

**INTERSERVICE SUPPORT AGREEMENT
BETWEEN THE
GENERAL SERVICES ADMINISTRATION (GSA)
INTERAGENCY FLEET MANAGEMENT SYSTEM (IFMS)
AND THE U.S. NAVY**

1. AUTHORITY.

The GSA consolidation process is the method by which the IFMS acquires an agency's fleet as authorized by Section 211 of the Federal Property and Administrative Services Act of 1949, as amended (Property Act) and Executive Order 10579.

2. PURPOSE.

This Interservice Support Agreement (ISSA) summarizes the basic service arrangements to be established between the GSA Interagency Fleet Management System (IFMS) and the U.S. Navy. This ISSA will go into effect activity by activity upon consolidation of the motor vehicles currently owned by the U.S. Navy.

3. BACKGROUND.

The U.S. Navy has conducted an analysis of their costs associated with their current fleet operation and determined that a cost savings could be realized Navy-wide by converting a portion of the Navy's fleet to GSA IFMS support. Based on these findings and Navy review of all other factors, the U.S. Navy determined that it was in their best interest to convert their non-Navy Working Capital Fund (NWCF), Civil Engineering Support Equipment (CESE) vehicles to GSA's IFMS. Approximately 9,600 vehicles currently are candidates for conversion to GSA's IFMS.

4. SUMMARY OF CONSOLIDATION PROPOSAL.

The U.S. Navy has agreed to consolidate its non-NWCF vehicles with the GSA IFMS. A maximum of 9,600 non-NWCF Navy-owned vehicles currently are candidates for consolidation. The consolidation will be by Navy Base/activity. The consolidation will take place over a 4-year period beginning in FY 99. GSA agrees to consolidate 25 percent of the Navy's total fleet (up to 9,600 vehicles) in each of the four years. The attached schedule (Attachment 1) provides the FY 99 consolidation schedule. A mutually agreeable consolidation schedule for FY 2000 – FY 2002 will be coordinated at a later date. This consolidation schedule is subject to revision as jointly agreed by GSA and Navy Headquarters. While this ISSA provides for a 4-year phased in plan, individual Navy Bases/activities will not be consolidated on a phased-in basis. The IFMS will support the Navy's requirements by assigning vehicles up to the number that are consolidated. Additional vehicles, as needed by the Navy, above the numbers that are consolidated, will be supplied by the IFMS as resources permit. The Navy must assure that it has been authorized the assignment of additional IFMS vehicles and that

funding is available for the additional units. Special purpose vehicles are not included in this consolidation. Attachment 2 provides examples of specialized equipment that will be excluded from IFMS support.

5. GSA IFMS AGREES TO:

Provide basic IFMS fleet services, motor vehicles and replacements, maintenance and repairs, fuel, and other petroleum products to the Navy. Rental rates will be charged as specified in GSA Bulletin FPMR G-197, revisions, and regional supplements thereto. For each IFMS vehicle, a monthly and a mileage rate will be assessed to recover expenses incurred in providing these basic services. Additional charges will be assessed for accessory equipment, as appropriate. Accident damage and vehicle damage will be billed separately to the Navy in accordance with FPMR 101-39.4. The IFMS will provide the Navy monthly billings for these expenses as appropriate.

A. Vehicle Transfer, Acquisition, and Replacement. The GSA IFMS agrees to accept ownership, on a non-reimbursable basis, of the Navy-owned, non-NWCF vehicles. A vehicle inventory list of conversion candidates by Navy Base/Activity will be provided to GSA by the Navy prior to consolidation. The IFMS will provide like-type (similar type) vehicles based on a one-for-one exchange, in the same or better condition, to the Navy on long-term assignment. If Navy requests significant changes (upgrades) in vehicle types, the replacement percentage may be affected. The IFMS will provide a mix of manufacturer's colors. Vehicles that are excess to the needs of the Navy after consolidation will be utilized elsewhere or sold, as determined by GSA. The vehicle transfer (consolidation) will be phased in over a period of four (4) years (FY 99 - FY 2002). The vehicles consolidated in each year of the phase-in will be replaced at a minimum rate of 20 percent per year over five (5) years (provided they meet GSA replacement standards).

B. Maintenance and Repair Service:

- (1) The Navy and the IFMS will conduct an on-site survey of those vehicles to be transferred to the IFMS in accordance with this ISSA to determine the condition of the vehicles and the extent of any backlogged maintenance workload that must be performed. The IFMS will assume responsibility for having this backlogged work performed. Backlogged maintenance is generally defined as that work required to bring the vehicles up to existing State vehicle safety standards. The Navy will reimburse the IFMS for expenses incurred to have the identified, backlogged maintenance performed. The Navy will reimburse GSA for maintenance problems developing within 90 days after conversion on units that could not be thoroughly inspected at the time of conversion, vehicles that had problems

requiring disassembly during inspection, and any major drive-train repairs. Once the backlogged workload has been accomplished, the IFMS will pay charges for all authorized maintenance and repair services, excluding body damage, to IFMS vehicles assigned to the Navy.

