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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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RELEASED

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B-167196

SEP 5 1973

The Honorable Henry S. Reuss
House of Representatives

R Dear Mr. Reuss:

Your letter of May 3, 1973, requested that we investigate (1) the accuracy and objectivity of the judgments made by the Defense Department to procure commercial trucks in Australia for use in Cambodia, and (2) the Postal Service's justification for leasing foreign-made vehicles. In our letter of May 17, 1973, we informed you that we would furnish you with separate reports. This report deals with the leasing of foreign-made vehicles by the Postal Service.

We subsequently agreed to include information in our report on the Service's (1) program for leasing employees' vehicles, including a statement as to whether the employees can use their vehicles for personal reasons, and (2) justification for commercially leasing foreign-made vehicles in Florida. We agreed also to visit the Miami and Hollywood Post Offices in Florida because they had the most commercially leased foreign-made vehicles.

As of April 27, 1973, the Postal Service was using about 38,000 leased vehicles nationwide to transport and deliver mail. It gave us the enclosed list which shows that 3,834 of these vehicles were foreign-made, of which 350 were leased from commercial firms and the remainder from postal employees.

The list also shows that the Miami and the Hollywood Post Offices had 125 and 51 commercially leased foreign-made vehicles, respectively. However, our review showed that Miami had 80 commercially leased foreign-made vehicles and Hollywood had 38. Postal Service officials informed us that the total number of foreign-made vehicles on the list was probably overstated because it was compiled manually from about 31,000 leases. Because of the limited number of commercially leased

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vehicles, we did not believe that we should make a detailed and costly review of this many leases to obtain an accurate listing.

LEASING OF EMPLOYEE-OWNED VEHICLES

The Service permits post offices to lease employee-owned vehicles, using competitive bidding procedures, if Government-owned vehicles are not available to service delivery routes. The employee-owners generally use their vehicles to deliver mail and can use them for personal reasons at other times.

Under Postal Service procedures, only nonsupervisory postal employees may submit bids offering their vehicles for lease. A post office cannot lease more than two vehicles from an employee. This restriction applies to all postal employees, even those having financial interests in commercial firms offering vehicles for hire. Service officials told us that these restrictions were imposed to prevent improper conduct in awarding and administering leasing contracts.

JUSTIFICATION FOR COMMERCIALY LEASING FOREIGN-MADE VEHICLES AT MIAMI AND HOLLYWOOD

Miami and Hollywood postal officials told us they leased vehicles because Government-owned vehicles were not available. The vehicles were needed to service park-and-loop routes--former foot and bicycle routes--and curblines delivery routes in new residential areas.

Postal Service procedures specify preference for bids offering American-made vehicles by adding, for evaluation purposes only, 6 percent to each bid offering a foreign-made vehicle. If a bid offering American-made vehicles is submitted by a small business firm or a firm in a labor surplus area, each bid offering a foreign-made vehicle is increased by 12 percent. If the evaluation of a bid offering a foreign-made vehicle and a bid offering an American-made vehicle results in both bids being equal, the lease is to be awarded to the bidder offering the American-made vehicle.

The lessors are required to fuel and maintain the vehicles during the lease period. Each lease is for 1 year with options to renew for three additional 1-year periods.

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The 118 foreign-made leased vehicles at Miami and Hollywood were obtained under three bid solicitations. These solicitations did not specify the type of vehicles required but stated that they must have approximately 65 cubic feet capacity--space needed to haul one tray of mail (about 400 mail deliveries) and 8 to 10 packages--and must pass State inspection.

The following information pertains to the three bid solicitations:

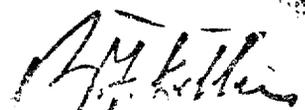
<u>Solicitation number</u>	<u>Vehicles required (note a)</u>	<u>Solicitations mailed</u>	<u>Bids received</u>
1-73	165	159	58
2-73	25	40	3
73-1	40	70	20

^aIn addition to the 118 foreign-made vehicles, 112 American-made vehicles were leased under these solicitations.

