

115789

STUDY BY THE STAFF OF THE U.S.

General Accounting Office

Federal Facilities Acquisition And Management: Issues For Planning

All Federal departments and agencies need facilities to use in carrying out their missions. The Federal Government owns over \$100 billion worth of land and facilities acquired for its use and each year acquires substantial additional amounts.

Federal departments' and agencies' acquisition and management of facilities used in the conduct of their operations has always received considerable congressional and public interest. How many Federal facilities should be acquired, where they should be located, how much they should cost to acquire, maintain and operate, and what should happen to them when the Federal Government no longer needs them all influence the congressional and public interest and cause a good deal of public debate and concern.

This study discusses current and emerging issues related to Federal facilities acquisition and management and represents the perspective GAO is using to organize its audit efforts.



115789



PLRD-81-51
JULY 14, 1981

FOREWORD

Federal agencies' acquisition and management of real property for their use in the conduct of their operations has always received considerable congressional and public interest. How many Federal facilities should be built, where they should be built, how much they should cost to build, maintain, and operate, and what should happen to them when the Federal Government no longer needs them all influence the congressional and public interest and cause a good deal of public debate and concern. Further, because of the role facilities play in the effectiveness and efficiency of their operations and in the safety and morale of their employees, Federal agencies are extremely concerned about the adequacy, both in terms of quantity and quality, of the facilities they occupy.

Trends are underway which indicate that both military and civilian acquisition of facilities will increase rather dramatically in the near future, with a corresponding increase in the inventory of facilities the Government will be operating and maintaining. The Department of Defense, which has a backlog of facilities requirements of over \$30 billion, has stepped up its efforts to obtain needed facilities by increasing its requests for military construction funds for new construction and renovation. The Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation are also considering legislation which would greatly increase construction of Federal buildings and reduce the Government's dependence on leased space. Estimates of the proposed construction run into the multi-billions of dollars.

GAO's work in this area always receives considerable congressional interest. We receive an average of almost four congressional requests each month for specific audit work in this area. These requests vary so that collectively they cover every major function involved in the acquisition and management of Federal facilities.

The Comptroller General has assigned primary audit responsibility for GAO's reviews of Federal departments' and agencies' facilities acquisition and management to the Procurement, Logistics and Readiness Division (PLRD). This study describes PLRD's objectives in its reviews of Federal facilities acquisition and management. It also highlights the critical questions we feel need to be answered to assist us in accomplishing our objectives.

Information on this study can be obtained from Harlow Williams, Issue Area Planning Coordinator, Facilities Acquisition and Management Subdivision, on (202)275-3612.



Donald J. Horan
Director,
Procurement, Logistics, and
Readiness Division

Request for copies of GAO reports should be sent to:

U.S. General Accounting Office
Document Handling and Information
Services Facility
P.O. Box 6015
Gaithersburg, Md. 20760

Telephone (202) 275-6241

The first five copies of individual reports are free of charge. Additional copies of bound audit reports are \$3.25 each. Additional copies of unbound report (i.e., letter reports) and most other publications are \$1.00 each. There will be a 25% discount on all orders for 100 or more copies mailed to a single address. Sales orders must be prepaid on a cash, check, or money order basis. Check should be made out to the "Superintendent of Documents".

C O N T E N T S

| | <u>Page</u> |
|---|-------------|
| FOREWORD | |
| CHAPTER | |
| 1 FEDERAL FACILITIES ACQUISITION AND MANAGEMENT ISSUES AND CONCERNS | 1 |
| 2 CAN IMPROVEMENTS BE MADE IN THE ACQUISITION AND MANAGEMENT OF FEDERAL DESIGN AND CONSTRUCTION TO CONTROL OR REDUCE COSTS? | 6 |
| 3 ARE FEDERAL AGENCIES DOING AN EFFECTIVE JOB IN OPERATING AND MAINTAINING THEIR FACILITIES? | 10 |
| 4 HOW EFFECTIVE ARE CURRENT POLICIES, PROCEDURES, AND PRACTICES FOR IDENTIFYING AND ECONOMICALLY DISPOSING OF EXCESS AND SURPLUS REAL PROPERTY? | 14 |
| 5 HOW CAN AGENCY LEASING PROCEDURES AND PRACTICES BE IMPROVED? | 17 |
| 6 CAN IMPROVEMENTS BE MADE IN THE WAY FEDERAL AGENCIES IDENTIFY AND JUSTIFY FACILITY NEEDS? | 21 |
| 7 HOW ACCURATE ARE GOVERNMENT AGENCIES' ESTIMATES OF COSTS AND SAVINGS FOR FACILITY REALIGNMENTS, PHASE-DOWNS, CONSOLIDATIONS, OR CLOSURES? | 24 |
| 8 ARE NEW AND INNOVATIVE CONCEPTS AND TECHNIQUES RELATIVE TO THE DESIGN AND CONSTRUCTION OF BUILDINGS BEING APPLIED IN THE ACQUISITION OF FEDERAL BUILDINGS? | 27 |
| 9 WHAT HAVE BEEN THE RESULTS OF THE GOVERNMENT POLICY TO LOCATE FEDERAL FACILITIES IN URBAN CENTRAL BUSINESS DISTRICTS? | 30 |
| <u>APPENDIX</u> | |
| I GAO REPORTS AND TESTIMONIES ON FACILITIES ACQUISITION AND MANAGEMENT MATTERS DURING THE PERIOD MARCH 1, 1979 - AUGUST 31, 1980 | 33 |

C O N T E N T S

| | <u>Page</u> |
|---|-------------|
| FOREWORD | |
| CHAPTER | |
| 1 FEDERAL FACILITIES ACQUISITION AND MANAGEMENT ISSUES AND CONCERNS | 1 |
| 2 CAN IMPROVEMENTS BE MADE IN THE ACQUISITION AND MANAGEMENT OF FEDERAL DESIGN AND CONSTRUCTION TO CONTROL OR REDUCE COSTS? | 6 |
| 3 ARE FEDERAL AGENCIES DOING AN EFFECTIVE JOB IN OPERATING AND MAINTAINING THEIR FACILITIES? | 10 |
| 4 HOW EFFECTIVE ARE CURRENT POLICIES, PROCEDURES, AND PRACTICES FOR IDENTIFYING AND ECONOMICALLY DISPOSING OF EXCESS AND SURPLUS REAL PROPERTY? | 14 |
| 5 HOW CAN AGENCY LEASING PROCEDURES AND PRACTICES BE IMPROVED? | 17 |
| 6 CAN IMPROVEMENTS BE MADE IN THE WAY FEDERAL AGENCIES IDENTIFY AND JUSTIFY FACILITY NEEDS? | 21 |
| 7 HOW ACCURATE ARE GOVERNMENT AGENCIES' ESTIMATES OF COSTS AND SAVINGS FOR FACILITY REALIGNMENTS, PHASE-DOWNS, CONSOLIDATIONS, OR CLOSURES? | 24 |
| 8 ARE NEW AND INNOVATIVE CONCEPTS AND TECHNIQUES RELATIVE TO THE DESIGN AND CONSTRUCTION OF BUILDINGS BEING APPLIED IN THE ACQUISITION OF FEDERAL BUILDINGS? | 27 |
| 9 WHAT HAVE BEEN THE RESULTS OF THE GOVERNMENT POLICY TO LOCATE FEDERAL FACILITIES IN URBAN CENTRAL BUSINESS DISTRICTS? | 30 |
| <u>APPENDIX</u> | |
| I GAO REPORTS AND TESTIMONIES ON FACILITIES ACQUISITION AND MANAGEMENT MATTERS DURING THE PERIOD MARCH 1, 1979 - AUGUST 31, 1980 | 33 |

CHAPTER 1

FEDERAL FACILITIES

ACQUISITION AND MANAGEMENT

ISSUES AND CONCERNS

Every agency and activity of the Government, in carrying out its mission, needs facilities, i.e., real property. The Federal Government now owns over \$100 billion worth of real property acquired for its use and each year acquires substantial additional amounts of real property. Also, each year substantial sums are spent operating and maintaining the real property.

