NAVY FLEET MANAGEMENT PLAN

INTRODUCTION

On May 24, 2011, the President issued Presidential Memorandum-Federal Fleet Performance. It requires that all federal agencies conducting an annual Vehicle Allocation Methodology (VAM) to determine the optimum fleet inventory to meet mission requirements and identify necessary resources. The expected outcome of implementing this bulletin is a Federal fleet that is comprised of smaller, more efficient, less greenhouse gas emitting vehicles that operate primarily on alternative fuels.

Navy's basis for the VAM is our Transportation Review of Inventory Objectives (TRIO) process. Currently the TRIO is conducted by the Echelon III, Base Support Vehicles & Equipment (BSVE) Product Line Management Office (PLMO) on a triennial basis for all Navy activities. The TRIO validates inventory objective (IO) for all vehicles and equipment requirements for all Navy activities. In most cases a lead activity Facilities Engineering Center (FEC)/Public Works Department holds the IO for all tenants of an installation. In some circumstances Navy has individual activities, not associated with an installation that holds their own IO. IOs are assigned based on the minimum number of units required to accomplish the activity's mission. As changes in mission, new functions, and/or functional transfers occur, the activity IO is revised on an interim basis. Based on the VAM requirement it is Navy's plan to validate the TRIO data annually.

Navy refers to their non-tactical vehicle fleet as Civil Engineering Support Equipment (CESE), which is assigned only to those shore activities that have approved inventory objectives (IOs). In most cases CESE is be supplied by the regional FEC through new procurement, rental or lease, or by redistribution of excess equipment. In other instances CESE may be "owned" by a particular activity. Only enough CESE that is needed to accomplish the stated mission of an activity is assigned. Annual assessments are made by the PLMOs to determine if adjustments are needed due to mission changes or new taskings.

CESE is received at an activity to replace current inventory or to fill an unfilled IO and is not to be retained when excess to IO. When new or used CESE is received at an activity to replace current inventory, a reasonable period of time (generally 15 days) is allocated for the changeover to report excess and process paperwork before transferring equipment to disposal.

Note: In certain situations, items excess to IO are considered mission essential and may be retained for a limited period of time. These situations shall be fully documented, approved by the PLMO, and kept on file at the activity. Examples of such situations include: Blood mobiles; on-hand assets are of less capacity than IO items, so additional units must be retained until IO items can be procured (i.e., two 5-ton dump trucks substituting for one 10-ton dump truck); a short-term need that must be met, but where an IO change would not be required (less than one year duration). In each such case, authorization for retention of excess vehicles shall be obtained from the PLMO in writing. The PLMOs are to review these temporary approvals during the TRIO.

The TRIO considers the following objective criteria:

1) Mission;

2) Historical/expected miles of use per vehicle;

3) Historical/expected hours of use per vehicle;

4) Ratio of employees to vehicles;

5) Frequency of trips per vehicle;

6) Vehicle function;

7) Operating terrain;

8) Climate;

9) Vehicle condition, age, and retention cycle;

10) Vehicle down time;

11) Needed cargo and/or passenger capacity;

12) Required employee response times; and

13) Greenhouse gas emission level of the vehicle

Navy also collects additional information about each vehicle through user surveys. Such subjective information could provide valuable insight into the objective criteria. For example, a fire truck may have low utilization as it is on standby, but it is necessary that it be available and prepared to respond to emergencies. The survey questions are listed below:

1) What tasks do you accomplish with the vehicle? Describe how those tasks support the agency's mission.

2) Does the vehicle need special equipment (aftermarket equipment not standard to commercial vehicles and trucks) to accomplish the tasks?

3) How important is the vehicle to accomplishing the mission? Describe critical need to the mission.

4) How many people will be transported per trip on a regular basis?

5) How much and what type of cargo will the vehicle haul on a regular basis?

6) Is the vehicle shared with other employees or other agency organizations?

7) Is there access to alternative fuel within 5 miles or 15 minutes of the vehicle's garaged location and if so where is it located and what type of alternative fuel is available?

8) If the vehicle is an AFV, does it have an approved waiver from the use of alternative fuel?

9) What type of driving conditions will the vehicle be in (exclusively on a base or campus setting, city, highway, off road, weather, etc.)?

