

Agency Incurred Expense Guide

(Includes “Excessive Wear and Tear Table”)

**U.S. General Services Administration (GSA)
Office of Fleet Management**

March 22, 2022

Table of Contents

p. 3	<u>Introduction</u>
p. 4	<u>Crash and Incident Damage</u>
p. 5	<u>Decorative Items</u>
p. 5	<u>Improper Fueling</u>
p. 6	<u>Maintenance and Repair Items</u>
p. 7	<u>Mandatory Inspections and Services</u>
p. 8	<u>Turn-In Damage</u>
p. 8	<u>Unauthorized / Fraudulent Purchases</u>
p. 8	<u>Vehicle Transportation</u>
p. 10	<u>Appendix 1: GSA Fleet Excessive Wear and Tear Table</u>

Introduction

The U.S. General Services Administration's (GSA) authority to offer interagency vehicle leasing comes from §211 of the Federal Property and Administrative Services Act of 1949 ([40 U.S.C. 5\(VI\)](#)), as amended. GSA's Office of Fleet Management, hereafter GSA Fleet, provides this service as outlined in [41 CFR 101-39](#). GSA Fleet operates on a revolving fund and must recover all costs it incurs in providing vehicles and related services.

GSA Fleet uses several different mechanisms to recover regular expenses.

1. A per vehicle monthly rate recovers all fixed costs, including vehicle acquisition costs, overhead, depreciation, and replacement costs.
2. A mileage rate recovers all variable costs for fuel, general maintenance and repairs.
3. A per vehicle alternative fuel vehicle (AFV) incremental rate recovers any additional expense to procure AFVs as required by [§702 of the Energy Policy Act of 2005](#).
4. A vehicle specific optional equipment rate recovers costs for most additional equipment and requests for non-low bid vehicles.
5. A per vehicle fuel surcharge if there is a significant increase in fuel cost.

In addition, GSA Fleet incurs other expenses during the acquisition, operation, and disposal cycles of its vehicles. When these expenses are the financial responsibility of the customer, GSA Fleet issues a charge back referred to as an Agency Incurred Expense (AIE). This guide details the most common situations in which an AIE may occur. This guide *does not* cover every aspect of the vehicle or every situation involving the vehicle that may arise. It is not intended to be all inclusive. GSA Fleet retains the right to issue an AIE for any expenses not covered by its rates, as well as any abuse, neglect, or other damages which result in diminished vehicle value.

GSA Fleet strives to have well maintained, safe vehicles in its fleet at the lowest rates possible. Striving to this standard helps keep drivers and vehicles safe and on the road performing their mission. A well maintained fleet also reduces long term costs by avoiding expensive repairs and increasing fuel efficiency. It shows proper respect for a taxpayer funded asset. It ensures GSA Fleet is able to generate the greatest possible sale proceeds. Through the exchange sale process, every dollar returned from sale goes toward the purchase of new vehicles. When necessary, GSA Fleet also issues AIEs to avoid spreading extra or excessive expenses incurred by one customer across the entire fleet. Greater sale proceeds and lower expenses allow GSA Fleet to keep its rates as low as possible.

AIEs:

- Will appear on the customer's monthly bill. Customers can obtain AIE information from the AIE Report application in GSA Fleet Drive-thru or by contacting their Fleet Service Representative (FSR).
 - Will be issued as quickly as possible, preferably within the month they occur, but will be issued within three billing months of the date GSA transmits payment for an expense or, for turn-in damage on sale vehicles, the vehicle's sale date. AIEs should be issued within the fiscal year in which the charge occurred if at all possible to avoid accruals.
- Exceptions exist for any fraudulent activity or a situation beyond GSA Fleet's control.

Customers wishing to dispute an AIE or request a credit should contact their FSR.

Crash and Incident Damage

Definition of Crash

- A crash involving a GSA Fleet vehicle and at least one other vehicle.
- A single vehicle crash that involves a fatality or personal injury to the driver, a passenger; or an individual not located in the vehicle.
- A crash that involves damage to public or private property.