The real property covered in this issue area comprises all Federal military and civilian installations, active or inactive. It includes structures which the Government has acquired or is acquiring for conducting its operations and accordingly includes such structures as office buildings, warehouses, administrative buildings, post offices, industrial plants, utility systems, and the land associated with such buildings. It does not include real property such as parks, roads, dams, power projects, and public housing acquired, managed, or financed by the Federal Government for the use or welfare of the general public.

MAJOR CONCERNS

Stated broadly, we attempt to assure ourselves and the Congress that real property used in the accomplishment of Federal agencies' missions is acquired, operated, maintained, and disposed of in an effective and efficient manner and in accordance with legal requirements. We have designated lines of effort which address the principal functions of real property acquisition and management and which relate to known congressional interest.

Much of our effort in the last several years has been directed to GSA's acquisition and management of real property. This stemmed from the public and congressional concern about GSA's management of various programs and activities. While GSA will continue to receive a sizable amount of our audit effort, we feel more attention needs to be given in our current and future work to DOD's acquisition and management of real property. DOD's expenditures associated with real property are growing and far exceed the GSA's. Overall, DOD is the largest procurer and user of facilities of all Federal agencies.

Our concerns in this area continue to be associated with the rising costs of construction, maintenance, and operations of Federal real property. The scarcity of materials, the high cost of labor, energy, and financing, and the high costs of compliance with Government regulations relative to safety, health, and environment all increase construction and maintenance costs. Further, Government policies on locating Federal buildings in poverty areas, preserving

historic buildings, and constructing Federal buildings at higher standards than commercial also increase the costs of construction and maintenance.

While the thrust of the majority of our staff year expenditures in this issue area have historically been dictated by congressional requests and we expect this trend to continue, we intend to direct our basic legislation work to those functions where we feel we can have the most impact on economy and efficiency in the acquisition and management of Federal facilities. These functions can be briefly summarized as

- acquiring only the quantity of facilities needed,
- acquiring them at the lowest costs possible consistent with quality and Government policies,
- maintaining them in an adequate condition to ensure continued productive use,
- operating them efficiently and in accordance with their intended use, and
- disposing of them when their use is no longer justified.

LONG-TERM TRENDS

We believe, based on the steady increase in congressional requests over the past several years, that our future work in this issue area will continue to be dominated by congressional request work and will range from individual congressmen's concerns about their constituents' interests to full committees' oversight questions on real property acquisition and management issues.

Proposed Legislation

Proposed legislation (S.533 and H.R. 1938) would improve GSA's long-range planning for construction, renovation, and repair; set limits on the amount of space GSA can lease; establish criteria for determining where to locate Federal buildings; and provide other requirements for GSA's acquisition and management of Federal real property.

If this legislation is enacted, we would expect to receive congressional requests to monitor or review GSA's implementation of some or many of the provisions mentioned above. These requests could be expected to begin before completion of this planning period. If the legislation is not enacted in the near future, we can expect to receive requests for assistance in developing additional support for the need for the provisions in the proposed legislation. The proposed legislation implements a number of our recommendations and suggestions based on our prior work.

Basic Legislation Work

As far as our basic legislation work is concerned, we will, as in the past, be seeking ways to control or reduce real property acquisition, operation, and maintenance costs without adversely impacting on agencies' operations or legislated Federal programs. However, there are discernible trends which will impact on facilities acquisition and management in the future and thus impact on our work. Most notable trends are (1) improved technology, (2) reduced supply of materials and fuel, (3) emphasis on increased Government ownership as opposed to leasing, and (4) increased attention to agency long-range planning for facility acquisitions.

Improved Technology

The 1980s will see the expanded use of computer technology in the design and construction of buildings, both in the Government and the private sector. Computer technology will provide management a wide range of alternatives from which trade-offs can be made. We have already begun to study the impact of computers through our reviews of the benefits of computer aided building design and have endorsed the use of computers for this purpose.

The 1980s will also see a more efficient use of high-technology materials made possible by advanced manufacturing methods and computer calculations. Emphasis will be to develop lightweight, thermally efficient materials to reduce consumption of energy in buildings.

Materials and Fuels Shortages

In the 1980s the resources at the disposal of the Government will have to be evaluated and prioritized to a much greater extent than ever before. After decades of operating on the basis of cheap fuels and abundant materials the American society, both Government and private sectors, will have to tighten their belts.

Energy conservation programs, building alterations initiated to save fuel, and energy-efficient building designs are must programs for the 80s. Shapes and siting of new buildings are going to have to take advantage of climate and the environment in order to be energy efficient.

Reuse of old buildings has grown beyond the historical preservation movement that spawned it. Existing structures are now viewed as assets which can be restored for needed Federal use.

Emphasis on Ownership

The Congress has long emphasized its desire to house the Federal workforce and its operations in the more economical Government-owned buildings rather than leased space. Current legislation would revise the method of financing public buildings construction so as to encourage construction and reduce the number of Federal employees in leased space. However, even after such legislation is enacted, several years will pass before increased construction will start because the buildings must be specifically authorized, financed, and designed.

Better Long-Range Planning

The Department of Defense, the largest procurer of Federal construction, has for some time had a well-defined long-range program for the construction of military facilities. The General Services Administration has just begun such a program but current legislation would attempt to ensure that the General Services Administration emphasizes, and discloses, a long-range plan for its Federal buildings program. We testified in January 1980 that we felt such a program was needed.

ISSUE AREA BOUNDRIES

This issue area--facilities acquisition and management--has some relation to most other GAO issue areas. Facilities in one form or another are needed by all Federal agencies to successfully carry out their operations and to house their employees.

With certain exceptions, all the various phases of facilities acquisition and management, i.e., determining the need for, acquiring, operating, maintaining, and disposing of facilities for the Government's use in its operations falls under this issue area. Most notable exceptions are certain classes of facilities, e.g., medical facilities. Further, this issue area does not include all phases associated with the acquisition and management of real property for the use of the general public rather than the Government,

e.g., parks, roads, dams, etc. However, multi-agency reviews of Government policies relative to Federal construction and maintenance of facilities, whether for the Government's or the public's use, would fall under this issue area.

While the facilities issue area interrelates to most other issue areas, the principal ones are as follows.

- Internal Auditing Systems for Federal and Federally Assisted Programs
- Federal Personnel Management and Compensation
- Intergovernmental Policies and Fiscal Relations
- International Affairs
- Federally Sponsored or Assisted Health Programs
- Energy
- General Procurement
- Domestic Housing and Community Development Programs
- Environmental Protection Programs
- Land Use Planning and Control
- Evaluation Guidelines and Methodology
- Accounting and Financial Reporting
- Procurement of Major Systems
- Program and Budget Information for Congressional Use

The following chapters in this study describe the major issues and concerns related to Federal facilities and acquisition in more detail. The issues are presented as chapter headings and are referred to as "lines of effort" for planning our reviews. Appendix I contains a listing of GAO reports and testimonies during the period March 1, 1979 - August 31, 1980 which discuss facilities acquisition and management matters.

CHAPTER 2

CAN IMPROVEMENTS BE MADE IN THE ACQUISITION AND MANAGEMENT OF FEDERAL DESIGN AND CONSTRUCTION TO CONTROL OR REDUCE COSTS?

BACKGROUND

The Federal Government puts massive amounts of money into design and construction of facilities. In 1979, 26 Federal agencies spent more than \$8 billion on design and construction of facilities. When a decision is made that requirements justify either constructing a new facility or renovating or replacing an existing one, the agency involved enters into a complex series of analyses, decisions, procurement actions, and oversight. These activities involve planning when and where the facility will be built, estimating the cost, developing design specifications, selecting an architect-engineer, managing the design after contract award, soliciting bids and awarding the construction contract, managing and administering the construction contract, controlling changes to the contract, inspecting the work being done, and determining responsibility for unsatisfactory performance of the work.

