Lake City, UT
- San Francisco, CA

# AFV Incremental Cost

- Low bid - the least expensive vehicle that meets the vehicle class mission requirements

Example			
Low Bid	<u>Conventional Cost</u>	<u>AFV Cost</u>	<u>AFV Incremental Cost</u>
	Cavalier Gasoline	Cavalier CNG2	
	\$10,000	\$15,000	\$5,000



# AFV Incremental Cost Funding Options

- **Lump Sum Transfer**
  - Cash transfer from headquarters, Interagency agreement
- **Vehicle Surcharge**
  - Spread cost over customer's fleet
- **12-Month Rate (GOING AWAY)**
  - Spread cost over 12 months



# Customers by Funding Option - FY03

- Surcharge - Army, Navy, DOE, DOI
- Interagency Agreement - USMC, USCG
- MIPR - DLA, DCMA, AFMC

## New Rate for AFVs

- Amortize the AFV costs over the life of the vehicle
- AFV USER money would go away
- GSA Fleet will amortize AFV costs up to \$20 million

# New AFV Rate Example

- Chevrolet Cavalier CNG Bi-Fuel



## Example

<u>Vehicle</u>	<u>Fuel Type</u>	<u>Conventional</u> <u>Rate</u>	<u>New AFV</u> <u>Rate</u>
Chevrolet Cavalier	CNG Bi-Fuel	\$ 148	\$ 268

# Lowest Cost

## Option

Compact Sedan - Std. Item 9C



<b>FY04 Rate:</b>	<b>\$168 mo.// \$10 ½ cents/ mile</b>
<b>EST AFV rate:</b>	<b>\$205 mo.// \$10 ½ cents/ mile</b>
<b>Replacement:</b>	<b>3 yrs. or 36,000 miles</b>

# Lowest Cost

## Option

Passenger Sedan - Std. Item 20



<b>FY04 Rate:</b>	<b>\$205 mo.// \$0.130 mile</b>
<b>Replacement:</b>	<b>7 yrs. or 60,000 miles</b>

# Using Unleaded Gas in E85 Vehicles





**National Park Service, Boulder City Nevada  
6 slow fill spots. DOE Funded**

# Fort Lewis Washington CNG Grand Opening Aug 2003



# Compressed Natural Gas Fueling Station KSC, FL



# Kennedy Space Center





New Orleans is not always a safe place







## Passenger and cargo vans







**THANK YOU !!**



**ANY QUESTIONS?**

**Contact Kevin Gibson**

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