Definition of Incidents

- A single vehicle crash with no fatality, injury, or property damage.
- Vandalism.
- Theft.
- Act of nature.
- Damage found and the cause is unknown.

Financial Responsibility

- GSA Fleet assigns financial responsibility in accordance with [41 CFR 101-39.406](#).
- For a Crash:
 - o GSA Fleet assigns financial responsibility based on the following:
 - Admissions of fault by either party.
 - Issuance of a moving violation citation to either party.
 - Assignment of fault/responsibility in the police report.
 - Payment of claim by the third party/insurance.
 - Default to the customer if a third party may have been at fault and cannot be identified.
 - o If the customer is responsible, GSA Fleet will issue an AIE to the customer.
 - GSA Fleet will credit the customer for the appropriate expenses and pursue the expenses from the third party if either GSA Fleet or the customer later identifies a responsible third-party.
 - o If an identifiable third party is responsible, GSA Fleet will charge the third party. The customer will not be charged an AIE.
- For an incident, GSA Fleet assigns financial responsibility to the customer and will AIE the customer.

Chargeable Expenses

- When GSA Fleet repairs a vehicle, it will charge the financially responsible party for any or all of the following, as appropriate:
 - Repair expenses.
 - Towing.
 - Storage.
 - Appraisal fees.
 - Rental Fees.
 - GSA Fleet purchased accessories.
 - Other applicable expenses.
- When a vehicle is totaled or if it is not recovered, GSA Fleet will charge the appropriate party for the sum of any or all of the following, as appropriate, minus the net sale value of the vehicle:
 - Vehicle's Value.
 - Towing.
 - Storage.
 - Appraisal fees.
 - Rental Fees.
 - GSA Fleet purchased accessories.
 - Other applicable expenses.

Decorative Items

GSA Fleet will issue an AIE to the customer for:

- Expenses due to removal of decorative items left on the vehicle at time of turn-in.
- Expenses for repairs or lost vehicle value due to damage to the vehicle resulting from the application or removal of decorative items.

Improper Fueling

In cases of fraud or misuse, an AIE will be issued for the entire purchase amount to recover those costs.

- Examples include but are not limited to:
 - Fueling non-government vehicles.
 - Theft
 - Over-tank fuel purchase.
 - Fueling non-GSA Fleet, government-owned equipment.
 - Incorrect fuel type and/or fuel card for the respective vehicle.
 - Gas in a diesel vehicle.
 - Multiple vehicles fueling with the same GSA Fleet Services Card.
 - GSA Fleet will charge customers for repairs needed to fix vehicles damaged as a result of

filling or operating a vehicle with the incorrect fuel type.

In cases of improper fueling, GSA Fleet's focus will be on educating customers when it occurs. However, if a customer or customer driver demonstrates a pattern of using the GSA Fleet Services Card to procure fuel for purposes other than as authorized by GSA Fleet, the customer will be financially responsible and an AIE will be issued for the entire purchase amount to recover those costs.

- Examples include but are not limited to:
 - Excessive fuel consumption based on actual versus expected fuel economy.
 - Full-service fuel (except New Jersey and Oregon, or locations required by law)
 - Upgraded fuel when not required and more expensive.

Maintenance and Repair Items

Abuse or Neglect

- GSA Fleet will issue an AIE to customers for maintenance related expenditures that are determined to be the result of abuse or neglect of the vehicle.
- Specific examples of excessive wear and tear are outlined in [Appendix 1: GSA Fleet Excessive Wear and Tear Table](#).

Glass

- GSA Fleet will charge customers for all glass replacements.
- Glass that is repairable per industry standards *will not* be charged to the customer.

Normal wear and tear

- GSA Fleet *will not* issue an AIE to customers for normal wear and tear.
- Excessive wear and tear will be charged to the customer.
- Specific examples of excessive wear and tear are outlined in [Appendix 1: GSA Fleet Excessive Wear and Tear Table](#).