Congressional committees continue to express concern about rising construction costs for Federal construction and the problems agencies continue to experience in constructing new facilities and renovating old ones.

An area in the acquisition process receiving considerable congressional interest at this time is the adequacy of agencies' long-range planning for facility acquisitions. While DOD has long required a long-range, or 5-year, plan for facility acquisitions, GSA is just starting a long-range program for facility acquisitions. Senate bill S. 2080 (re-introduced as S.533) would require GSA to establish a 5-year plan for acquiring new or renovating or replacing existing buildings. We have supported this provision in testimony in January 1980 and anticipate receiving congressional requests to monitor GSA's implementation of the provision should the proposed legislation be enacted. In view of the proposed legislation, we are not scheduling, at this time, any basic legislation work on long-range planning for Federal building acquisition.

Another area of specific interest under this line of effort is the role competitive negotiations, including price considerations, should play in the selection of architect-engineers for Federal construction or renovation projects. Our last report on this area was issued in 1976 and the recommendations in that report have not been adopted. We intend to continue to monitor activities in this area and may schedule some research into non-Federal policies on

acquiring architect-engineer services to see if States or local governments have adopted procedures which advocate that price be one of the factors considered in the selection of architect-engineers.

In summary, it is under this line of effort that we address the continuing areas of congressional interest related to

- making buy/build/lease decisions,
- awarding/administering design and construction contracts,
- managing construction projects,
- complying with legal requirements pertinent to the acquisition of Federal facilities, and
- keeping the Congress informed on design and construction progress and problems.

LINE-OF-EFFORT OBJECTIVES

Our objectives are to (1) improve agency management of design and construction activities, (2) improve congressional and agency oversight of design, construction, and renovation projects, (3) identify ways to combat increased costs of construction and renovation projects, and (4) ensure agencies comply with legislative requirements related to the acquisition of construction and renovation projects.

To accomplish our objectives concerning this line-of-effort, we will obtain answers to the following questions.

1. Do management information systems used by agencies to control and monitor design, construction, and renovation projects provide management with information needed to make proper and timely decisions? Also, are these systems capable of providing the oversight information needed by congressional committees?
2. How can agency procedures for awarding and administering architect-engineer services contracts be improved to increase economy, efficiency, and responsiveness? Are pre-award audits of architect-engineer payment procedures adequate and efficient? Should the fee retention policy of some agencies be revised?
3. Why does Federal construction cost more than private? What factors account for the difference?
4. Are Federal building standards more elaborate than necessary for reasonable efficient working space and

access? Are the standards more elaborate than commercial standards? Do they make appropriate provisions for safety and aids to the handicapped?

5. Are Federal agencies employing contracting methods which will assure that adequate facilities are obtained in the least time and at the least cost possible? Are agencies exploring and taking advantage of opportunities to control or reduce construction costs?
6. Are agencies adequately monitoring requests for changes in facilities during construction to assure that the changes are necessary?
7. Are agency inspections of construction adequate to protect the Government's interests? Where used, are contractor quality control procedures adequate and effective?
8. Do design and construction specifications clearly communicate the agency's desires? Would performance specifications be more effective than prescriptive specifications?
9. Do Federal agencies have adequate feedback systems to identify construction deficiencies which need to be corrected and prevented from occurring on future projects?
10. Does the fragmentation of design and construction capability among Federal agencies result in duplicated staff requirements, higher budgets, lower efficiency, and increased oversight burden on the Congress?
11. Are special programs established by law or policy, such as the Cooperative Use Act, the National Historic Preservation Act, the Metric Conversion Act, the Architectural Barriers Act, and the Art-in-Architecture Program, being effectively implemented by Federal agencies?
12. What can be done to reduce the time lapse between the identification of a building requirement and the completion of the construction?

STRATEGY FOR ACHIEVING OBJECTIVES

We believe that a number of years will be required to answer all the questions cited above and thereby fulfill the objectives under this line of effort. Further, we expect that most of our work under this line of effort will continue to be performed based on congressional requests.

Our strategy for basic legislation work for the next 18 months will be to address those objectives of known interest to congressional committees or where we feel economies are possible. We

have thus chosen the first and third objectives and the related questions 2, 4, and 8 to address during the next 18 months if we are able to program basic legislation work under this line-of-effort. We already have congressional requests which relate to questions 1, 6, and 9 that we must perform during the 18-month period, and which will help us fulfill objectives one and two.

CHAPTER 3

ARE FEDERAL AGENCIES DOING AN EFFECTIVE JOB IN OPERATING AND MAINTAINING THEIR FACILITIES?

BACKGROUND

Operation of real property includes utilities for heat, light, power, and water; sanitation and janitorial services for trash, garbage and sewage disposal; and custodial services for security, fire and police protection.

Maintenance of real property covers preservation or restoration of real property for effective operation and use, including repairs (overhaul or replacement) of constituent parts and alterations (rearrangement or modification) of facilities to enhance their effectiveness.

A number of Federal agencies have responsibility for operating and maintaining real property for the use of Federal activities. DOD and GSA are two major housekeeping agencies. DOD spends about \$5 billion annually for maintenance and repair of real property, including operation and maintenance of utilities. GSA spends about \$750 million annually. In addition, GSA anticipates about \$300 million of reimbursable funds for work paid for by other agencies.

Operating and maintaining the Government's real property are responsibilities of a continuing and recurring nature. It, therefore, requires continuous reviews of agencies' policies, procedures, internal controls, budgeting, and reporting on operating and maintenance activities.

Federal agencies should maintain Government facilities in the most cost effective manner so that the Government's cost will be minimized over the life of the facility. This is sometimes referred to as "austere but adequate" maintenance which permits the facility to be maintained at a level sufficient to accomplish its mission.

The Congress, through its committees and individual members, has expressed continuing interest in the operation and maintenance of real property and the enormous annual expenditures needed to preserve the inventory and prevent deterioration. Congressional interest in the increasing backlogs of maintenance and repairs of real property and in energy and pollution matters has resulted in increasing funding for Federal agencies.

The current trend in wages and other costs will continue to raise the cost of operating and maintaining Federal facilities. It will be incumbent upon responsible managers to hold costs down by employing tested management techniques and at the same time looking for some new ideas to put into use.

LINE-OF-EFFORT OBJECTIVES

Our objectives, in striving to improve the management of operating and maintaining the Government's real property, are to increase agency and congressional awareness of the need for continuing concern over the proper care of Federal real property, to suggest and recommend ways agencies can change policies, procedures, and practices to improve management control and oversight, to identify potential cost savings matters which could be of benefit to various agencies, and to disclose where agencies are not being cost effective in operating and maintaining Federal real property or not discharging other responsibilities assigned to them.

To accomplish these objectives we must attempt to gain answers to such broad questions as

- Does agency management, at its various levels, have adequate information on cost, workload data, internal control, etc., to exercise its control?
- Is the function of facilities management adequately provided for in the organization of the agencies?
- Is cost effectiveness a major goal throughout the agencies?

To help achieve our objectives, our work will be directed to the following, more specific, questions:

1. Are property managing agencies taking advantage of recent improvements in work measurement and control, electronic control systems, and other means of more efficiently operating and maintaining buildings?
2. Are reported maintenance and repair backlogs reliable, and the level of funding adequate to prevent deterioration of Federal facilities and meet the space needs of the agencies?
3. Are Government-owned and leased facilities properly operated and maintained to protect Government property and personnel from fire?
4. Do property managing agencies have adequate systems of records, reports, and evaluations for planning, budgeting, and controlling facilities operations and maintenance?
5. Are Federal agencies effectively identifying, abating, and controlling air, water, noise, waste, and pesticide pollutions arising from construction and operation of Federal facilities?