- (2) The IFMS will bill the Navy for all accident and incident damage, and damage resulting from abuse, misuse or neglect. The IFMS will not bill for:
 - a. Acts of nature, provided reasonable precaution to limit damage to the vehicle is taken.
 - b. General damage (including body damage and interior damage) noted at the time of turn-in, except when the damage exceeds \$250 per vehicle.
 - c. Mechanical repairs, except accumulated or repetitive repairs of \$100 or more that are due to driver abuse or misuse. These repairs may be billed at the Fleet Manager's discretion.
 - d. Stolen vehicles, unless the using agency's negligence contributed to the loss.
 - e. Any amount under \$100, unless it is an illegal purchase.

GSA would not bill the Navy for accident damage that could be collected from an identifiable third party. However, all other accident costs would be billed to the Navy -- Reference FPMR §101-39.4 - Accidents and Claims.

- (3) The IFMS fleet will be principally maintained through the existing IFMS commercial vendor network. If cost effective and the process is automated to accept the U.S. Government Fleet Services Card or an agreed to electronic billing/payment method that provides electronic data by vehicle, the IFMS may enter into a cross-service arrangement to obtain on-site vehicle maintenance from the Navy. Cross-service rates/agreements will be negotiated by the servicing Fleet Management Center (FMC) and the appropriate local Navy representative. As a final option and if the workload volume justifies on-site support, GSA would be willing to establish an on-site contractor at certain locations to provide maintenance and repair. This final option would be contingent upon the Navy's provision of suitable maintenance facilities.

The Navy will be responsible for drop off and pick up of vehicles for repair. The IFMS Maintenance Control Center must pre-authorize each maintenance or repair order that will exceed \$100.00.

C. Fuel and Other Petroleum Products. A U.S. Government fleet services card shall be issued for each IFMS vehicle assigned to the Navy for use in acquiring fuel and other petroleum products as well as maintenance and repair services from the commercial sector. Separate cross-service arrangements may be made to obtain fuel and other petroleum products onsite from the Navy provided these Navy locations are automated to accept the U.S. Government fleet services card or an agreed to electronic data capture billing/payment process such as the centralized DOD fueling system with full data capture by vehicle that is currently being developed by Defense Energy Support Center (DESC). Cross-service rates/agreements will be negotiated by the servicing Fleet Management Center (FMC) and the appropriate local Navy representative. The price of fuel acquired from the Navy shall be the pump price of the on-site fuel which may vary slightly by location. The pump price includes all of the Navy's administrative/overhead fees associated with the provision of fuel for IFMS vehicles and will be competitively priced below the cost of commercial fuel. Navy Exchange (NEX) provided fuel is excluded from the provisions of this ISSA.

D. Service Problems and Agreement Termination. The IFMS will attempt to resolve any service problems identified by the Navy. In the event that identified problems cannot be resolved to the mutual satisfaction of both agencies, this agreement may be terminated under the conditions set forth in Part 7.

6. THE U.S. NAVY AGREES TO:

A. Vehicle Transfer. The Navy agrees to transfer ownership of the Navy's non-NWCF Navy-owned vehicles to GSA on a non-reimbursable basis. A maximum of 9,600 vehicles currently are candidates for conversion. The Navy agrees to provide an inventory listing of the vehicles to be consolidated by Base/activity prior to consolidation, to include specific information such as vehicle description/GSA equipment code, age/mileage, physical location, tag number, original acquisition cost, and a Navy point-of-contact/phone number. The Navy agrees to receive from the IFMS, as a minimum, vehicle support up to the number of consolidated vehicles. Additional vehicles, above the number consolidated, that are required by the Navy will be made available as IFMS resources permit. The Navy must authorize the assignment of additional IFMS vehicles and ensure funding is available for the additional units. The Navy agrees to pay GSA a flat monthly lease rate for vehicle support based on the category of the vehicle leased plus a per mile cost as specified in the applicable GSA rate bulletin, and revisions and supplements thereto. Charges for GSA's IFMS support will begin when the vehicles are transferred to GSA.

The Navy agrees to designate a Transportation Coordinator at each Base/activity to work directly with the IFMS personnel during a phase-in period of approximately 90 days. The Navy shall provide full access to the IFMS to review all records, facilities, and equipment affected by the consolidation and shall participate in the identification of backlogged maintenance as set forth under Part II.

B. Maintenance and Repairs. The Navy agrees to pay charges for backlogged maintenance and repairs as set forth under paragraph 5.B.1. Once the backlogged maintenance workload has been accomplished, the IFMS will pay for all authorized routine maintenance and repair services, excluding body damage, to IFMS vehicles assigned to Navy. IFMS vehicles shall be maintained by Navy in a safe, operable, and clean condition. Preventive maintenance shall be performed at intervals specified on GSA notices (GSA Form 3478). The Navy agrees to drop off and pick-up operable vehicles at authorized IFMS repair sources including off-site commercial vendors for maintenance and repair as well as dealerships for recall/warranty work. Pre-authorization from the IFMS Maintenance Control Center (MCC) will be obtained for all maintenance and repairs that will exceed \$100.00. Navy will pay any charges associated with unauthorized repairs attributable to the Navy's personnel.