Road hazards

- GSA Fleet will issue an AIE to customers for the replacement of parts; including, but not limited to the tires (based on the prorating schedule established in [Appendix 1: GSA Fleet Excessive Wear and Tear Table](#)), wheels, tire pressure monitoring sensors, and valves resulting from impacts with road hazards such as potholes, nails, and curbs.
- Tires that can be safely repaired *will not* be charged to the customer.

Roadside assistance (towing/service calls)

- GSA Fleet may issue an AIE to customers for roadside assistance that GSA pays for if it was arranged by the customer and would have been covered under the vehicle's OEM-issued roadside assistance program.

Excessive preventative maintenance

- GSA Fleet may issue an AIE to customers for excessive preventative maintenance as it represents a behavior that increases costs to taxpayers.

Vehicle cleaning

- Each GSA Fleet zonal office will establish its vehicle cleaning policy based on local costs, climate, customer mission, etc.
- GSA Fleet will issue an AIE to customers for vehicle cleanings in excess of what the GSA Fleet zonal office establishes for the local customer.

Warranty repairs

- GSA Fleet may charge customers for repairs that would have been covered under any applicable warranty.
 - Examples when an FSR may elect not to issue an AIE to a customer include, but are not limited to:
 - Cost effectiveness:
 - The cost to transport a vehicle to a dealer for warranty work is greater than the cost to perform the work at a non-warranty repair vendor.
 - Timeliness:
 - Excessive time out of service would be incurred by choosing to repair under warranty versus at a non-warranty repair vendor.

Mandatory Inspections and Services

Per [41 CFR 102-34.280](#), GSA Fleet will not charge customers for “Federally-mandated emission inspections when required by the relevant State motor vehicle administration or State environmental department.”

GSA Fleet will charge customers for motor vehicle safety inspections and any inspection or service requirements resulting from customer use of state license tags or any tags other than those issued by GSA Fleet.

Turn-In Damage

Turn-In Evaluation

- Fleet will evaluate turn-in damage to determine whether:
 - Completing the repair will return net value to the government and/or ensure safe operation of the vehicle.
 - The damage is excessive as established in [Appendix 1: GSA Fleet Excessive Wear and Tear Table](#).

Repaired Damage:

- GSA Fleet will charge customers for the actual cost of repaired turn-in damage that exceeds normal wear and tear.

Not Repaired Damage:

- GSA Fleet will charge customers the lesser of:
 - The estimated cost to repair damage that exceeds normal wear and tear, or
 - The difference between vehicle proceeds and returns on the sale of comparable vehicles.

Unauthorized / Fraudulent Purchases

Customers will be charged for unauthorized/fraudulent purchases. Purchases that are suspected to be fraudulent may be referred to the Office of the Inspector General for further investigation.

Examples include but are not limited to:

- Any attempt to obtain cash back from the GSA Fleet Service Card.
- Routine patterns of action after fair warning (e.g. repetitive food, unexplained miscellaneous purchases, unnecessary services, more expensive version of a product without justification).
- Selling/skimming a card or card information.
- Stealing items (e.g. tires, batteries, motor oil) paid for with the card
- Unexplained purchases of consumables - oil, washer fluid, etc.
- Fueling a personal vehicle or other personal equipment.

Vehicle Transportation

GSA Fleet will charge customers for the expense of transporting a vehicle where the benefit to the customer is the clear motivation for the transport. Examples could include:

- "Front door delivery" - Vehicles transported from new vehicle marshaling location to customer's location.
- Remote or OCONUS locations – Transport to locations that require unusually complicated deliveries (i.e. vehicles that are barged or flown into remote areas).

- Immediate need – Transport of vehicles from other areas of the country in order to meet an immediate and/or emergent need.

GSA Fleet will charge customers when transportation is arranged and coordinated with the customer, but the vehicle is unable to be transported as arranged.

Appendix 1

GSA Fleet: Excessive Wear and Tear Table

Revised: March 22, 2022

The following guidelines establish GSA Fleet's criteria for Standard Vehicle excessive wear and tear. These guidelines are not all inclusive, but establish GSA Fleet's criteria for wear and tear in the most common situations. Consult your FSR with specific questions.