All the leases under these solicitations were awarded to the lowest bidder in accordance with the bid evaluation procedures outlined above. A commercial leasing firm in Hollywood, which offered the foreign-made Datsun sedans and campers, was the successful bidder on all three solicitations for all the foreign-made vehicles currently leased by Miami and Hollywood.

We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,



Comptroller General
of the United States

Enclosure

ENCLOSURE

LOCATION OF LEASED FOREIGN-MADE VEHICLES

City	State	Regular		Standby		Temporary		Total foreign vehicles
		Employee	Commer- cial	Employee	Commer- cial	Employee	Commer- cial	
Paramus	NJ	1						1
Rochelle	NJ			1				1
Wayne	NJ			1				1
Jayuya	PR	1						1
Marovis	PR	1						1
Vega Baja	PR	1						1
Yabucoa	PR	1						1
Total N.Y. Region		5	-	2	-	-	-	7
Clementon	NJ			1				1
Haddenfield	NJ			1				1
Lakehurst	NJ			1				1
Riverton	NJ			1				1
Trenton	NJ			1				1
Willingboro	NJ			1				1
Boston	Ma			4				4
Chicopee	Ma			1				1
Glenside	Pa			1				1
Pine Grove	Pa	1						1
Willow Grove	Pa	3						3
Total Eastern Region		4	-	12	-	-	-	16
Montgomery	Al			2				2
Clarendon	Al	1						1
Little Rock	Ar			7				7
N. Little Rock	Ar	2						2
Van Buren	Ar			1				1
Altamonte Spgs.	Fl		2					2
Apalachicola	Fl	1						1
Apopka	Fl		2			1		3
Boca Raton	Fl		7					7
Boynton Bch.	Fl		6				1	7
Casselberry	Fl		1					1
Clearwater	Fl		5	1				6
Dania	Fl					1		1
Delray Bch.	Fl		1					1
Ft. Lauderdale	Fl	15	8					23
Ft. Myers	Fl	3		1	7			11
Ft. Pierce	Fl		2					2
Haines City	Fl	1						1
Hallendale	Fl		13					13
Hialeah	Fl		24					24
Hollywood	Fl	3	51	2				56
Homestead	Fl		5					5
Indian Rock Bch.	Fl		1					1
Jacksonville	Fl	17		17	3			37
Jensen Bch.	Fl		1					1
Kissimmee	Fl		1					1
Lake Alfred	Fl	1						1
Lake City	Fl	1		3				4
Lake Worth	Fl		6					6
Largo	Fl		2					2
Longwood	Fl		1					1
Marathon	Fl		1					1
Maitland	Fl		1					1
Miami	Fl	8	125	1				134

ENCLOSURE

City	State	Regular		Standby		Temporary		Total foreign vehicles
		Employee	Commer- cial	Employee	Commer- cial	Employee	Commer- cial	
Naples	Fl		5					5
Ocoee	Fl		1					1
Orlando	Fl	10		10				20
Pompano Bch.	Fl		14					14
Port Rickey	Fl		1					1
Ruskin	Fl	1						1
Sarasota	Fl				6			6
Stuart	Fl		3					3
Tampa	Fl	1		4				5
Tarpon Spgs.	Fl		4	1	1			6
Tavares	Fl		1					1
Vero Bch.	Fl		2					2
West Palm Bch.	Fl	4	4	1				9
Albany	Ga	2	3	2	1			8
Atlanta	Ga	5		1				6
Augusta	Ga	7						7
Dalton	Ga	1						1
Decatur	Ga	2						2
Hinesville	Ga	1						1
Jefferson	Ga	1						1
Richland	Ga	1						1
Savannah	Ga	9		2				11
Baton Rouge	La	3						3
Ferriday	La	1						1
Asheville	NC	1						1
Brevard	NC	1						1
Cary	NC	1						1
Charlotte	NC	22						22
Dallas	NC	2						2
Durham	NC	1						1
Elizabeth City	NC	1						1
Goldsboro	NC	3						3
Greensboro	NC	5						5
Greenville	NC	1						1
Hendersonville	NC	1						1
Kings Mountain	NC	1						1
Monroe	NC	3						3
Raleigh	NC	6						6
Roanoke	NC	1						1
Tarboro	NC	1						1
Wilkesboro	NC		1					1
Wilson	NC	2						2
Winston-Salem	NC	2						2
Madill	Ok	1						1
Ponca City	Ok	1						1
Tulsa	Ok	2						2
Anderson	SC		4					4
Belton	SC				1			1
Cayce	SC	1						1
Cheraw	SC			2				2
Columbia	SC	5		9				14
Greenwood	SC	1						1
Liberty	SC	1						1
N. Augusta	SC	1						1
Pendleton	SC	1						1
Sumter	SC	1						1
Walhalla	SC	1						1
Westminster	SC	1						1
Memphis	Tn	1						1
Nashville	Tn	4						4
Diball	Tx	1						1
Houston	Tx	3		3		3		9
Stamford	Tx	1						1
Total Southern Region		<u>184</u>	<u>309</u>	<u>70</u>	<u>21</u>	<u>3</u>	<u>1</u>	<u>588</u>

