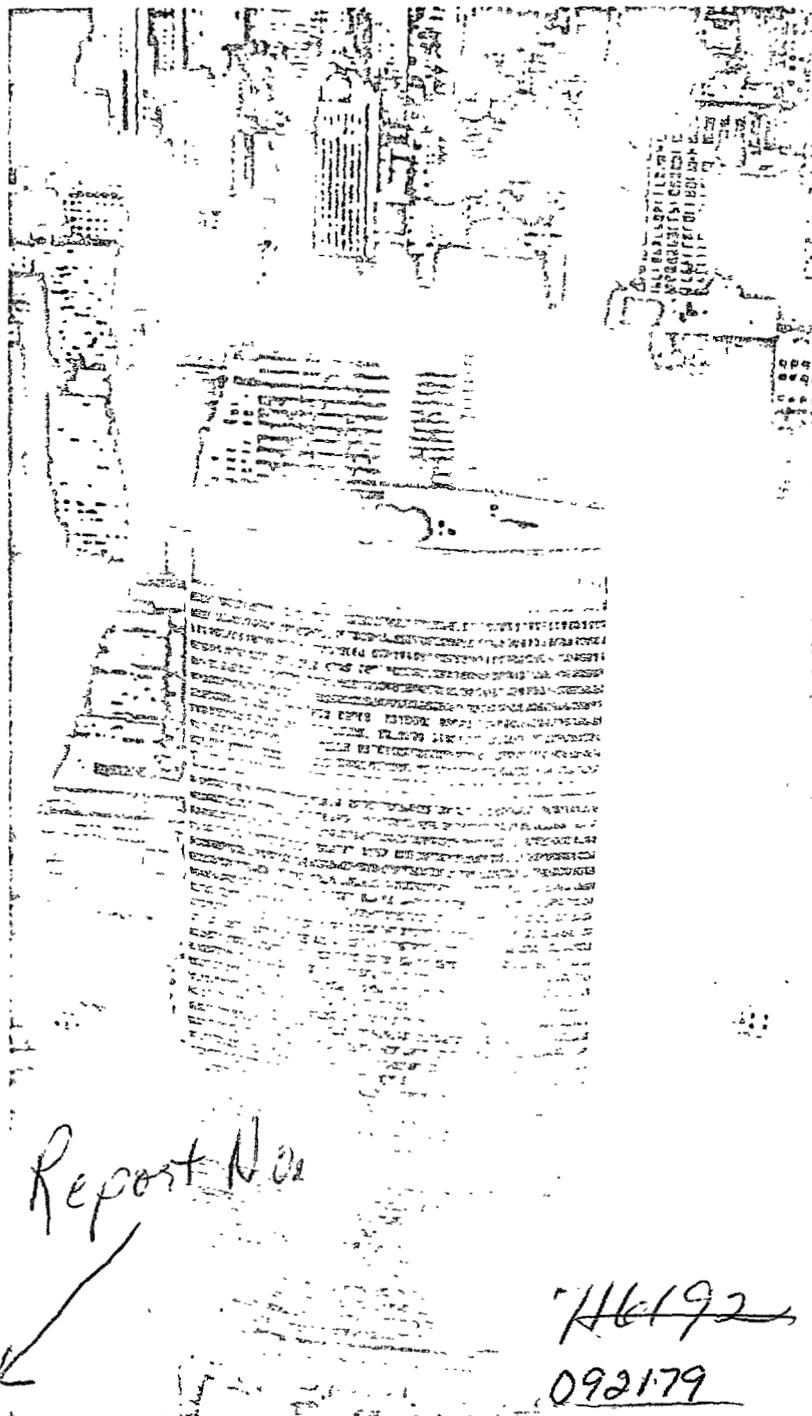


# THE PRACTICES OF CITIES



092179

Under  
Federal  
Grant  
Funds



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Post Title  
Questionnaire  
Survey

21-

APRIL, 1977

U.S. GENERAL ACCOUNTING OFFICE  
PROCUREMENT AND SYSTEMS  
ACQUISITION DIVISION  
PSAD-77-88

Report No.

H6192

092179

## FOREWORD

State and local governments are expressing a growing concern over their operations' efficiency and economy, due primarily to the recent fiscal crises experienced by many local governments and the resulting need to conserve funds and increase productivity. An effective, efficient procurement program is one way State and local governments can stretch their own funds as well as Federal grant dollars.

GAO is studying State and local purchasing for two reasons: (1) to increase knowledge of what purchasing practices are being used and which are most effective and efficient and (2) to evaluate the effect of Federal grantor agency procurement requirements on the local purchasing function. Our goal is to encourage the development of more efficient purchasing programs among the State and local governments.

This report, one phase of our overall program, presents the results of a questionnaire sent to 949 city governments. Its purpose is to provide an overview of city procurement practices and problems experienced in spending Federal grant funds. To some extent, we suggest more efficient alternatives to some common practices, but the primary purpose of this report is to provide information on the procurement processes in use.

