



DEPARTMENT OF THE ARMY
INSTALLATION MANAGEMENT AGENCY
EUROPE REGION
UNIT 29353, BOX 200
APO AE 09014

SFIM-EU-MWR

9 OCT 03

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Requests for Exception to the Moratorium on NAF Vehicle Purchases

1. Early this year, the IMA-E Regional Director imposed a moratorium on NAF vehicle purchases until a full staff study could be performed to determine the quantity and type of vehicles necessary to meet the demands of the MWR mission. At the time, he required all waiver requests to include a complete justification for the needed vehicles. This memo provides a return on investment (ROI) tool to assist ASG personnel in justifying vehicles directly and integrally involved in revenue generation, such as car rental programs or shuttle bus services.
2. The ROI template accompanying this memo will allow financial managers to quickly evaluate the value of a vehicle acquisition. The template consists of two spreadsheets. The first requires vehicle cost data and expected useful life for each vehicle. The second spreadsheet requires the number of vehicles to be purchased as well as the projected revenue, labor costs, and other operating expenses associated with the vehicles. In order to ensure correct results in this analysis, requesting officials will also provide the following data in narrative format:
 - a. Rationale for the expected useful life for each vehicle (industry expects two- or three-year life for rental or shuttle vehicles).
 - b. Rationale for the expected residual value upon disposal (vehicles have no residual value unless the disposing organization will receive value upon disposal).
 - c. Rationale for expected changes in Total Revenue and Total Expenses over the expected useful life.
 - d. Cost of annual third-party insurance premiums for vehicles that will operate outside the SOFA countries.
 - e. Purpose of acquisition (to replace old vehicles, expand an existing operation, or support a new operation).
3. To seek exception consideration for vehicles that cannot be justified solely on the basis of a ROI, provide justification for the proposed acquisition. Extra consideration may be appropriate in some cases, such as requests for remote locations or for programs whose vehicles have reached the end of their useful life.

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4. Submit requests for exception to the IMA-E, MWR Single and Oversight Fund, Management Control and Assistance Branch. The point of contact is Beverly Bennett, DSN 370-7956, e-mail: bennettb@ima-e.army.mil.

Encl
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ROBERT KANDLER
Chief of Staff

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