6. Is adequate quality of maintenance work being obtained through quality controls such as criteria, specifications, testing, inspections, etc.?
7. Are agencies assuring real property under their control is being properly and economically maintained and/or repaired?
8. To what extent, if any, do property managing agencies consider life cycle costing in the maintenance and repairs of Federal facilities?
9. What improvements are possible for DOD to put into effect regarding the management of unaccompanied personnel housing?
10. Are automated management information systems of military services providing for effective and efficient real property maintenance?
11. Are procedures and practices adequate for budgeting and allocating maintenance and repair to activities in proportion to need?
12. Is there further potential for consolidation of operation and/or maintenance activities by managers of Federal real property?
13. Is GSA providing Federal tenant agencies necessary services and utilities as required and at reasonable costs?
14. Is Congress provided accurate, complete, and useful information on operation and maintenance of Federal facilities?
15. How effectively and to what extent do managers of Federal real property deal with the problems of renovation vs. construction, repair vs. replacement, and preservation vs. restoration?
16. Are Federal agencies effectively managing their activities' usage and costs of utilities?
17. Are Federal agencies adequately providing for use of Federal facilities by handicapped people?

STRATEGY FOR ACHIEVING OBJECTIVES

As noted above, this line of effort deals with matters of a continuing and recurring nature and a number of Federal

agencies have responsibilities for operating and maintaining real property. As a result, we do not envision accomplishing any one of the overall objectives at least within the near future. We have contributed, and expect to continue to contribute, toward their achievement by work performed or to be performed under this line of effort.

With the completion of a current assignment, sufficient work will have been performed at this time on question 2. Our current efforts on fire protection--question 3--will also be completed during this planning period. Work continues on the adequacy of planning, budgeting and controlling facilities operations and maintenance (question 4). The need to consider ways to reduce or hold the line on costs, and the continued need for improvements in management will be addressed during this planning period by addressing questions 5, 8, 9, 12, and 16.

CHAPTER 4

HOW EFFECTIVE ARE CURRENT POLICIES, PROCEDURES, AND PRACTICES FOR IDENTIFYING AND ECONOMICALLY DISPOSING OF EXCESS AND SURPLUS REAL PROPERTY?

BACKGROUND

The Federal Property and Administrative Services Act of 1949 provides the statutory means whereby most Federal real property holdings, which Federal agencies find are no longer required for their needs and responsibilities, are reported to the General Services Administration (GSA). Such property is classified excess. Under normal procedures GSA screens excess property against the needs of other Federal agencies and, when another agency needs the property, transfers it to that agency. Property excess to the needs of all Federal agencies is classified surplus and disposed of outside the Federal Government. Surplus property is offered first to State and local governments and then to eligible nonprofit organizations. If none of these organizations wants the property, it is offered for sale to the public through sealed bids, public auction, brokers or negotiation.

At the start of fiscal year 1980, GSA had 881 excess and surplus properties on hand (up from 770 properties two years ago) with an original cost of almost \$1.7 billion. During 1980, GSA expects to dispose of property costing \$205 million by transfers to other agencies, donations to public agencies and sales. Revenue from the sales transactions are expected to be \$80 million.

The excess and surplus properties held by GSA come from many agencies but mainly from the Department of Defense (DOD). Of the 881 properties on hand at the start of fiscal year 1980, 52 percent came from the DOD compared to about 15 percent from GSA, the next largest source.

We expect a continued influx of excess DOD property to GSA because a large number of DOD base closures and realignments were announced in March 1979 and more announcements are expected in 1981.

The disposal process can be broken down into three distinct phases: (1) The identification phase. Property not fully used is identified and classified as excess. This is primarily the responsibility of the using agency but GSA is also responsible for overseeing that this is done. (2) The holding phase. During this time the property is turned over to GSA, other agencies are contacted for possible use of the property, care is taken that the property does not lose value, and preparation is made (personal property removal, environmental compliance) to transfer it to another owner. (3) The disposal phase. Here transfer to another

owner (another Federal agency or other authorized recipient) occurs. This phase involves negotiation of future use, conditions of transfer, and price. Where transfer is contingent upon future use conditions, GSA has a continuing responsibility to be sure that use is complied with.

LINE-OF-EFFORT OBJECTIVES

Our objectives are to (1) improve the procedures and processes whereby excess and surplus real property (and any related personal property) is identified and reported, (2) assure that excess and surplus real property is properly maintained and protected until it is disposed of, (3) improve the procedures for the transfer of real property that is excess to one agency to meet the needs of another agency, (4) improve the procedures for the Government's disposal of surplus real property so that the "highest and best" use is obtained, (5) assure that effective procedures are followed in the use of surplus real property donated to non-Federal recipients, and (6) shorten the entire timeframe from identification of excess property to actual disposal.

To accomplish our objectives concerning this line of effort, we will obtain answers to the following questions:

1. Do agencies use effective procedures for identifying real property that should be declared excess?
2. Does GSA adequately review Federal agencies use of real property to determine if unneeded property is promptly reported to GSA as being no longer needed?
3. In what ways can real property data be made more reliable so that agencies and GSA can better discharge their responsibilities?
4. What improvements are needed to ensure that agencies properly maintain excess/surplus real property and protect its value while it is awaiting disposal?
5. Is there clear agreement between the releasing agencies and GSA on the conditions for turnover of excess real property to GSA?
6. Do GSA's procedures for finding agencies who might use other agencies' reported excess real property need improving?
7. How can receiving agencies be better prepared to accept real property and maintain and protect it and put it to productive use?
8. Do additional restrictions need to be established to ensure that the use of real property conveyed to

non-Federal parties can be controlled and kept in compliance with "the highest and best use" principal?

9. Do agency procedures for follow-up on actual use of real property conveyed to non-Federal parties need to be strengthened?
10. Does the entire disposal process need to be improved so that real property disposals can be done more quickly thus saving the holding and maintenance costs and reducing the likelihood of loss of property value?

STRATEGY FOR ACHIEVING OBJECTIVES

Our strategy for achieving these objectives will concentrate on the efforts by agencies and GSA to determine which properties will be declared excess and reported to GSA. Based on our past work it appears that more effective disposals have occurred when GSA and the agencies were able to work together early in the disposal process, sometimes even before the property is officially turned over to GSA as excess. However, this depends on agency cooperation and greater initiative by GSA. Our strategy for the 18-month period will be to concentrate on objectives one and five. We believe objective one is the most important and, since we have already addressed objective five in prior periods, we believe we may be able to complete this objective in about 2 more years. To implement this strategy we plan to initiate surveys and reviews which will address questions 2, 4, 5, 7, 8, and 9 above.

CHAPTER 5

HOW CAN AGENCY LEASING PROCEDURES

AND PRACTICES BE IMPROVED?

BACKGROUND

Twenty-two Federal agencies lease about 220 million square feet of space in the U.S. with an annual rent in excess of \$1 billion and a total commitment until lease expiration of over \$4 billion. Five agencies (GSA, Postal Service, DOD, Transportation, and Agriculture) account for 95 percent of the annual rent. GSA, with estimated fiscal year 1981 rent payments of \$680 million, accounts for about 60 percent. By fiscal year 1984, it is estimated that GSA's annual rent payments will be over \$1 billion.

In the last 14 years, leased space under GSA's control more than doubled and the cost (rent) has more than quadrupled. Budgetary restrictions are the major reasons for increased leasing, because money for construction, either through direct appropriations or through the Federal Buildings Fund, has been limited.

The large initial outlays for Federal construction affect the national budget in the year that appropriations are approved. When there are large demands on the budget, construction projects are among the first items to be eliminated. Therefore, the Executive Branch (OMB) supports leasing because it has a limited impact the first year.

Under the full funding concept, the total project cost is recorded as budget authority the first year. However, for leasing, only the annual rent, and not the total lease commitment appears as budgetary authority in the annual appropriations acts. If the full funding concept were applied to long term lease projects, then leasing would have a sizable impact on the budget the first year.

