



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

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The Honorable Lawton Chiles
Chairman, Subcommittee on the
District of Columbia
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

At your request, we looked into the use of equipment costing about \$790,000 procured by the Department of Environmental Services (DES), District of Columbia Government, for the District's Blue Plains Wastewater Treatment Plant. The purchase was charged to the Washington Suburban Sanitary Commission (WSSC) under a cost-sharing agreement. The Commission questioned the amount of the purchase because DES officials told it that much of the equipment would not be used for wastewater treatment purposes.

The WSSC handles sewage disposal for Montgomery and Prince Georges Counties in Maryland; most of the sewage is disposed of through District facilities. An agreement entered into in August 1954 between the District and WSSC provides that WSSC will pay its share of (1) the actual cost to the District for handling, pumping, and treating sewage, (2) rental of facilities to which WSSC had not contributed capital in proportion to its use, and (3) replacement of specified facilities. The annual costs of operation, repairs, and maintenance are determined from records kept by the District for each sewage facility.

The cost of wastewater treatment facilities operated by the District is also shared by other local jurisdictions, including Arlington and Fairfax Counties, Virginia, generally in proportion to the quantity of sewage entering District disposal facilities.

In fiscal year 1974 WSSC's prorated share of cost was about 43 percent. Included in the cost base was the \$790,000 for equipment. Because complete data on equipment utilization was not available, we could not satisfactorily determine all the equipment items that were used at the Blue Plains plant. But from observing, talking with DES officials having first-hand knowledge about equipment use, and reviewing available records we question equipment costing about \$323,000.

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The following table shows the type of equipment purchased and the portion we concluded to be questionable charges to WSSC.

<u>Type of equipment</u>	<u>Cost of equipment</u>		
	<u>Total</u>	<u>Allowable</u>	<u>Questionable</u>
Mobile equipment	\$460,651.37	\$166,270.42	\$294,380.95
Laboratory equipment	240,963.06	240,963.06	-
Other equipment	71,640.46	44,137.06	27,503.40
Items under \$3,000	21,250.22	20,343.47	906.75
Office equipment	<u>3,726.00</u>	<u>3,726.00</u>	<u>-</u>
	798,231.11	475,440.01	322,791.10
Less General Services Administration discounts	<u>2,169.76</u>	<u>2,169.76</u>	<u>-</u>
Total	<u>\$796,061.35</u>	<u>\$473,270.25</u>	<u>\$322,791.10</u>

The specific items constituting the total \$322,791 of questionable equipment charges are shown in the following table.

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<u>Purchase order number</u>	<u>Quantity</u>	<u>Item</u>	<u>Unit cost</u>	<u>Less discounts</u>	<u>Total cost</u>
Mobile equipment:					
55030	5	Utility trucks	\$32,136.00	\$ -	\$160,680.00
53757	1	High vacuum cleaner	66,000.00	-	66,000.00
55204	2	Water jet cleaners	24,500.00	-	49,000.00
55394	4	1/2-ton pickup trucks	3,382.84	-	13,531.36
55253	1	3/4-ton pickup truck	5,169.59	-	<u>5,169.59</u>
					294,380.95
Other equipment:					
55301	3	Sewer rodding machines	9,167.80	-	27,503.40
Items under \$3,000:					
21103	1	Sofa--DES Director office	549.00	137.25	411.75
21104	1	Chair--DES Director office	356.40	89.10	267.30
	1	Chair--DES Director office	303.60	75.90	<u>227.70</u>
					906.75
Total					<u>\$322,791.10</u>

After we made our review, the Director, DES, gave us statements indicating that as of January 29, 1976, most of the equipment items we questioned would be used full time or occasionally on operations within the scope of the cost-sharing arrangements. The enclosure contains (1) the Director's statement concerning each item of equipment and (2) our comments based on what we found at the operating level. For the most part, the Director's statements deal with future use of the equipment and indicate that it will be used throughout the sewage disposal system. He did not estimate what proportion of equipment usage would be applicable to WSSC's cost-sharing agreement; therefore we can neither verify nor

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disprove predictions about future use of the equipment. Also, because the system does not provide for recording how and where the equipment was used, we cannot satisfactorily determine past use.

