[Index No. 62—B-114874, Aug. 31, 1966]

Review of Program for Replacement and Procurement of Motor Vehicles, Post Office Department

On the basis of our review of the maintenance of selected motor vehicles at seven vehicle maintenance facilities in three postal regions, we believe that the Department could achieve substantial savings if action were taken to obtain more timely replacement of older vehicles. To accomplish these savings, it would be necessary for the Department to initiate vehicle procurement more expeditiously and to fully consider procurement lead time in establishing vehicle requirements.

Our analysis of the repair and maintenance costs of selected vehicles of ¾-ton and 1-ton capacities showed that vehicles which were 6 or more years old had been substantially more costly to maintain than newer vehicles. We estimate that the cost for operating the overage vehicles at the facilities we reviewed was $110,000 greater in calendar year 1964 than the cost would have been for operating newer vehicles the same number of miles. If the conditions found in the seven facilities we reviewed are typical of the conditions at other locations, substantial additional costs may be attributable to operating overage vehicles throughout the postal service.

Our review showed also that overage vehicles were much less dependable than newer vehicles to operate. For example, at two facilities vehicles less than 6 years old traveled an average 1,170 miles between unscheduled repairs, while overage vehicles traveled only an average of 560 miles between such repairs.

The Department had continued to operate vehicles beyond their scheduled replacement dates primarily because the ordering of new vehicles had been delayed and because, when vehicle requirements had been established, full consideration was not given to administrative and production lead time. We found that, although the Department generally had anticipated receiving new vehicles in the same fiscal year in which funds for these vehicles were made available, the Department had not received the vehicles when anticipated. Our analysis of procurement records for vehicles needed in fiscal year 1964 showed that from 3 to more than 9 months had elapsed after the beginning of the fiscal year before the Department had issued purchase orders for the vehicles to the General Services Administration and that from 21 to 29 months elapsed from the beginning of the fiscal year to acceptance of the last vehicle.

In February 1966 we brought these matters to the attention of the Postmaster General and proposed that the Department strengthen its procedures to provide greater assurance that vehicles are replaced when it is most economical to do so and that vehicles required for new service routes are obtained in a timely manner. We suggested specifically that the Department prepare its vehicle specifications and procurement requests in the period between the submission of its budget and the beginning of the new fiscal year so that the General Services Administration can request bids immediately after the Department's budget is approved by the Congress. We suggested also that the administrative and production lead time be included as a factor in determining new-vehicle requirements and that the current experienced lead time be reviewed to determine whether the procurement and delivery of new vehicles can be accelerated.