Congressional committees favor Federal construction over leasing but have been unable for the last 10 years to get a meaningful GSA construction program underway. Proposed legislation would set limits on leasing and make a number of revisions in the way GSA conducts its buildings program. However, because of the timeframe required in building construction, it will be several years before there would be a meaningful reduction in GSA leased space.

The primary purpose for establishing GSA was to centralize in a single Government agency responsibility for the housekeeping functions of the Executive Branch, i.e., procurement of real property, records management, and other functions. GSA, in effect, was established as a single property manager to provide central

direction over real property management including leasing. GSA was given exclusive authority to lease general purpose space in the United States. When the Congress withdrew authority from Federal agencies to lease general purpose space and transferred it to GSA in 1950, it authorized GSA to delegate this authority back to the agencies subject to standards and regulations prescribed by GSA.

Agencies complain, and justifiably so, that GSA does not lease space for them in a timely manner. Both GSA and agencies cite the lack of staffing as a factor causing untimely performance. Also, there have been budgetary restrictions on leasing.

Because GSA has not been responsive, several agencies have asked the Congress for independent leasing authority. These include SEC, SSA, and FCC. To date, FCC did get independent leasing authority but the other two did not. We have reported that granting agencies independent leasing authority may not be consistent with the primary goal of the 1949 Federal Property Act to centralize property management activities of the Government. Granting such authority is an incentive to other agencies to request independent leasing authority. Moreover, granting independent leasing authority is not in accord with the intent of proposed legislation which sets limits on GSA leasing. In September 1980, we were asked by the House Public Works Committee to review the FCC leases to see if they complied with applicable laws and regulations.

GSA contracts for alterations in leased buildings to adapt the space to the tenant agency needs. This work includes items such as (1) converting office space to computer space and (2) partitions, electrical, telephone, airconditioning, heating, and ventilating work. In fiscal year 1977 obligations for such alterations were in excess of \$36 million. We reported on various deficiencies in GSA's contracting for these alterations and made several recommendations to correct problems. Although GSA agrees, it has not adopted all recommended changes.

We have received several congressional requests dealing with different aspects of GSA's leasing program. Apart from GSA, there has been limited scrutiny by GAO, internal auditors, and congressional committees of other Federal agencies' leasing practices.

LINE-OF-EFFORT OBJECTIVES

Our objectives are to (1) improve procedures and practices for the award and administration of Government leases, (2) assure that Federal agencies have in place a proper system to ensure adherence to sound contracting procedures and practices, (3) improve agencies overall space planning for new and follow-on leases and for consolidating agencies in larger blocks of space, (4) reduce startup

problems experienced by new agencies through more effective space planning, and (5) improve GSA's central direction over real property leasing by other Federal agencies.

To achieve these objectives the following questions must be addressed.

1. Do agencies leasing practices comply with applicable laws, regulations, and procedures especially those relating to rental limitations and congressional authorization or reporting?
2. Is there effective lease administration to ensure lessor performance under lease provisions and are amendments to leases justified and proper?
3. Do Federal agencies attempt to obtain adequate competition for new and follow-on leases, are negotiated rent rates reasonable, and are agencies paying rent before space is available for occupancy?
4. Are utilities provided free to non-Government tenants?
5. Under what circumstances should escalation and purchase options be included or excluded from Government leases?
6. What are the advantages and disadvantages of long term leases versus year to year leases?
7. Is there sufficient space planning for improving management and administration by consolidating agencies or constituent parts thereof in large leased buildings?
8. Are improvements needed in planning for follow-on leases to allow sufficient time, prior to lease expiration, for developing an alternative space plan thereby improving the Government's negotiating position for follow-on leases?
9. What improvements are needed in space planning for newly created agencies to facilitate the timely startup of agency operations?
10. Is GSA responsive to the space needs of Federal agencies and are its resources adequate to provide agencies with leased space in a timely manner?
11. Under what circumstances should independent leasing authority be granted agencies other than GSA?
12. Is GSA monitoring Federal agency leasing procedures and practices especially for those agencies operating under GSA delegated leasing authority?

13. Are improvements needed in agencies practices for altering leased buildings?

STRATEGY FOR ACHIEVING OBJECTIVES

The objectives of this line of effort are such that they cannot be achieved during this or the next planning period. Our ongoing and future work will devote more attention to leasing by Federal agencies that received limited coverage in the past as well as coverage of GSA leasing and space planning activities and will continue to emphasize GSA's activities in the National Capital Region. In addition, we can expect to be asked to do a great deal of work for congressional committees during the planning period--currently we have three requests--because of the committees' concern over increases in the cost of leasing in recent years and the fact that GSA has not implemented all GAO recommendations for improved lease management.

Our ongoing and future work will address questions 1, 2, 3, 7, 10, 11, and 13. It will focus primarily on:

- Leasing procedures and practices.
- Lease management including administration.
- Space planning for new agencies.
- Consolidation of agencies in larger leased buildings.
- Developing alternative space plans prior to negotiating follow-on leases.
- Adequacy and timeliness of GSA's performance in leasing space for agencies.

CHAPTER 6

CAN IMPROVEMENTS BE MADE IN THE WAY FEDERAL AGENCIES IDENTIFY AND JUSTIFY FACILITY NEEDS?

BACKGROUND

Each year Federal agencies spend billions of dollars to acquire facilities to use in the performance of their operations and missions. DOD, the largest procurer of facilities, alone spends over \$4 billion annually for various types of facilities, including training, operational, maintenance, production, warehouse, medical, and housing facilities. DOD's annual military construction programs include over 1,000 construction and renovation projects which must be justified to OMB and the Congress.

Various other Federal agencies, including VA, NASA, HHS, and GSA also acquire (generally through construction or leasing) Federal facilities for use in the performance of Government operations. GSA acquires most of the office buildings occupied by the Federal civil workforce. Much of GSA's recent facility needs have been satisfied through leasing but current legislation would, if passed, greatly increase GSA's construction program in an attempt to get more Federal employees out of more costly leased space.

Most of our past work in the facilities acquisition and management area has been directed to agency programs or actions to acquire, maintain, operate, or dispose of facilities, accepting that the need for the facilities involved were valid. Very little effort, except in response to congressional requests, has been expended on seeing if improvements can be made in the way agencies determine facility needs and then justify such needs to authorization and appropriations committees.

How agencies identify their needs for facilities, or additional facilities, can be a very sensitive issue. New Federal construction projects receive considerable public and congressional scrutiny, whether the projects are for the use of the Federal workforce, the public in general, or simply a local community. The economic values associated with the Federal facility's location can influence its "need" determination. However, Federal projects to aid or prime the economy, such as civil works projects, are generally not the type addressed in this issue area.

Because of the large expenditures in this area and our limited efforts in this area in the past, we have established this new line of effort. We believe that we can be of significant help to congressional oversight committees by evaluating the policies and procedures agencies follow in identifying the need for, and justifying,

new construction or renovation projects. Our general goal is to keep unneeded facility space from being authorized and funded.

LINE-OF-EFFORT OBJECTIVES

Our objectives are to (1) improve agencies' policies and procedures for determining real property needs, (2) ensure that agencies adequately consider availability of existing facilities before requesting new ones, and (3) ensure that procedures for obtaining approval and funds for construction/renovation projects clearly disclose the bases for the projects to agency heads, the OMB and the Congress.

To adequately address these objectives, the following questions must be answered.

1. Do agencies publish adequate guidance on how to determine the type, quantity, and size of facilities needed to accomplish their missions?
2. Are the policies and procedures for determining facility needs reasonably uniform among agencies?
3. Are existing inter- and intra-agency facilities adequately considered to meet facility needs prior to requesting authorization and funding of new facilities?
4. Are policies and procedures adequate to ensure that facility needs are promptly recognized and actions to meet the needs promptly initiated?
5. Do agencies have systems for prioritizing construction and renovation projects and are the systems being properly implemented?
6. Do agencies communicate with the private sector on
(a) possible sharing of facilities to reduce needs or
(b) possible improved methodologies for determining real property needs?
7. Do requests by agencies for authorization and funding of new construction/renovation projects provide full and accurate disclosure of the need for requested facilities?
8. Are approved construction/renovation projects revalidated after approval (or before approval if lengthy approval process) and prior to award of construction/renovation contracts?
9. Are the military services using minor construction projects to avoid statutory project cost ceilings and circumvent congressional review?