10) Can the work be done via alternatives to owning or leasing a vehicle such as shuttle bus services, motor pool vehicles, sharing vehicles with other offices/agencies, public transportation, or short term rentals when needed, etc.?

SCHEDULE

This section describes the schedule the Navy will follow to achieve its optimal fleet inventory, including plans for beginning to acquire all AFVs by December 31, 2015.

TASK	**DUE DATE**
Enter VAM data into FAST	17 Feb 2012
Enter Fleet Management Plant into FAST	17 Feb 2012
Incorporate Fleet Management plan with Annual Strategic Sustainability Performance Plans prepared	31 June 2012
Optimize Inventory based on VAM	31 Dec 2015
All new acquisitions will be AFVs	31 Dec 2015

Each year until 2015 starting in 2012, the Navy will analyze non-AFV acquisitions and determine if an AFV can meet this need.

Naval Facilities Engineering Command (NAVFAC) HQ, will work with Navy leadership to develop a policy mandating the purchase of 100% AFVs unless granted a waiver form NAVFAC HQ. Naval Facilities Engineering Logistics Center (NFELC) (Navy purchasing agent) will not procure any non-AFV vehicle without proper justification and prior approval from NAVFAC .

The Navy replaces approximately 3500 vehicles annually. Replacement vehicles are either funded through the POM process, with Other Procurement, Navy (OPN) funds and Navy Working Capital Funds (NWCF) for the procurement of Navy-owned vehicles. Operations & Maintenance, Navy (OMN) funds are used to lease/rent vehicles either through the FEC or directly from GSA. For the past 8 years Navy has exceed the 75% AFV acquisition requirement. Purchasing 100% AFVs will not be a problem as long as GSA offers low incremental cost AFVs in sufficient quantities.

You will note on the Navy VAM submission that the 2015 Plan is blank, acquisition planning for 2015 is currently underway and will be completed in mid-2012. Assuming no changes in mission requirements, we will need to reduce the fleet by 1,092 vehicles by 2015. We will work to reduce approximately 273 vehicles per year in order to achieve our optimal fleet by 2015. You will also note that in a few of the vehicle categories the Optimal Fleet is higher than the baseline inventory fleet numbers, this is because there are few or no acquisitions planned in order to meet the optimum fleet goal. However we anticipate this could change depending upon funding levels. The Optimal Fleet goal is based on a true requirement, which is the 100 percent of the vehicle requirement to meet

mission or Common Output Level (COL) 1. However, overall customer funding is currently averaging at a COL 4 level which equates to approximately 70% of the requirement. We will work to ensure that our fleet is reduced to our inventory objectives shown in the "optimal fleet" section of the VAM worksheet.

Besides the TRIO process, the Navy is also using technologies such as Carshare to reach its optimal fleet. The Navy conducted follow-on pilot studies in 2011 of fleet-type car-sharing systems. The technologies have the potential to optimize fleet size and streamline vehicle dispatching. Prospective systems included automated (web-based) reservations, geographic tracking equipment, and keyless entry systems. Initial demonstrations at NAVSTA Norfolk VA and NAVSTA San Diego CA concluded in 2010. NAVFAC conducted follow-on demonstration of the fleet-type car-sharing technology used at NAVSTA Norfolk at two additional sites. NAVSTA Great Lakes launched an onboard computer and key management system in October 2010. In February 2011, NBK Bangor implemented a key management system to automate their reservations and vehicle check out system. All three sites on the fleet-type system identified efficiency benefits and continued using the technology through FY2011. Savings from large scale implementation can enable reinvestment toward more advanced technology vehicles.

AFVS IN PROXIMITY TO AFV INFRASTRUCTURE

Table 1 is the most current list of AFV infrastructure on Navy installations. The Navy has recently been awarded 10 million dollars from Chief, Naval Installations Command (CNIC) for additional alternative fuel infrastructure. This will support approximately 20 additional alternative fueling stations. These sites are shown in Table 2.