ENCLOSURE

City	State	Regular		Standby		Temporary		Total foreign vehicles
		Employee	Commer- cial	Employee	Commer- cial	Employee	Commer- cial	
Bartlett	Il			1				1
Champaign	Il			1				1
Chicago	Il	20		26				46
Decatur	Il	1						1
Deerfield	Il	1		1				2
Des Plaines	Il	2		2				4
East St. Louis	Il	1		1				2
Galesburg	Il			1				1
Granite City	Il			1				1
Homewood	Il			1				1
Libertyville	Il			1				1
Marion	Il	1						1
Mattoon	Il			1				1
Melrose Park	Il	1						1
Midlothian	Il			1				1
Moline	Il			1				1
Oak Forest	Il			1				1
Oak Lawn	Il	4		2		3		9
Pana	Il			1				1
Park Ridge	Il	1						1
Rockford	Il	3		2				5
Rock Island	Il			1				1
Roselle	Il	3		11				14
Skokie	Il	5		6				11
Springfield	Il	1		2				3
Tinley Park	Il			2				2
Villa Park	Il			1				1
Waukegan	Il			1				1
Wheeling	Il	1						1
Wilmette	Il	2						2
Anderson	In	1		1				2
Gary	In			2				2
Griffith	In	1		1				2
Jeffersonville	In	1		1				2
Muncie	In	4		1				5
Bloomfield	Ia		3					3
Davenport	Ia					1		1
Burlingame	Ks	1						1
Shawnee Mission	Ks	1		6				7
Stafford	Ks	2						2
Wichita	Ks	5						5
Covington	Ky	1						1
Fort Knox	Ky			1				1
Newport	Ky	1						1
West Liberty	Ky	1						1
Lexington	Ky	16		1				17
Louisville	Ky	27		25				52
Ann Arbor	Mi	3						3
Battle Creek	Mi			1				1
Bay City	Mi			1				1
Constantine	Mi	1						1
Dearborn	Mi			2				2
Detroit	Mi	43		36				79
Garden City	Mi			1				1
Grand Haven	Mi	1						1
Jackson	Mi	1						1
Petoskey	Mi			1				1
Pontiac	Mi	2		4				6
Rochester	Mi			4				4
Roseville	Mi			1				1
Southfield	Mi	1						1
Troy	Mi			1				1
Utica	Mi	3		1				4
Warren	Mi	1		2				3
Wyandotte	Mi	1						1