STRATEGY FOR ACHIEVING OBJECTIVES

Because of increased expenditures for military construction, and our somewhat limited work in this area in the recent past, we plan to concentrate our efforts during the next 18-month period primarily on the military services' policies and procedures for determining real property requirements, concentrating on the above questions on guidance (question 1), uniformity (question 2), and timeliness (question 3). We do not believe we can completely answer any of the 3 questions cited during the planning period.

CHAPTER 7

HOW ACCURATE ARE GOVERNMENT AGENCIES' ESTIMATES

OF COSTS AND SAVINGS FOR FACILITY REALIGNMENTS,

PHASE-DOWNS, CONSOLIDATIONS OR CLOSURES?

BACKGROUND

In recent years almost all of our work in this line-of-effort has been in response to specific congressional requests and virtually all of the realignments, phase-downs or closures have involved Department of Defense (DOD) activities. This is because the DOD more than any other agency has been urged by Congress to streamline and reduce the logistics and base support structure of the military services to improve operational capability.

Facility realignments, phase-downs, consolidations or closures are politically sensitive because of the economic impact on the losing and gaining communities. These decisions are usually aimed at saving money or improving operations and are usually supported by an economic justification showing the estimated costs and savings expected from the action. Often an alternative decision or location is included in the analysis.

While a base or facility closure is clearly unpopular with the losing community, we believe GAO has a clear responsibility to encourage the Executive Branch to continue to make these moves when economy or better operations will result. Our work will continue to focus on the validity of the data supporting the decisions and when the data has been carelessly prepared we will criticize the agency which prepared it. We will continue to encourage well documented and accurate studies supporting each decision. When a closure is well supported by data, our report can provide encouragement for expedited completion of the proposal. It can help the congressional requestor give assurances to his constituents that the action, although undesirable from a local perspective, is justified on a broader scale.

The last major announcement of DOD base realignments was made by the Secretary of Defense in March 1979. We have been advised that DOD expects to announce further base realignments during 1981. Thus, we anticipate a continued high level of congressional interest in this area. But we are concerned about the large demand on our scarce resources. In the past, we have attempted and, in most cases, successfully negotiated a limited scope on each of these assignments. We will continue with that approach. However, in an attempt to further address this concern, we also plan to consult with GAO's Institute for Program Evaluation. We will try to ascertain whether we can use their assistance in developing an innovative (possibly a broader) approach that can help to further reduce the resources needed for these reviews.

LINE-OF-EFFORT OBJECTIVES

Our objectives for this line of effort are (1) greater accuracy and reliability in Federal agencies' cost and savings computations, (2) uniformity in the manner in which cost and savings computations have been made, (3) encouragement to Executive agencies to close facilities that are not needed and thus realize savings, (4) assurance to congressional and constituent recipients of our reports that the closure or realignment is economically warranted.

To accomplish these objectives we will obtain answers to the following questions:

1. Have all applicable costs and savings been included in the agencies' computations?
2. Are agencies' costs and savings estimates realistic and do they recognize all appropriate factors?
3. Have the studies supporting the realignment considered appropriate alternative locations and decisions?
4. Are the decisions to realign or close facilities supported by well documented information?
5. Does the supporting data comply with agency cost and savings estimating criteria?
6. Has the data been consistently applied in a format comparable to other recent similar studies?

STRATEGY FOR ACHIEVING OBJECTIVES

Each year we devote considerable resources to this line of effort to respond to requests from individual members of the Congress. We have had good success in negotiating a reduced scope on individual requests and have improved the timeliness of our responses. Without those efforts our past resources expenditures would have been much greater. However, we believe there may be a potential for further reduction in GAO resources required for base realignment work. For example, greater uniformity within DOD in the format and methodology for their realignment studies, could aid us by allowing the development of a standardized review program and shorten our review time.

We also plan to work with GAO's Institute for Program Evaluation to try to develop a standardized approach. We believe a review of past realignment studies, indicating problems encountered and procedures used by the preparing agency, may help to identify how we may continue to provide a valuable service to the Congress while conserving the resources we devote to this effort.

Other than our working with the Institute to try to develop a standardized approach, we plan no basic legislation work under this line of effort. We will, of course, continue to respond to congressional requests under this line of effort.

CHAPTER 8

ARE NEW AND INNOVATIVE CONCEPTS AND TECHNIQUES RELATIVE TO THE DESIGN AND CONSTRUCTION OF BUILDINGS BEING APPLIED IN THE ACQUISITION OF FEDERAL BUILDINGS?

BACKGROUND

The rising costs of construction, maintenance, and operation of Federal buildings, coupled with potential energy shortages, are creating an increasing need for finding new and innovative ways to design and construct Federal buildings. We believe that some of our resources should be directed to evaluating efforts of Federal agencies to find these new and innovative ways so that we can be in a position to encourage and communicate the agencies' efforts and assist congressional committees in their oversight of these efforts.

To date most of our efforts in this area have concentrated on the use of computers in the design of Federal buildings, but we have also looked at innovative construction management techniques and the use of building systems in the construction of similar buildings.

Computer Aids

Use of computers in building design and construction has great potential for improving the quality of buildings while also reducing the cost of construction. Designing buildings and preparing drawings is labor-intensive and offers obvious potential for computer use. Computer use in designs is increasing in the private sector but agencies have been reluctant to require the use of computers on Federal projects. Our work in this area has showed that the use of computer technology in design offers benefits and productivity gains to the designer, builder, and owner. The lower energy and operating costs which can result when computer-aided techniques are effectively used in design are good reasons for building owners (Federal Government) to encourage computer use.

Life-Cycle Costing

Although not new, agencies still have not fully implemented life-cycle costing techniques to identify the design and construction method which would be most economical over the life of a building. The major problem still appears to be a lack of sufficient historical data on construction, operation, and maintenance costs.

The most economical structure is designed to have the lowest total acquisition and ownership costs, or life-cycle costs. Such designs require the designer to analyze the effects of alternative building systems, materials, and other features on construction and ownership costs throughout the building's expected economic life. Analyses of these types require current information on construction, operation, and maintenance costs and estimates of these costs in the future.

Energy Analysis

The built environment within the United States consumes about one-third of the energy used by this country. The American Institute of Architects and others believe more can be done in the design of new buildings to reduce energy usage. A number of Federal projects have been undertaken to find out how to reduce energy use in buildings. One of these--Norris Cotton Federal Building in Manchester, New Hampshire--is a laboratory for testing and evaluating methods to conserve energy in office buildings. Indications are that energy use in office buildings can be reduced by more than 30 percent by adopting design features used in the Norris Cotton Building. However, economic analyses have not been completed to support complete adoption.

In July 1977, President Carter issued Executive Order 12003 specifying that agencies are to reduce energy use by 45 percent on newly constructed buildings. Federal agencies are requiring an energy analysis as part of the design of proposed Federal buildings. We are not certain that the agencies are insuring that the results of the analyses are being reflected in the designs.

LINE-OF-EFFORT OBJECTIVES

Our principal objectives are to (1) surface problems and issues regarding new and innovative design and construction methods, (2) cause an increase, where appropriate, in the use of computer-aided techniques, such as computer-aided building design, computer-aided construction management, computer-aided cost estimating, and other potential computer applications, in the design and construction of Federal buildings, (3) encourage energy saving innovative design and construction techniques where appropriate, and (4) improve agencies' consideration and use of new or innovative design and construction management techniques.

