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

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Dear Mr. Boggs:

Your letter of August 27, 1972, requested that we investigate statements contained in letters dated August 7 and 17, 1972, from Mr. Frank P. Biggs concerning expenditures by the U.S. Department of Agriculture (USDA) for relocation of offices and related alterations to buildings in Michoud, Louisiana.

In March 1972 USDA moved its offices from the Wirth Building, leased by the General Services Administration (GSA) in New Orleans, Louisiana, to buildings owned by the National Aeronautics and Space Administration (NASA) in Michoud. USDA gave the following reasons for the move.

1. The GSA lease for the Wirth Building expired March 31, 1972, and was not renewable.
2. USDA had a space requirement of 175,000 square feet, which exceeded the 116,000 square feet available in the Wirth Building. The need for increased space was due to the establishment of the Central Voucher Payment Center.
3. The law and Executive orders require that, before Federal agencies lease privately owned space, they make maximum use of existing Government-owned space which adequately and economically meets their space needs. By January 1971 GSA informed USDA that excess Government-owned space was available in Michoud. Also USDA had estimated it would cost from \$6 to \$7.50 a square foot annually to lease a building meeting its requirements.

In February 1972 USDA and NASA entered into an agreement whereby USDA would be permitted to occupy space in two NASA buildings in Michoud for a 2-year period ending March 31, 1974. NASA limited the agreement to 2 years because, at the time, it had a potential future requirement for the space. Because the NASA requirement has diminished since February 1972, USDA plans to ask NASA for a 10-year agreement; USDA

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officials believe they will be able to occupy the buildings for a longer period.

The agreement does not require USDA to pay rent; however, USDA will reimburse NASA for building alterations and for a proportionate share of the costs of utilities, custodial and security services, fire protection, and routine maintenance.

In his letters Mr. Biggs stated that USDA was reportedly spending over \$1 million for the move to the NASA buildings and that the furnishings for the Central Voucher Payment Center were extravagant.

According to USDA records, total costs of about \$827,000 were incurred. Of this amount, about \$702,000 was spent for alterations to the NASA buildings and for the relocation of USDA offices from the Wirth Building; \$37,000 was spent for upgrading computer security and increasing tape storage capacity; and \$88,000 was spent for office landscaping (furnishings) of the newly established Central Voucher Payment Center

Office landscaping, used in both commercial and Government buildings, is a management technique that places all personnel--from clerks to executives--in an open-office environment. Instead of fixed partitions, there are movable screens, plants, and furniture surrounding work stations. Wall-to-wall carpeting and other materials are used to absorb sound.

Eliminating full-length partitions provides for more efficient space utilization and for flexibility, and the savings from eliminating the partitions in many instances offsets or exceeds the cost of the screens, carpeting, and plants. Flexibility is obtained because the screens, which provide privacy, can be moved as work flows change. The space utilization is efficient because wide halls and aisles are eliminated.

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The following furnishings were acquired or refinished for use in the Central Voucher Payment Center.

Carpeting	\$45,000
Plants and planters	3,645
Screens	20,020
Plastic floor mats	4,128
Furniture refinishing	<u>15,005</u>
Total	<u>\$87,798</u>

These costs are about \$33,000 lower than USDA's estimated cost of \$121,000 for conventional furnishings and partitions.

On the basis of our preliminary inquiries, we believe that further investigation of the statements contained in Mr. Biggs' correspondence is not warranted.

We did not ask USDA or GSA to formally comment on the contents of this report, nor did we release copies of the report to those agencies.

Sincerely yours,



Comptroller General
of the United States

The Honorable Hale Boggs
Majority Leader
House of Representatives