

Exceptional service in the national interest



Per Diem vs. Actuals

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Sandia National Laboratories is a multi-program laboratory managed and operated by Sandia Corporation, a wholly owned subsidiary of Lockheed Martin Corporation, for the U.S. Department of Energy's National Nuclear Security Administration under contract DE-AC04-94AL85000.

Background

- Sandia has an extended history of utilizing actuals as the basis of expense reports.
- The business case is founded upon the principle of being willing to petition DOE for an exception allowing the use of actuals because Sandia can demonstrate that it saves the taxpayer money every year as a result.
- Formal petition for exceptions has now become streamlined. Sandia simply provides annual reporting on the per diem cost savings to DOE.

Comparison Calculation

- Sandia uses a home-grown web-based expense report tool
- The tool is programmed to randomly select expense reports for review
- Sandia utilizes Excel to calculate per diem amounts based on location and first and last day of travel limitations.
- Ratio estimation is used to project the results of the sample to the larger Sandia population of expense reports.

Example: FY12

| | |
|--|------------------------|
| • Additional Cost of Lodging Above Per Diem | (\$ 794.62) |
| • M&IE Savings Below Per Diem | \$ <u>26,316.87</u> |
| • Total Savings | \$ <u>25,522.25</u> |
| • Sample Total Per Diem Lodging & M&IE | \$ 126,152.34 |
| • Ratio Estimation Percentage (Savings/Sample Total) | 17.36% |
| • Average Cost of Per Diem Lodging & M&IE (200 sample items) | \$ 630.76 |
| • Estimated Population Total Per Diem Lodging & M&IE (36,637 trips) | \$23,109,216.40 |
| • Projected Savings (17.36% * Estimated Population Total) | <u>\$ 4,011,759.97</u> |

Trending: FY10-FY12

Actuals Less Than Per Diem

About 80% of the Time

| | FY2010 | FY2011 | FY2012 | Total |
|--------------|---------------|---------------|---------------|---------------------------|
| Cost Savings | \$ 1,930,792 | \$ 3,506,332 | \$ 4,011,760 | <u>\$9,448,884</u> |
| % of Sample | 84% of | 76.5% of | 77% of 200 | |
| Vouchers | 200 | 200 | Vouchers | |
| Under Total | Vouchers | Vouchers | | |
| Per Diem | | | | |

Analytics: Including FY13

| | FY2013 | FY2012 | FY2011 | FY2010 | |
|--|---------------|---------------|---------------|---------------|--|
| Lodging Savings | (5,072.32) | (794.62) | (6,926.40) | (12,650.22) | |
| M&IE Savings | 26,459.63 | 26,316.87 | 22,220.53 | 21,473.47 | |
| Total Savings | 21,387.31 | 25,522.25 | 15,294.13 | 8,823.25 | |
| Sample Total Per Diem Lodging/M&IE | 131,190.83 | 126,152.34 | 121,719.86 | 124,264.32 | |
| Ratio Estimation Percentage (savings/sample total) | 16.30% | 17.36% | 12.57% | 7.10% | |
| Average Per Diem Lodging & M&IE (200 sample items) | 655.95 | 630.76 | 608.60 | 621.32 | |
| Estimated Total Per Diem Lodging and M&IE (Roughly 36K-38K Trips) | 22,587,125.20 | 23,109,216.40 | 27,905,495.10 | 27,192,761.15 | |
| Projected Savings (Ratio * Est. Total Per Diem costs) | 3,681,701.41 | 4,011,759.97 | 3,506,332.24 | 1,930,791.80 | |

Discussion & Questions

- OMB Order and Potential Mandatory Travel Reductions
 - 7%?
 - 12%?
 - 30%?
- Potential to have mixed per diem – actuals?
 - Pay lessor of...
 - Actuals on M&I and per diem on lodging?
 - Other methodology?
- Benchmarking & Upcoming Tools