To accomplish our objectives in this line-of-effort we plan to answer the following questions

1. Are Federal agencies making effective use of available computer-aided methods in design, construction management, cost estimating, and other potential application areas?
2. Does the six-percent limitation on design fees hamper the Government's ability to use innovation in design,

and its ability to hire the most qualified architects and engineers for Federal projects?

3. Are life-cycle costing techniques being used in the design process, or are design decisions based on only initial costs? Have agencies developed the historical data bases required to use life-cycle costing techniques effectively as a design tool?
4. Are architect-engineers required to justify design features on the basis of life-cycle costs and energy economies?
5. Would the use of computer-aided cost estimating provide better estimates on which to base appropriation requests for construction project funding?
6. Does the computer offer a viable alternative to current costly master planning? Can the computer be used effectively in master planning to establish a dynamic model of a base which can be manipulated to quickly evaluate the impact of a variety of planning alternatives on other parts of the master plan?
7. Are Federal agencies giving design firms sufficient guidance on energy requirements? Are agency design specifications relating to energy considerations appropriate?
8. Do agencies encourage design innovation to solve energy problems in buildings?
9. Have experimental projects for reducing energy use in buildings been successful? Are these buildings meeting their energy-usage goals? Are the successful design concepts being used in the design of Federal buildings?

STRATEGY FOR ACHIEVING OBJECTIVES

We plan to concentrate our efforts during the next 18 months on three of the questions raised. We plan to address questions 2, 3, and 9 above.

Our strategy will continue to be to select questions which we believe are significant at the time based on the interests of the Congress, national concerns, and potential for savings or improved operations. Our strategy will also include participation in architect-engineer conferences and the presentation of technical papers. We have been asked to participate on two panels to discuss computer use in the Federal agencies. We have also been asked to sit on the Executive Planning Committee for the Second International Conference on the Application of Computers in Architecture, Building Design and Urban Planning, to be held in Washington in October 1981.

CHAPTER 9

WHAT HAVE BEEN THE RESULTS OF THE GOVERNMENT POLICY TO LOCATE FEDERAL FACILITIES IN URBAN CENTRAL BUSINESS DISTRICTS?

BACKGROUND

Executive Order 12072 specifies that Federal facilities should be located in city central business districts, if compatible with agency missions, to provide an economic stimulus to the Nation's cities. GSA is charged with overseeing compliance. However, GSA is also responsible for the economical management of Government-owned and Government-leased space. In some cities, space in central business districts is more costly than space in suburban locations and the Government may be competing with private enterprise for the scarce space that does exist. Without proper planning and coordination, this urban policy could lead to additional congestion, traffic and air pollution for the cities, and higher cost for the Government. The executive order requires coordination with local city planners. But there should also be effective coordination with other Federal programs and policies with similar or parallel goals.

For example, there is also a rural policy contained in legislation which encourages the location of Federal facilities in rural areas to provide economic benefit. An agricultural research facility located in rural area would probably be a clear cut example where no apparent conflict develops between the urban and rural policies. But there are numerous other programs and policies at work that will have to be considered.

For a number of years there have been studies and proposals to decentralize the Federal Government and move employees from the Washington area. A recent study was required by the Civil Service Reform Act. Some of these proposed to distribute the Federal workforce in proportion to the general population. Under this scheme, no special recognition would be given to the economic condition of the cities where the employees are to go, a key aspect of the urban policy.

Senate bill 2080, the Public Buildings Act of 1980, re-introduced as S.533, brings together many of these proposals in its title II on locations for Federal agency offices. But the main thrust of this legislation is the acquisition, over a long period of time, of Government-owned facilities to replace leased space. The urban policy, under Executive Order 12072 is being carried out by GSA through the acquisition of leased space.

There are many Federal grant and assistance programs aimed at cities. Other GAO divisions have issue areas which address these

programs. We plan to coordinate all jobs with these divisions prior to beginning work to ensure appropriate coverage.

LINE-OF-EFFORT OBJECTIVES

Our objectives are to (1) assure that in carrying out the urban policy, GSA and other agencies do not lose sight of the requirement to also manage Government facilities both efficiently and economically, (2) improve coordination between the agencies affected by relocations and GSA or other agencies who are executing the location policy so that relocation delays are avoided, (3) assure that agency operations and service to the public are not adversely affected by the implementation of the policy, (4) improve the planning for this program so that it is better coordinated with other urban assistance and development programs, and (5) enhance the benefit that cities achieve from this program by assuring that it has been appropriately targeted to city needs.

To achieve these objectives the following questions must be addressed:

1. How well has GSA managed the execution of the urban policy?
2. In what way has GSA assured itself that its execution of the policy is consistent with other laws and programs and GSA's broad responsibility for economical management?
3. How have agencies that are to be relocated been brought into the planning process so that their input and concerns can be considered?
4. What procedures have been used to assure that relocations are planned and executed within the shortest timeframe?
5. What has been the impact of relocations on agency operations?
6. How have customers of the agencies been affected by relocations?
7. What urban assistance and development programs are affected by the location of Federal facilities in urban areas?
8. In what way have the programs been coordinated?
9. How are cities chosen for the facility relocation and what criteria is used to assess the affect on the city?

10. How are the local city planners included in the implementation and what is the city's assessment of the program?

STRATEGY FOR ACHIEVING OBJECTIVES

During 1979-80 we completed six congressional requests for work related to this matter. In view of this interest we believe greater attention to this line of effort is warranted. Because of GSA's key role in implementing this policy, we will focus initially on this role.

Our specific strategy for this line of effort for the next 18 months will be to focus on the specific plans and programs that GSA has established to implement the executive order. We will be particularly alert to problems of coordination or instances where agencies have programs with similar goals. To implement this strategy, we plan to initiate surveys and reviews which will address objective questions 1, 2, 4, 7, 8, and 9.

GAO REPORTS AND TESTIMONIES ON
FACILITIES ACQUISITION AND MANAGEMENT MATTERS
MARCH 1, 1979 - AUGUST 1, 1980

This appendix contains a summary of the results of our work in the Federal facilities acquisition and management issue area for the 18-month period March 1, 1979, through August 31, 1980. Our issue area plan for that period focused on the following lines of effort:

- Are Federal Facilities Being Utilized to the Maximum Extent Possible, Including Joint Use Where Possible?
- To What Extent Is the Federal Building Fund Meeting Its Objectives of (1) Reducing the Backlogs For Construction and Major Repair and Alteration Projects and (2) Motivating Federal Agencies to Seek Space Utilization Economies?
- Why, Despite Congress' Emphasis on Federal Construction to Meet Increased Space Needs, Has the Amount of Space Leased by the Federal Government Continued to Increase?
- Are Federal Construction Agencies Maximizing Efforts to Control Construction costs, Including Consideration of Life Cycle Costs and the Application of New and Innovative Construction Techniques to the Federal Construction Process?
- Are Federal Agencies Operating and Maintaining Government Facilities in the Most Cost Effective Manner?
- How Effective Are Current Policies, Procedures, and Practices For Identifying and Economically Disposing of Excess and Surplus Real Property?
- What Have Been the Results of the Government Policy to Locate Federal Facilities in Urban Central Business Districts?
- How Accurate Are Military Services' Estimates of Costs and Savings For Specific Realignments, Phase-downs, and Closures?

Based on our progress in achieving the objectives of our 1979-1980 issue area plan, and changing events, we refocused our efforts for the late 1980 to early 1982 planning period as described earlier in this study.

Following is a summary of the work results under our 1979-1980 issue area plan.

LINE OF EFFORT: Are Federal Facilities Being Utilized to the Maximum Extent Possible, Including Joint Use Where Possible?

Reports:

Reserves' Reported Facilities Backlog Now Exceeds \$2 Billion; Acquisition Planning Questioned (LCD-80-45, May 19, 1980)

Status of the Navy's and Air Force's Implementation of the Guam Land Use Plan (LCD-80-75, June 18, 1980)

LINE OF EFFORT: To What Extent is the Federal Building Fund Meeting Its Objectives of (1) Reducing the Backlogs for Construction and Major Repair and Alteration Projects and (2) Motivating Federal Agencies to Seek Space Utilization Economies?