ENCLOSURE

City	State	Regular		Standby		Temporary		Total foreign vehicles
		Employee	Commer- cial	Employee	Commer- cial	Employee	Commer- cial	
DeSoto	Mo			1				1
Festus	Mo			1				1
Florissant	Mo	1		2				3
Hazelwood	Mo	1						1
Kansas City	Mo	6		38				44
Poplar Bluff	Mo			1				1
St. Ann	Mo	2						2
St. Joseph	Mo			1				1
St. Louis	Mo	81		17				98
Springfield	Mo			1				1
Tarkio	Mo	1						1
Omaha	Ne	5						5
Cincinnati	Oh	34						34
Cleveland	Oh	22		14				36
Columbus	Oh	1						1
Dayton	Oh	11		1				12
Elyria	Oh	1						1
Springfield	Oh	1						1
Strasburg	Oh			1				1
River Falls	Wi	1						1
Total Central Region		<u>334</u>	<u>3</u>	<u>241</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>582</u>
Alhambra	Ca	10		8				18
Altadena	Ca			4				4
Anaheim	Ca	36		27				63
Antiach	Ca	1		1				2
Arcadia	Ca	2		6				8
Artesia	Ca	4		13				17
Arvin	Ca			1				1
Azusa	Ca	2		6				8
Bakersfield	Ca	7		9				16
Baldiver Park	Ca	7		4				11
Bell	Ca	9		1				10
Bellflower	Ca	4		3				7
Beverly Hills	Ca	14		13				27
Big Bear Lake	Ca	1						1
Bonita	Ca	1						1
Buena Park	Ca	1		3				4
Burbank	Ca	7		8				15
Calxico	Ca			2				2
Camarillo	Ca			1				1
Chico	Ca	3		1				4
Chula Vista	Ca			1				1
Citrus Heights	Ca	3		1				4
Claremont	Ca			1				1
Colton	Ca			3				3
Compton	Ca	3		4				7
Concord	Ca	1		6				7
Corona	Ca	1		3				4
Costa Mesa	Ca	4		2				6
Crescent City	Ca	4		1				5
Cupertino	Ca	1				1		2
Cypress	Ca	1		2				3
Davis	Ca			6				6
Delano	Ca			2				2
Downey	Ca	11		2				13
El Cajon	Ca	7		11				18
El Monte	Ca	1		2				3
El Toro	Ca	2		1				3
Fairfield	Ca	6						6
Fair Oaks	Ca			1				1
Fremont	Ca	7		3				10
Fresno	Ca	10		31				41

ENCLOSURE

City	State	Regular		Standby		Temporary		Total foreign vehicles
		Employee	Commer- cial	Employee	Commer- cial	Employee	Commer- cial	
Galt	Ca	2						2
Gardena	Ca	1		6				7
Garden Grove	Ca	14						14
Glendale	Ca	14		8				22
Glendora	Ca	2		4				6
Harbor City	Ca			1				1
Hawthorne	Ca	7		2				9
Hayward	Ca	20		7				27
Hemet	Ca	1		3				4
Highland	Ca	2						2
Huntington Bch.	Ca	8		11				19
Huntington Park	Ca			8				8
Inglewood	Ca	28		8		1		37
Laguna Bch.	Ca	20		8				28
La Habra	Ca			3				3
La Jolla	Ca	7						7
Lakewood	Ca	3		6				9
La Mesa	Ca	9		2				11
La Mirada	Ca	11		3				14
Lancaster	Ca			3				3
Lawndale	Ca	3		1				4
Lemon Grove	Ca	2		2				4
Lomita	Ca	1						1
Lompoc	Ca	9		1				10
Long Beach	Ca	85		16				101
Los Alamitos	Ca	2		2				4
Los Angeles	Ca	385		84		2		471
Los Gatos	Ca	1		4				5
Lynwood	Ca	5		1				6
Malibu	Ca			2				2
Madera	Ca	1		3				4
Martinez	Ca	1						1
Mendo Park	Ca	5		3				8
Milpitas	Ca	1		1				2
Modesto	Ca	3						3
Monrovia	Ca			2				2
Montclair	Ca	2		1				3
Mountain View	Ca			1				1
Napa	Ca	1		3				4
National City	Ca	1						1
Needles	Ca			1				1
Newark	Ca	2		1				3
Newhall	Ca	4						4
Newport Beach	Ca	7		9				16
N. Highlands	Ca	4		1				5
N. Hollywood	Ca	50		11				61
Norwalk	Ca	5						5
Oakland	Ca	43		32				75
Oceanside	Ca	1						1
Ontario	Ca	4		4				8
Orange	Ca	9		9				18
Oxnard	Ca	2						2
Pacific Palisades	Ca	1						1
Pacoima	Ca	2		6				8
Palo Alto	Ca	10		11				21
Paramount	Ca	3		3				6
Pasadena	Ca	6		27				33
Pico Rivera	Ca	6		3				9
Pinole	Ca			1				1
Placentia	Ca			2				2
Pleasanton	Ca	1		2				3
Pomona	Ca	7		8				15
Port Hueneme	Ca	1						1
Poway	Ca	1		1				2
Rancho Cordova	Ca	1						1
Reseda	Ca			4				4