Table 1: AF INFRASTRUCTURE NAVY-OWNED & NEX

ACTIVITY	E85	Electric	CNG	B20
HAWAII	1	P	0	P
MIDLANT	3	P	1	5
MIDWEST	2/P	P	1	2/P
NORTHWEST	4	P	0	2
SOUTHEAST	1	P	0	1
SOUTHWEST	1/P	P	2	9
WASHINGTON	P	P	0	P
EURAFSWA	0	0	0	0
MARIANAS	0	0	0	0
FAR EAST	0	0	0	0
	12	0	4**	19
*P = Planned				
** The Navy has approximately 9 additional CNG stations are not operational				

Table 2: PLANNED 2012 AF INFRASTRUCTURE

FEC	Site	Infrastructure Type	Planned Contract Award	Planned Construction Completion
WASHINGTON	NSF Dahlgren	E85/B20	8/1/2012	12/1/2013
WASHINGTON	NSF Indian Head	E85/B20	8/1/2012	12/1/2013
WASHINGTON	Anacostia	EV Charging Station	8/1/2012	12/1/2013
SOUTHEAST	NSB Kings Bay (upper base)	Solar Carport EV Charging	8/1/2012	12/1/2013
SOUTHEAST	NSA Panama City	Solar Carport EV Charging	8/1/2012	12/1/2013
SOUTHEAST	NAS Whiting Field	Solar Carport EV Charging	8/1/2012	12/1/2013
SOUTHWEST	NAS Fallon	Solar Carport EV Charging	8/1/2012	12/1/2013
SOUTHWEST	NB Point Loma	Solar Carport EV Charging	8/1/2012	12/1/2013
SOUTHWEST	NAS Point Mugu	Solar Carport EV Charging	8/1/2012	12/1/2013
SOUTHWEST	NB Coronado	Solar Carport EV Charging	8/1/2012	12/1/2013
SOUTHWEST	NB San Diego	Solar Carport EV Charging	8/1/2012	12/1/2013
NORTHWEST	NBK Bremerton	EV Charging Station	8/1/2012	12/1/2013
NORTHWEST	NAS Everett	EV Charging Station	8/1/2012	12/1/2013
NORTHWEST	NBK Bangor (lower base)	E85/ B20	8/1/2012	12/1/2013
			8/1/2012	12/1/2013
MIDLANT	PWD Philadelphia	E85/ B20	8/1/2012	12/1/2013
MIDLANT	PWD Little Creek	E85/ B20	8/1/2012	12/1/2013
MIDWEST	MW -- MidSouth	EV Charging Station	8/1/2012	12/1/2013
MIDWEST	MW -- Crane	EV Charging Station	8/1/2012	12/1/2013
			8/1/2012	12/1/2013
HAWAII	Pearl Harbor	Solar Carport EV Charging	8/1/2012	12/1/2013
HAWAII	NCTAMS	E85/B20	8/1/2012	12/1/2013

Navy has been working to ensure that AFVs acquired either through procurement or GSA replacement planning are directly located to the type of alternative fuel available in the area. However, since we are required to buy all AFVs starting in 2015 and have been required to acquire 75% AFVs, some AFVs are located where no infrastructure exists. These are primarily E85 vehicles because they have little or no incremental cost but require significant infrastructure investment. We will be able to minimize this now that low GHG vehicles are considered as an AFV. We are also attempting to acquire hybrids and electrics for the areas without E85 but these are very expensive compared to low GHGs and flex-fuel (E85 compatible vehicles). Although our focus will be primarily on replacing existing E85 vehicles with the appropriate AFV type for an area, we will, if feasible, attempt to move current E85 vehicles in an area without E85 infrastructure (also without any planned E85 infrastructure) to areas where infrastructure exists .

VEHICLE SOURCING DECISIONS

As new requirements are identified Navy activities are required to provide a lease versus buy cost benefit analysis to determine the most cost effective method of obtaining a vehicle.

It compares the cost of owned vehicles to leased vehicles, including all direct and indirect costs projected for the lifecycle of owned vehicles to the total lease costs over an identical lifecycle. A justification for acquiring vehicles from other than the most cost effective source is required and must be approved by NAVFAC HQ.

ANNUAL STRATEGIC SUSTAINABILITY PERFORMANCE PLAN

The Navy will incorporate its fleet management plan into the Annual Strategic Sustainability Performance Plan (as required by Executive Order 135 14) beginning in June 2012.