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the relative fuel efficiency of an individual aircraft. The measure identifies the requirement to replace inefficient engines or to eliminate fuel inefficient aircraft from the fleet.

(c) *Crew costs-fixed per flying hour.* When based on the total fixed crew costs and flying hours, can be used to determine the impact of crew utilization on overall operating costs; can also be used to compare crew utilization and salary levels among different agency or bureau aircraft programs.

(d) *Operations overhead per flying hour.* Operations overhead may be used on an aggregate basis (i.e., total operations overhead expenditures divided by hours flown) to compare the overhead activities in direct support of aircraft operations among agencies or bureaus. This factor can indicate excess overhead support costs.

(e) *Administrative overhead per flying hour.* Administrative overhead may be used on an aggregate basis (i.e., total administrative overhead divided by hours flown) to compare the level of administrative support to other agencies and bureaus.

Subpart 101-37.3—Cost Comparisons for Acquiring and Using Aircraft

SOURCE: 60 FR 3552, Jan. 18, 1995, unless otherwise noted.

§ 101-37.300 General.

The provisions of this subpart prescribe policies and procedures for conducting cost comparisons for the acquisition, use, or lease of aircraft. This subpart incorporates selected provisions of OMB Circulars A-76 and A-126.

§ 101-37.301 Applicability.

This subpart applies to all agencies in the executive branch of the Federal Government. It does not apply to the United States Postal Service, to the Government of the District of Columbia, or to non-Federal organizations receiving Federal loans, contracts, or grants.

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§§ 101-37.302—101-37.303 [Reserved]

§ 101-37.304 Variable cost rate.

For the purpose of comparing costs (Government, commercial charter, and airline) associated with passenger transportation flights, as required by § 101-37.406, the agency should develop a variable cost rate for each aircraft or aircraft type as follows:

(a) Accumulate or allocate to the aircraft or aircraft type all historical costs, for the previous 12 months, grouped under the variable cost category defined in § 101-37.201. These costs should be obtained from the agency's accounting system.

(b) Adjust the historical variable costs for inflation and for any known upcoming cost changes to determine the projected variable cost. The inflation factor used should conform to the provisions of OMB Circular A-76.

(c) Divide the projected variable cost of the aircraft or aircraft type by the projected annual flying hours for the aircraft or aircraft type to compute the variable cost rate (per flying hour).

(d) To compute the variable cost for a proposed trip, multiply the variable cost rate by the estimated number of flying hours for the trip. The number of flying hours should include:

(1) If no follow-up trip is scheduled, all time required to position the aircraft to begin the trip and to return the aircraft to its normal base of operations.

(2) If a follow-on trip requires repositioning, the cost for repositioning should be charged to the associated follow-on trip.

(3) If an aircraft supports a multi-leg trip (a series of flights scheduled sequentially), the use of the aircraft for the total trip may be justified by comparing the total variable cost of the entire trip to the commercial aircraft cost (including charter) for all legs of the trip.

§ 101-37.305 Acquisition and management.

(a) The number and size of aircraft acquired by an agency and the capacity of those aircraft to carry passengers and cargo shall not exceed the level

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necessary to meet the agency's mission requirements.

(b) Agencies must comply with OMB Circular A-76 before purchasing, leasing, or otherwise acquiring aircraft and related services to assure that these services cannot be obtained from and operated by the private sector more cost effectively.

(c) Agencies shall review on a 5-year cycle the continuing need for all of their aircraft and the cost effectiveness of their aircraft operations in accordance with OMB approved cost justification methodologies. A copy of each agency review shall be submitted to GSA when completed and to OMB with the agency's next budget submission. Agencies shall report any excess aircraft and release all aircraft that are not fully justified by these reviews.

(d) Agencies shall use their aircraft in the most cost effective way to meet their requirements.

Subpart 101-37.4—Use of Government-Owned and -Operated Aircraft

SOURCE: 58 FR 53660, Oct. 18, 1993, unless otherwise noted.

§ 101-37.400 General.

The provisions of this subpart prescribe policies and procedures for the use of Government aircraft. This subpart incorporates certain provisions of OMB Circular A-126 and OMB Bulletin Number 93-11.

§ 101-37.401 [Reserved]

§ 101-37.402 Policy.

Government aircraft shall be used for official purposes only in accordance with applicable laws and regulations, including this subpart.

(a) Use of Government aircraft. Agencies shall operate Government aircraft only for official purposes. Official purposes include the operation of Government aircraft for:

- (1) Mission requirements, and
- (2) Other official travel.

(b) Use of Government aircraft for official travel or on space available travel is subject to paragraphs (b)(1) and (2) of this section.

(1) Use of a Government aircraft for official travel other than required use travel or mission requirement travel; i.e., for the conduct of agency business, shall be authorized only when:

(i) No commercial airline or aircraft service (including charter) is reasonably available to fulfill effectively the agency's requirement; or

(ii) The actual cost of using a Government aircraft is not more than the cost of commercial airline or aircraft service (including charter). When a flight is made for mission requirements or required use travel (and is certified as such in writing by the agency which is conducting the mission), it is presumed that secondary use of the aircraft for other travel for the conduct of agency business will result in cost savings.

(2) Use of a Government aircraft on a space available basis is authorized only when:

(i) The aircraft is already scheduled for use for an official purpose;

(ii) Space available travel does not require a larger aircraft than needed for the already scheduled official purpose;

(iii) Space available use results in no, or only minor, additional cost to the Government; and

(iv) Reimbursement is provided as set forth in § 101-37.403 of this subpart.

(c) The Secretary of State, Secretary of Defense, Attorney General, Director of the Federal Bureau of Investigation, and the Director of Central Intelligence may use Government aircraft for travel other than:

(1) To meet mission requirements, or

(2) For the conduct of agency business, but only upon reimbursement at full coach fare and with authorization by the President or his designated representative on the grounds that a threat exists which could endanger lives or when continuous 24-hour secure communication is required.

§ 101-37.403 Reimbursement for the use of Government aircraft.

A passenger transported by Government aircraft is required to reimburse the Government under the circumstances specified, and in the amount indicated, in paragraphs (a) through (d) of this section.