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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

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GENERAL GOVERNMENT
DIVISION

MAR 21 1974

B-179661

24-0573

The Honorable H. R. Gross
House of Representatives

Dear Mr. Gross:

Your September 5, 1973, letter requested us to provide you information regarding the Oceans and National Economic Development Conference held from July 17 to 19, 1973, in Seattle, Washington.

The conference was to lay the foundation for the planning of programs that will aid in meeting the national goals for developing and conserving the ocean's resources and preserving the ocean environment. The National Oceanic and Atmospheric Administration (NOAA), Department of Commerce, sponsored this conference to take a fresh look at the ocean's potential for meeting national economic and social needs between now and the end of the century. According to NOAA, about 560 people--including 139 Federal employees--attended the conference.

You requested information on several matters including (1) the type of airline accommodations used by Federal employees from the Washington, D.C., area attending the conference, (2) the details of all contracts awarded for planning and conducting the conference, as well as justifying any non-competitive awards, and (3) the reasons Seattle was selected, over Washington, D.C., as the conference site. In accordance with your request and subsequent discussions with our representatives, specific information for each area of concern follows.

We made our review at NOAA headquarters in Washington, D.C., and held discussions with NOAA officials responsible for planning and conducting the conference. We examined the travel vouchers and other records for the Federal employees attending the conference, the contract files relating to the planning and providing of management services, and NOAA's correspondence files concerning the conference.

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AIRLINE ACCOMMODATIONS

The Washington-based employees who traveled to Seattle to attend the conference used coach accommodations on the airlines in all but three instances. Travel records and discussion with an agency official indicated that two of the Interior employees used first class at an additional cost of \$96 on half of their trip because lower fare seats were not available. An NSF official was permitted, according to that agency's practice, to travel first class at an additional cost of \$85 to the Government.

According to an NSF official, a former director authorized NSF's directorate to travel first class as a matter of routine. We pointed out that this practice appeared to be inconsistent with Federal travel regulations. This official subsequently advised us that this practice would be discontinued and that the agency will comply with the Federal travel regulations.

CONTRACTS AWARDED FOR CONFERENCE

NOAA awarded four ~~contracts for either planning or providing management services required for the conference.~~ The Government's cost for these contracts was as follows.

<u>Contractor</u>	<u>Basis of award</u>	<u>Purpose</u>	<u>Amount</u>
Marine Technology Society (MTS)	Negotiated	Advisory support for planning and execution of conference	\$12,091
Mr. E. W. Seabrook Hull	Negotiated	Consulting support services	5,000
SEA USE Foundation	Negotiated	Provide support services	8,700
Seattle-King County Economic Development Council (EDC)	Negotiated	Provide facilities and management services	17,334
			\$43,125

NOAA negotiated for services of MTS and Mr. Hull under the Federal Property and Administrative Services Act of 1949, as amended (41 U.S.C. 252(c)(4)), which permits negotiation for personal or professional services. Contracts with the SEA USE Foundation and the Seattle-King County EDC were awarded under the act (41 U.S.C. 252(c)(10)), which permits negotiation when it is impracticable to secure competition.

Details for each of the contracts awarded for the NOAA conference are presented below.

MTS

On February 23, 1973, NOAA awarded MTS a ~~contract at a fixed price~~ of \$12,100; the actual expenditure was \$12,091.

In justifying the ~~noncompetitive procurement~~, NOAA said it did not have the professional capability to conduct a major oceanographic conference whereas MTS annually conducts its own conference, which brings together personnel from a widely diversified industrial field and the several Government agencies involved in oceanography. To insure that the conference achieved its objective, NOAA considered it mandatory that someone having intimate knowledge participate in the NOAA conference.

NOAA believed MTS' executive director was particularly well qualified because of his experience in conducting MTS' conferences. Since only MTS had the desired experience and knowledge of developing MTS' program to provide the required support for NOAA's conference, NOAA did not consider it appropriate to seek out other proposals. NOAA believed that employing any other adviser would have required additional time and cost to allow for the acquisition of knowledge of the MTS conference and the oceanographic community and its peculiarities, which were already available within MTS.

The contract called for the MTS executive director and several additional employees to provide advisory support to NOAA in the development and execution of a national oceanographic conference in Seattle. This support was divided into four basic tasks.

1. Conference program--participate in all meetings of the NOAA steering committee and make recommendations on program content; potential speakers; and program structure, particularly as it related to facilities considerations.
2. Conference facilities--advise NOAA officials on all facilities arrangements, suggest ways and means to achieve maximum benefit of the meeting site and support services at the lowest possible cost.
3. Conference promotion and publicity--advise NOAA officials in the development and execution of a publicity promotion. This would include guidance on press announcements, the final program, lists of potential attendees, mailing and printing procedures, and other related matters.
4. Administration--advise NOAA officials in developing and monitoring a management plan, workflow schedule, and conference budget.

Mr. E. W. Seabrook Hull

On June 12, 1973, NOAA awarded Mr. Hull a \$5,000 ~~fixed-price contract~~ for consulting services. Mr. Hull was to actively serve as consultant to the Administrator, NOAA, concerning policy content of the conference; to provide coordination and support in preparing speeches for designated speakers; and provide comment on the conference results.