ENCLOSURE

City	State	Regular		Standby		Temporary		Total foreign vehicles
		Employee	Commer- cial	Employee	Commer- cial	Employee	Commer- cial	
Rialto	Ca			2				2
Riverside	Ca	23						23
Rosenville	Ca	3		2				5
Sacramento	Ca	96		13				109
Salinas	Ca	7		3				10
San Bernardino	Ca	19		9				28
San Clemente	Ca	2		1				3
San Diego	Ca	110		72				182
San Fernando	Ca	27		15				42
San Gabriel	Ca			1				1
San Jose	Ca	216		16				232
San Leandro	Ca	2		1				3
San Lorenzo	Ca			2				2
San Luis Obispo	Ca	14		3				17
San Marcos	Ca			1				1
San Mateo	Ca	6		4				10
San Pedro	Ca	3		7				10
San Ramon	Ca	1		1				2
San Ysidro	Ca	1						1
Santa Ana	Ca	28		35				63
Santa Barbara	Ca	2						2
Santa Clara	Ca	15		2				17
Santa Fe Springs	Ca	1		1				2
Santa Monica	Ca	27		10				37
Santee	Ca	5		6				11
Saratoga	Ca			1				1
Seal Beach	Ca	10		3				13
Seaside	Ca	1		3				4
South Gate	Ca	4		6				10
South Pasadena	Ca			2				2
S. San Francisco	Ca	1		1				2
Spring Valley	Ca	1		1				2
Sun Valley	Ca	4		4				8
Tarzana	Ca	2		1				3
Thousand Oaks	Ca	4		2				6
Torrance	Ca	9		1				10
Tujunga	Ca			2				2
Union City	Ca	1						1
Vacaville	Ca			1				1
Van Nuys	Ca	35		28				63
Vistal	Ca	1						1
Walnut	Ca	2		1				3
Westminister	Ca			3				3
W. Sacramento	Ca			3				3
Whittier	Ca	22		29				51
Wilmington	Ca	2		10				12
Woodland	Ca			1				1
Woodland Hills	Ca	1		3				4
Pueblo	Co	1						1
Kailua	Hi			1				1
Montpelier	Id	1						1
Pocatello	Id	2						2
St. Anthony	Id	1						1
Twin Falls	Id		13					13
Bozeman	Mt	2	2					4
Sparks	Ne			2				2
Albuquerque	NM	1						1
Eugene	Or	3						3
Gresham	Or	2						2
Salem	Or	2						2
Troutdale	Or	1						1
Sandy	Ut	1						1
Tooele	Ut	2						2
Salt Lake City	Ut	9						9

ENCLOSURE

City	State	Regular		Standby		Temporary		Total foreign vehicles
		Employee	Commer- cial	Employee	Commer- cial	Employee	Commer- cial	
Arlington	Wa	1						1
Bellevue	Wa			1				1
Bremerton	Wa	1		2				3
Everett	Wa			1				1
Seattle	Wa	4		10		2		16
Spokane	Wa			8				8
Tacoma	Wa	1		1				2
Total Western Region		1,741	15	879		6		2,641

Region	Regular		Standby		Temporary		Total foreign vehicles	
	Employee	Commer- cial	Employee	Commer- cial	Employee	Commer- cial		
New York	5		2				7	
Eastern	4		12				16	
Southern	184	309	70	21	3	1	588	
Central	334	3	241	1	3		582	
Western	1,741	15	879		6		2,641	
National total		2,268	327	1,204	22	12	1	3,834