C. Fuel and Other Petroleum Products. The Navy agrees that the billing process for all fuel and petroleum products provided under any present or future cross-service arrangement will be an automated process to allow for the acceptance of the U.S. Government Fleet Services Card or an agreed to electronic data capture/billing process such as the centralized DOD fueling system with full data capture by vehicle that is currently being developed by DESC. Cross-service agreements will be negotiated by the appropriate Navy office/activity and the servicing FMC. Navy agrees that the price of fuel provided by Navy under a cross-service arrangement will be the pump price of the on-site fuel which will vary by location. The Navy's pump price for on-site fuel will be inclusive of all administrative/overhead fees associated with the provision of fuel for IFMS vehicles and will be competitively priced below the cost of commercial fuel. Navy Exchange (NEX) provided fuel is excluded from the provisions of this ISSA.

D. Service Problems. The Navy agrees to bring any service problems to the attention of the supporting GSA Fleet Management Center staff for resolution. If necessary, unresolved issues/discrepancies will be directed to the appropriate IFMS Regional Office or the headquarters Fleet Management Division (FFF) for resolution. Both parties shall attempt to resolve service problems at the lowest managerial level. Service problems that are not resolved at any lower level may be escalated to the Navy Headquarters Office or Federal Supply Service, GSA, for resolution.

E. Fleet Services Card. The Navy agrees to safeguard IFMS-issued U.S. Government Fleet Services Cards against potential loss, misuse, and abuse and to pay any charges associated with unauthorized card use attributable to actions of the Navy personnel.

F. Accidents and Vehicle Damage. The Navy agrees to pay all costs related to accident damage except when a third party was at fault and can be identified, the damage was due to IFMS vehicle mechanical failure, or the damage resulted from normal wear and tear (reference FPMR 101-39). The Navy also agrees to pay all costs related to improper vehicle use or care including damage caused by tobacco related products.

G. Procedures and Forms. The Navy agrees to complete and submit, as required, GSA Forms 494 (Monthly Motor Vehicle Use Report) or equivalent Navy documentation, GSA Forms 3478 (Motor Vehicle Service Authorization), and all accident forms contained in the GSA Form 1627 (Motor Vehicle Accident Reporting Kit).

H. Space, Facilities, and Utilities. If an on-site IFMS presence/contractor presence is agreed to for this consolidation, space, facility, and utility agreements will be negotiated at the local level.

I. Payment. The Navy agrees to pay monthly GSA/IFMS bills in full within 30 days of the date of the bill.

7. ADMINISTRATION.

Navy subordinate commands and GSA's Regional Fleet Management Offices and local FMC's will work directly together to implement the ISSA. Should some flexibility be required in implementation, it will be negotiated between the Navy subordinate commands and GSA's Regional and local Fleet Management representatives. Negotiation issues that cannot be resolved at the local level can be elevated to the Naval Facilities Engineering Command and GSA's Fleet Management Division (FFF) for resolution.

A. Agreement Termination. The ISSA may be terminated under the conditions set forth below:

- (1) Termination actions initiated within 3 years of the effective date of this ISSA may be done at the discretion of the Navy. Navy agrees to provide a 90-day written notification to the Commissioner, Federal Supply Service, General Services Administration, detailing the factual justification to support the decision to terminate.

- (2) Proposals by the Navy to terminate this agreement after 3 years from the effective date of this ISSA shall be submitted by the Navy Headquarters to the Commissioner, Federal Supply Service, GSA. The Navy and the GSA shall negotiate to prevent termination. If agreement is not reached at this level, the Chief, Naval Operations and the Administrator of General Services shall attempt resolution. In the event that all attempts for resolution fail, the Chief, Naval Operations, shall submit a written termination request, with the factual justification, to the Administrator of General Services.

B. Reimbursement Procedures. In the event that this agreement is terminated, transfer of vehicles and related equipment, supplies, records, and funds as may be appropriate will be made:

- (1) If retained by the Navy, reimbursement for motor vehicles and related equipment and supplies acquired by GSA through expenditures made from, and not previously reimbursed to the General Supply Fund, or any revolving or trust fund authorized by law, shall be made by the Navy in an amount equal to the fair market value of the IFMS vehicles assigned to the Navy, as required by law (40 U.S.C. 491(g)).
- (2) If retained by GSA, the Navy agrees to accept reimbursement in an amount equal to the fair market value of all the consolidated Navy vehicles at the time of transfer to GSA. Reimbursement may be provided by transferring vehicles or funds equal to the fair market value of the consolidated units, the method of reimbursement shall be at the option of the Navy.

FOR THE GENERAL SERVICES ADMINISTRATION (GSA)
FEDERAL SUPPLY SERVICE (FSS)

Frank P. Pugliese, Jr.
Commissioner, Federal Supply Service

Date

FOR THE U.S. NAVY

VADM Amerault
Deputy Chief of Naval Operations (Logistics)

Date