To insure that the objective was met and maximum benefit gained from the exchange of ideas, NOAA believed the services of a knowledgeable outside consultant were required. It considered Mr. Hull to be a recognized expert in analyzing the Federal ocean program and thus uniquely qualified in background, knowledge, and capability to provide the required services.

The late recognition of the requirement for an outside consultant, combined with the immediate need for the service, precluded accepting any consultant with conflicting demands on his time or one not intimately knowledgeable of the ocean program from within and outside the Government.

The SEA USE Foundation

On February 12, 1973, NOAA awarded the SEA USE Foundation, as the SEA USE Council's corporate designee, an \$8,700 contract to provide support for preparing and conducting the conference. In justifying the procurement, NOAA said the conference was to provide those affected by, or interested in, national ocean policies and programs an opportunity to express their views on what needed to be done to enable the United States to more fully realize the resource potential of the ocean. NOAA said it was essential that the regional approach to oceanographic resource development be considered.

Because the SEA USE Council was involved in coordinating activities for oceanographic programs of Canada, Alaska, Washington, Oregon, and Hawaii, NOAA felt that the Council's assistance in preparing part of the conference program would greatly increase its value. The same benefit could not be achieved, in NOAA's view, by working outside of the regional organization itself. The Council's intimate knowledge and experience was required for adequate program development, and NOAA did not consider it feasible for other than the SEA USE Council to carry on this work.

The following services were provided NOAA in preparing for the conference.

1. Advised NOAA on the general pattern of the content of the conference and suggested speakers.

2. Discussed content and speakers for the conference session on regional approaches to ocean resource development.
3. Assisted in arranging certain field trips in the Seattle area suitable to demonstrate certain oceanic projects to the conferees.

Seattle-King County EDC

NOAA entered into a contract on February 20, 1973, with the Seattle-King County EDC to provide facilities and management services for the conference. The cost of these services was \$46,983, which was later reduced by income of \$29,649 received from registration fees of \$20 to \$60 from each attendee, the sale of additional banquet tickets, a boat cruise and salmon barbecue, Space Needle brunch, and a ship tour and luncheon. The final cost to the Government was \$17,334.

NOAA selected the Seattle-King County EDC to be a member of the conference steering committee because it considered Seattle-King County EDC as having a high degree of expertise in the economic development field. With its intimate knowledge of the conference, its contacts, and its capability and experience in handling conferences in the Seattle area, NOAA considered them uniquely qualified to manage conference arrangements in Seattle that would be compatible with the objectives and high positions of participants involved in the conference. Its close working relationships with other organizations involved in the program development also made its services essential for optimum conference results.

The contractor was to furnish:

1. Advisory and direct management assistance as required from the Finance Director, Director of Public Affairs, Administrative Secretary, and members of their staffs.
2. Clerical and financial staff necessary to handle and account for an advance registration plus at-conference registrations.
3. Supplies and equipment, including office supplies, badges, typewriters for press room, and miscellaneous conference supplies.
4. Recording and transcription services, including a tape of the entire proceedings and court reporter transcription.
5. Travel arrangements and related costs.

6. Meal expenses for conferees, speakers, committee members, and nonconferees.

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In addition to the above contracts concerning planning and conducting the conference, the Seattle Field Printing Plant of the Government Printing Office did all the printing for the programs. The cost of 13,500 programs was \$4,284, which included placing the programs in envelopes and mailing.

SELECTING CONFERENCE SITE

According to NOAA officials, the conference could have been held in Washington, D.C., or any city in the United States for that matter. However, Seattle was selected because, more than any other city, it presented the circumstances NOAA officials believed would provide the best opportunity to benefit from the conference. The theme of the conference was the oceans and national economic development. Seattle had been economically depressed but was working vigorously to stimulate its economy. According to NOAA, maritime affairs play an important part in this effort because the area has a strong reliance on maritime trade and the fishing industry.

NOAA said a contributing factor to Seattle's intense concern with maritime affairs was that it is the only port in the United States with facilities capable of handling the very large crude oil tankers that must play an important part in meeting this country's need for imported oil. Completing the Trans-Alaskan pipeline and shipping oil by tanker from Valdez, Alaska, to the West Coast adds to area concern for marine affairs, including the environment.

The West Coast center of NOAA activities is in Seattle, and a large part of its personnel are employed in the western United States. The Pacific Oceanographic Laboratory, the Pacific Marine Center, the National Marine Fisheries Center regional headquarters, the NOAA's Pacific ships' home base, and other NOAA activities are in Seattle. Also, the University of Washington in Seattle is one of the Nation's first Sea Grant Colleges. These activities made available to conferees an opportunity to see some of the most modern oceanographic facilities and to visit with key leaders in various fields of ocean research.

NOAA's final consideration in choosing the site was the enthusiastic support and encouragement by local, State, and Federal officials. NOAA officials responsible for organizing the conference said Seattle

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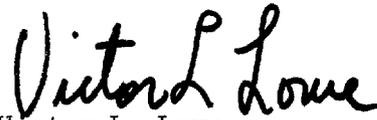
contributed greatly to the conference's success which probably could not have been achieved elsewhere.

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As requested by your office, we did not obtain comments from NOAA.

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

Sincerely yours,

A handwritten signature in black ink that reads "Victor L. Lowe". The signature is written in a cursive style with a large, prominent "V" and "L".

Victor L. Lowe
Director