DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

18 FEB '98

CELD-T (55)

MEMORANDUM FOR COMMANDERS, MAJOR SUBORDINATE COMMANDS, FIELD OPERATING ACTIVITIES AND LABORATORIES
ATTN: Directors of Logistics

SUBJECT: Alternative Fuel Vehicles (AFV) for Conus, Alaska and Hawaii

1. This updates information regarding revised General Services Administration (GSA) vehicle rates and guidance regarding requirements to transition vehicle fleets to meet AFV goals established by Executive Order (EO) 13031 Federal Alternative-Fueled Vehicle Leadership, dated 13 Dec 96. EO 13031 requires each Federal agency to develop and implement plans to meet AFV acquisition requirements established by the Energy Policy Act of 1992 (Public Law 102-486).

2. In December 1997, GSA announced revised lease rates for calendar year 1998 resulting from the higher acquisition cost of AFV units. Due to manufacturer production schedules and procurement deadlines, GSA is not able to project vehicle pricing in advance. These changes were distributed to all GSA customers through its regional offices and forwarded by this office to all USACE logistics offices. An informal summary is at enclosure 1 for information. GSA uses a revolving fund for fleet management and does not have the capital investment funds to cover incremental costs. Therefore, this cost must be borne by individual agencies in the monthly lease cost spread over the first twelve months of the lease. After the first year, rates will return to the "normal levels". Certain vehicles have higher incremental lease costs than others depending on the acquisition cost to GSA. In some cases these costs are sharply higher; in other cases they are minimal. Details can be obtained from supporting Fleet Management Centers.

3. These rate changes were based on acquisition of new vehicles to meet the AFV goals established by the Energy Policy Act. The Act generally requires that, of the vehicles acquired by each agency, subject to certain conditions specified in section 303(b)(1) of the Act, 25 percent should be AFVs in fiscal year (FY) 1996, 33 percent in FY 1997, 50 percent in FY 1998, and 75 percent in FY 1999 and thereafter. That section also defines which vehicles are covered by the AFV acquisition requirements - primarily general-use vehicles located in Metropolitan Statistical Areas (MSAs) with populations of 250,000 or more. These requirements apply to all agencies, regardless of whether they lease vehicles from GSA or acquire them elsewhere. GSA announced that it will rely on customers to order their vehicles to comply with these requirements.

4. Each activity fleet manager should review vehicle needs in coordination with the GSA regional fleet manager to determine cost effective approaches to support mission requirements

while complying with the provisions of the EO and Public Law. Please advise this HQ of any issues impacting your ability to comply as they arise. We will work with you to seek resolution.

5. HQUSACE POC is Mike Ballenger (CELD-T) CML 202-761-1033 or DSN 763-1033.

FOR THE COMMANDER:

Gary L. Anderson

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GARY L. ANDERSON
Director of Logistics

From: MICHAEL BALLENGER
To: X400.MCX.DL-ALLLOGPOCS-CENPD-IM-M, X400.MCX.Coley-...
Date: 1/9/98 2:22pm
Subject: Alternate Fuel Vehicle information for Conus, Alaska and Hawaii

This is an information heads up regarding what is happening in the Alternate Fuel Vehicle (AFV) area.

I recently attended two meetings with GSA, on 15 and 18 December 1997 concerning Executive Order 13031 FEDERAL ALTERNATIVE FUELED VEHICLE LEADERSHIP, dated December 13, 1996.

The Executive Order requires that for vehicles being replaced in FY 98, 50% of them are to be AFVs. Of those replaced in FY 99 and thereafter 75% of them are to be AFVs. Currently the order applies only to vehicles that are 8500 GVW and under in Metropolitan Statistical Areas (MSAs). These are cities and their surrounding counties that have a population of 250,000 or more. To find if this applies to your area, the MSA list is available at: http:/www.whitehouse.gov/WH/EOP/OMB/html/mheda/msa95.html

One of the issues in acquiring AFVs is a higher or incremental procurement cost. These costs are to be funded by the individual agencies. GSA has a revolving fund for its fleet management; therefore they do not have the up front capitol investment to cover the incremental cost.

The method of funding was voted on by all the agencies. The following two scenarios were the results. 1. The incremental cost would be paid up front by the agency to GSA. 2. There would be a substantial rental rate increase for the first year(this would cover the incremental cost)and then drop down to the normal rate for the remainder of the lease and thereafter for subsequent leases. We anticipate that funding will be born by the using activity as applicable.

At the meeting on 18 Dec 97 awards for AFVs were announced.

- If you are currently using an authorized MIDSIZE (Class III) (Standard Item 10B.1) sedan that is Flexible Fuel, there will be no increase in the rental rate. All IFMS midsize AFV sedans will be ordered as the E85 Taurus (except LE). The monthly rate remains $199.

- In order to try to meet the requirements of the Order for sedans, a waiver has been granted by the Administrator of GSA to acquire midsize AFV sedans (Class III) in lieu of compact (Class II) sedans. Therefore no certification is required to upgrade. There will be an incremental cost. The monthly rate for the first year will be $386. This will return to the compact rate of $149 for the remainder of the lease. Also, at the end of the lease the midsize AFV sedan would be replaced with a compact AFV sedan.

- AFV Compact Minivans (7 pax) (Standard Item 20.1) will be the Dodge Caravan, Ethanol flexible fuel. They will not be available in CA, NY, MA and CT. GSA is purchasing 3500 and replacing non-AFV minivans automatically in MSAs. There will be no incremental cost. The monthly rate is $185.

- AFV Compact Passenger Van (15 pax) (Standard Item 24.1) will be the Ford Super Club, dedicated Natural Gas. There will be an incremental cost. The monthly rate for the first year will be $320. This will drop to $225 for the remainder of the lease.

- AFV Cargo Vans (Standard Item 32.1) will be the E250 dedicated Natural Gas. There will be an incremental cost. The monthly rate for the first year will be $346. This will drop to $193 for the remainder of the lease.
(Standard Item 24.1) will be the E350, dedicated Natural Gas. There will be an incremental cost. The monthly rate for the first year will be $332. This will drop to $218 for the remainder of the lease.

- AFV Pickup Trucks (Standard Item 42.1) will be the Ford F250, dedicated Natural Gas. There will be an incremental cost. The monthly rate for the first year will be $400. This will drop to $190 for the remainder of the lease.
(Standard Item 44.1) will be the GM C2500, Bi-fuel Natural Gas. There will be an incremental cost. The monthly rate for the first year will be $621. This will drop to $223 for the remainder of the lease.

In order for the Corps to comply with any of the above pricing for FY 98, districts, divisions, lab and FOAs have to commit to their supporting GSA office by 31 Jan 98. Even though the Order applies to vehicles that are 8500 GVW and under, double credits are given towards the percentage goals for most heavier vehicles.

CC: GARY, ANDY