Mechanical	Description / Example
Brakes	Brakes worn down to metal on metal and continued use ruins rotors, calipers, and other parts of the braking system.
	Pads/Shoes and Rotors - Mileage interval based on Front to Front or Rear to Rear replacement. First replacement assumed to replace original. Applies to Light Duty Vehicles (i.e. Tag starts with G10-G14, G41-G63). Excludes Law Enforcement, Ambulances, Buses, Medium and Heavy Trucks and Trailers which will be evaluated by GSA Fleet on a case by case basis.
	<8,000 miles (12,875 km) = 80% AIE
	>=8,000 mi (12,875 km) and <16,000 mi (25,750 km) = 60% AIE
	>=16,000 mi (25,750 km) and <24,000 mi (38,624 km) = 40% AIE
Mechanical failure	Damage due to abuse, neglect, and/or improper use including, but not limited to, failing to follow preventative maintenance schedule, failing to promptly repair damage that leads to a major repair, ignoring warning lights, excessive idling, etc.
Equipment	Damage caused by the installation, use, or removal of any equipment.
Exterior	Description / Example
Poor Quality Repairs	Obvious evidence of repair such as color mismatch or mis-alignment between panels.
Scratch	Length exceeds 1" (2.54 cm) or any length where bare metal is visible.
Dent	Multiple dents on a single panel or a single dent > 3/4" in diameter. Includes hail damage.
Cracks	Cracked bumpers, rubbing strips, mirrors.
Chip	Multiple chips on a single panel.
Paint damage	Bird excrement, sand, salt, etc. damage paint/clearcoat because vehicle not cleaned regularly.
Heavy rust	Major visible rust or component rust related issues, including brake components.
Undercarriage	Damage due to bottoming out.
Missing parts	Sections of the bumper or molding, mirrors, antenna.
Equipment	Damage caused by the installation, use, or removal of any equipment.
Decals and Shrink Wraps	Residual damage color fade, adhesive. Removal damage. scratches, chips to body paint or glass.
Lenses and Mirrors	Not operational due to abuse, neglect, and/or improper use, chips, cracks, or holes.
Glass	Description / Example
Glass	Any damage requiring glass replacement.
Interior and Cargo Area	Description / Example
Seats, headlining, carpets, lining fabrics, floor covering	Burns, tears, rips, holes, cuts, stains, tobacco products, and other odors.
Seats, headrests, glove box, cargo tie-downs, trim pieces, side-panels, truck-liners, bed-liners, controls, knobs	Missing, broken, inoperable, installed replacement does not meet manufacturer specifications for quality and design.
Equipment	Damage caused by the installation, removal, abuse, neglect, and/or improper use of any equipment.
Truck Bed	Drilled holes, large dents, crushed wheel wells, holes due to rusting, mis-aligned or damaged tailgate.
Parts and Accessories	Description / Example
Keys and Remotes	Missing.
GSA-owned equipment	Missing, damaged, or not operational.

Tires, Wheels and Wheel Trims	Description / Example
Replacement Tire (Set of tires = # tires on the vehicle)	<i>Replacement prior to the expected 40,000-mile (64,374 km) life expectancy of the tire shall be charged back in a prorated manner unless the tire is greater than 6 years old. First set of replacement tires presumed to replace original. Each replacement tire thereafter is presumed to replace the oldest replacement tire on the vehicle.</i>
	<i>Proration applies only to the actual tire. Additional parts, labor, and/or related fees incurred during a tire replacement will be charged back in full.</i>
	<8,000 miles = 80% AIE
	>=8,000 and <16,000 miles = 60% AIE
	>=16,000 and <24,000 miles = 40% AIE
Upgrade Tire (Set of tires = # tires on the vehicle)	<i>All parts, labor, and related fees will be charged in full. Once a tire has been upgraded, replacement tires will follow Replacement Tire proration rules for a like or lesser capability tire.</i>
Wheels	Deep cracks, bent, or gouged.
Spare Tire or Tire Inflation Kit	Missing.
Tire jack and tools	Missing or broken.