We trust this information responds adequately to your request.

Sincerely yours,


ACTING Comptroller General
of the United States

Enclosure

QUESTIONABLE EQUIPMENT
CHARGES TO
WASHINGTON SUBURBAN SANITARY COMMISSION

1. Purchase Order 55030 Five utility trucks \$160,680.00

Director's statement: These trucks have not been delivered by the vendor but the Department of Environmental Services (DES) plans to use them on sewer operations. This would justify charging some of the equipment cost to the Washington Suburban Sanitary Commission (WSSC), depending on the amount of usage.

Our comment: The trucks were purchased for maintenance work at the Blue Plains treatment plant and sludge disposal sites but had not been received as of March 5, 1976. A DES operating official told us that, when the trucks are received, they will not be used at the plant or for any work connected with the WSSC agreement because contractors currently perform the assigned maintenance duties. We cannot verify either statement since they deal with a future event.

2. Purchase Order 53757 One high vacuum cleaner \$66,000.00

Director's statement: This unit of equipment was purchased to use in conjunction with existing similar equipment to (1) remove screenings from primary pumping stations, (2) help clean primary and secondary sedimentation tanks and basins and (3) help clean digesters. DES believes that proper operation and maintenance of the expanded plant will require at least two pieces of this type of equipment. The new unit is currently used as backup to the other unit at the plant for scum removal, grit removal, etc., and by sewer operations.

Our comment: A DES operating official told us that the cleaner is used to clean sewer lines and basins throughout the entire sewer system. Although he said the cleaner was used occasionally at the Blue Plains treatment plant in connection with the WSSC agreement, he was unable to provide utilization records showing when and where the cleaner was used.

The Director's statement also indicated that the cleaner would be used generally throughout the system but did not estimate the amount of use in the WSSC area. Such an estimate would have indicated the specific amount of cost chargeable to WSSC.

3. Purchase Order 55204 Two water jet cleaners \$49,000.00

Director's statement: The two units are currently being used in systemwide sewer operations.

Our comment: A DES operating official told us that these two cleaners were used throughout the sewer system without regard to specific sewer lines or facilities.

The Director's statement confirmed our finding but did not indicate how much use would be applicable to WSSC work.

4. Purchase Order 55394 Four 1/2-ton pickup trucks \$13,531.36

Director's statement: One truck was not paid for by the Blue Plains plant. Three other similar vehicles bought for use by the waterworks were assigned to the plant but were not charged to WSSC. The three vehicles were not assigned to the plant but were used throughout the system.

Our comment: A DES operating official told us that the four trucks purchased under order 55394 were not used at the treatment plant or for other work connected with the WSSC agreement. The Director indicated, however, that three trucks would be used generally throughout the system but, again, he did not say how often they would be used for WSSC work.

5. Purchase Order 55253 One 3/4-ton pickup truck \$5,169.59

Director's statement: Eleven vehicles are assigned to various programs of the Bureau of Maintenance Services. When not in use at the plant, they are used for similar purposes at other sewer and water facilities.

Note: We questioned the use of only 1 of the 11 trucks.

Our comment: A DES operating official told us one of the vehicles was used by a machine shop not connected with the plant. He said the truck may have been used at the treatment plant or in connection with the WSSC agreement at various times but records were not available to show this.

The Director's statement also did not indicate amount of usage, if any, in WSSC work.

6. Purchase Order 55301 Three sewer rodding machines \$27,503.40

Director's statement: The three units are currently being used in sewer operations.

Our comment: A DES operating official told us the three machines were used wherever necessary. He said they may be used occasionally at the treatment plant or for other work connected with the WSSC agreement but records were not available to show how they were used.

7. Purchase Order 21103 Director's office furniture \$906.75
and 21104

Director's statement: The Director did not comment on these items.

Our comment: The sofa and chairs for the Director's office do not appear to be proper charges to WSSC work.