Reports:

Cost and budgetary Impact of GSA's Purchase Contract Program (LCD-80-7, Oct. 17, 1979)

GSA Debt Management Problems With Its Participation Certificates (LCD-79-320, July 11, 1979)

Standard Level User Charges Assessed to DOD by GSA (LCD-80-18, Nov. 7, 1979)

Testimony

- 09/18/79 - Testimony Before Senate Committee on Environment and Public Works
- 11/28/79 - Testimony Before House Subcommittee on Military Installations and Facilities
- 12/11/79 - Testimony Before House Subcommittee on Public Building and Grounds
- 01/29/80 - Testimony Before Senate Committee on Environment and Public Works

LINE OF EFFORT: Why, Despite Congress' Emphasis on Federal Construction to Meet Increased Space Needs, Has the Amount of Space Leased by the Government Continued to Increase?

Reports:

GSA's Lease Versus Construction Present-Value Cost Analyses were Inaccurate (LCD-80-61, June 20, 1980)

LINE OF EFFORT: Are Federal Construction Agencies Maximizing Efforts to Control Construction Costs, Including Consideration of Life Cycle Costs and the Application of New and Innovative Construction Techniques to the Federal Construction Process?

Reports:

Report to the Congress, "Agencies Should Encourage Greater Computer Use on Federal Design Projects" (LCD-80-98)

Staff Study:

"Results of Survey of Firms Providing Architectural and Engineering Services to Federal Agencies" (LCD-80-75)

Reports:

The Davis-Bacon Act Should Be Repealed, (HRD-79-18, April 27, 1979)

Letter Report to the Chairman, House Committee on Appropriations on construction contracting and previously reported reasons for higher construction costs on Federal work than on non-Federal work. (B-118623, Nov. 1, 1979)

Proposed Project to Renovate Nashville's Historic Train Station Building Needs to be Reevaluated, (LCD-79-308, April 27, 1979)

Renovation of House Office Building Annex No. 2 by the Architect of the Capitol, (LCD-79-319, July 19, 1979)

The Library of Congress' New Madison Building: Reasons For, and Effects of, Delays and Escalating Costs" (LCD-79-330, September 17, 1979)

Inquiry into Change Orders and Claims for
Construction of the Richard B. Russell
Federal Building, (LCD-79-313, May 16, 1979)

Testimony:

Before the Senate Committee on Environment
and Public Works (January 29, 1980)

Before the Subcommittee on Public Buildings
and Grounds, House Committee on Public Works
and Transportation (December 11, 1979)

LINE OF EFFORT: Are Federal Agencies Operating and Maintaining
Government Facilities in the Most Cost Effective
Manner?

Reports:

The General Services Administration Should
Improve the Management of its Alterations
and Major Repairs Program (LCD-79-310,
July 17, 1979)

DOD's Real Property Maintenance and Repair
Backlog (LCD-79-314, August 31, 1979)

Firesafety Violations in Two Buildings Leased
by the General Services Administration (LCD-
79-312, May 22, 1979)

GSA Found Lax in Enforcing Leases on West-
wood Complex (LCD-80-42, April 7, 1980)

The General Services Administration Has
Been Lax in Managing the Columbia Plaza
Building Lease (LCD-79-307, April 17,
1979)

Repairs and Alterations of Public Buildings
By General Services Administration--Better
Congressional Oversight and Control Is
Possible (LCD-78-335, March 21, 1979)

The General Services Administration Should
Improve the Management of Its Alterations
and Major Repairs Program (LCD-79-310,
July 17, 1979)

DOD Energy Monitoring and Control Systems
 --Potential for Nonenergy Savings
 --Better Planning and Guidance Needed
 (LCD-80-81, August 14, 1980)

The General Services Administration Needs to
 Improve Its Cleaning and Guard Contracting
 Activities (LCD-80-21, March 12, 1980)

LINE OF EFFORT: How Effective Are Current Policies, Procedures, and
 Practices For Identifying and Economically Disposing
 of Excess and Surplus Real Property?

Reports:

Real Property Disposal Procedures and Controls
 of Related Personal Property Need Improvement
 (LCD-79-321, Sept. 12, 1979)

Review of Procedures Used to Appraise Air
 Force Plant #3, Tulsa, Oklahoma (LCD-79-317,
 June 20, 1979)

The Federal Aviation Administration Should
 Improve Protection of Federal Interest in
 Airport Land (LCD-80-84, Aug. 13, 1980)

Transfer of Fort Wadsworth to the Gateway
 National Recreation Area (LCD-80-80,
 June 23, 1980)

Valuable Federal Properties in Alaska Are
 Being Destroyed Because of Agency Inaction
 (LCD-80-96, September 12, 1980)

LINE OF EFFORT: What Have Been the Results of the Government Policy
 to Locate Federal Facilities in Urban Central Business
 Districts?

Reports:

GSA's Space Management Proposals for the
 National Capital Region and for the Nation's
 Cities (LCD-79-315, July 30, 1979)

Relocation of Government Activities to
 Economically Depressed, Labor Surplus
 Communities (LCD-80-29, Dec. 21, 1979)

GSA's Actions to Provide Office Space for Federal Agencies in Fort Smith, Arkansas (LCD-80-26, Dec 6, 1979)

Relocation of the SSA Office in Kankakee Illinois (LCD-80-34, January 30, 1980)

GSA's Actions to Acquire Office Space for the Western Area Power Administration (LCD-80-33, February 5, 1980)

OMB's Study of the Decentralization of Federal Governmental Functions (LCD-80-57, May 29, 1980)

LINE OF EFFORT: How Accurate Are the Military Services' Estimates of Costs and Savings For Specific Realignments, Phase-downs, and Closures?

Reports:

The Secretary of Defense Should Defer Closing Fort Monroe, Virginia Until Reliable Estimates of all Costs Involved Are Available (LCD-79-318, July 20, 1979)

Army's Proposed Realignment of Aircraft Maintenance Operations at the New Cumberland Army Depot, Pa. Appears Economically Justified (LCD-79-324, July 31, 1979)

Review of Army's Decision to Disestablish the Training Center at Fort Dix, New Jersey (LCD-79-325, Aug. 6, 1979)

Loring Air Force Base, Limestone, Maine, Will Have a Two-Phased Reduction of Operations (LCD-79-322, Aug. 8, 1979)

Merger of Navy Sea Systems Command Automatic Data Support Centers (LCD-79-328, August 15, 1979)

Review of Planned Realignment of Fort Indiantown Gap, Pennsylvania. (LCD-79-329, Aug. 23, 1979)

Review of the Consolidation of the Finance and Accounting Centers of the Military Traffic Management Command. (LCD-79-331, Aug. 30, 1979)

Moving Air Force Operations from Washington, D.C. Area Not Cost Effective (LCD-79-326, Aug. 30, 1979)

Closing of the Naval Electronic Systems
Engineering Center, Philadelphia, Pa. Is
Cost Effective (LCD-79-332, Sept. 14, 1979)

Base Realignment of Fort Douglas, Utah
(LCD-79-333, October 10, 1979)

Realignment of the Cleveland Defense Contract
Administration Services Region (LCD-80-24,
Nov. 29, 1979)

Review of the Planned Consolidation of Defense
Contract Administration Services Regions in
Atlanta (LCD-80-46, March 20, 1980)

Consolidation of the Cincinnati and Dayton
Defense Contract Administration Services
Management Areas (LCD-80-50, April 14, 1980)

Consolidation of American Forces Radio and
Television Services--Washington and Los
Angeles Broadcasting Facilities (LCD-80-54,
May 9, 1980)

AN EQUAL OPPORTUNITY EMPLOYER

**UNITED STATES
GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548**

**OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300**

**POSTAGE AND FEES PAID
U. S. GENERAL ACCOUNTING OFFICE**



THIRD CLASS