With the increased reliance of State and local governments on Federal grant funds, the efficiency with which the State and local governments purchase goods and services has become a material issue to the Federal Government. We plan to follow up this report with an evaluation of the procurement practices of several U.S. cities. From this effort we anticipate being able to draw conclusions and recommendations beneficial to the State and local governments as well as the Federal Government.



R.W. Gutmann  
Director  
Procurement and Systems  
Acquisition Division

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## HIGHLIGHTS

Responses from 763 cities to the questionnaire on local government procurement practices indicated several areas where procurement improvements could be effected. Major observations brought out in the questionnaire follow:

### Relationship of the Central Purchasing Activity to Individual Departments and Agencies (Chapter 2)

- The role of the central purchasing activity's involvement in the procurement function needs to be strengthened.
- Contract administration, rather than being centralized, is generally left to the individual city departments.
- Opportunities exist for consolidating the purchases of similar items, to save on administrative costs and obtain volume discounts.
- Public schools generally have separate purchasing departments and thus do not benefit from consolidating purchases with city operations.

### Managing Property Purchased Under Federal Grant Programs (Chapter 3)

- Surplus/excess property is generally not transferred from one Federal grant program to another.

### Participation in Cooperative Procurement Activities (Chapter 4)

- Cities frequently do not participate in cooperative procurement activities with nearby governmental entities.

### Using Federal Supply Sources (Chapter 5)

- Cities expressed little interest in being permitted to purchase through Federal supply sources.

--Most cities felt pricing information from GSA would benefit their purchasing activities.

Problems Relating to Federal Grants  
(Chapter 6)

--Federal grantor agencies generally require more information than is deemed necessary on proposed procurements with Federal funds.

--Federal grantor agency information requirements vary from substantial to moderate.

--Federal grantor agency reporting requirements are more than considered necessary.

--Federal procurement guidelines are of little assistance to many cities in resolving procurement problems.

--Assistance provided by grantor agencies has generally been helpful to a small or moderate extent.

--The responding cities heavily favor standardizing grant procurement requirements.

The results illustrated in this report represent the respondents' perceptions. GAO made no attempt to verify the information's accuracy.

Currently, GAO is engaged in reviews which will shed more light on all the areas touched upon in this report. This work will enable us to draw conclusions and make recommendations beneficial to Federal, State, and local governments.

## CHAPTER 1

### INTRODUCTION

Federal grants to State and local governments totaled about \$58 billion in fiscal year 1976, representing 15 percent of the Federal budget and a 355-percent increase in grants in the past 10 years. Also it accounts for about 23 percent of State and local spending which increased by 112 percent in the 7 years following 1967. State and local governments now account for more than 80 percent of the total Government purchases of goods and services for nondefense purposes. The large amount of grants to State and local governments combined with their increased purchasing helps explain the recent widespread interest in improving the State and local purchasing function.

The current fiscal crises being experienced by many State and local governments are another reason for the interest in the purchasing function. These crises have increased the emphasis by State and local governments on conserving funds and improving productivity. The emphasis on productivity is important when viewed in the light that the cost of local government purchases has increased 152 percent, as compared to only an 83-percent increase in consumer prices during a 10-year period ending in 1974. An effective and efficient procurement program is one way in which governments can stretch their dollars as well as increase productivity.

As a result of this widespread interest, GAO has conducted a survey of local government purchasing by mailing questionnaires to 949 city governments. Questionnaires were sent out to all U.S. cities with reported populations greater than 25,000. (A detailed profile of respondents is contained in Appendix I.) Survey results were obtained during 1976. The questionnaire has provided much information concerning how cities operate their procurement function as well as insights into some of the problems the cities experience under Federal grant programs. A copy of the questionnaire, with a summation of responses typed in, can be found in Appendix II.

In March 1975, State and Local Government Purchasing, the first comprehensive research effort on State and local procurement, was published by the Council of State Governments. The study was funded by a grant from the Law Enforcement Assistance Administration and was done cooperatively by the National Association of State Purchasing Officials

and Peat, Marwick, Mitchell & Co. It developed some of the general procurement principles used as guidelines in this report to compare and contrast city procurement practices.

The Council of State Governments' study emphasized the necessity for centralization, openness, impartiality, and professionalism in governmental purchasing. It states that "the centralization of purchasing authority is also the centralization of responsibility and accountability." When the authority and responsibility for purchasing rests with numerous individual departments, control and accountability are lost, and the special interests of individual departments and programs, rather than the governmental entity, become paramount.

## CHAPTER 2

### RELATIONSHIP OF CENTRAL PURCHASING ACTIVITY TO INDIVIDUAL DEPARTMENTS

Although centralizing procurement authority is basic to an efficient purchasing system, it is not necessary or even desirable that the central purchasing agency perform all procurement functions. Procurement authority should be delegated to the using agencies when efficiency would be improved by doing so. The responsibility of the delegated authority must remain with the central purchasing unit.

Other points made in State and Local Government Purchasing will be presented throughout this report as they relate to the results of the questionnaire survey.

#### THE PROCUREMENT AND SUPPLY FUNCTIONS

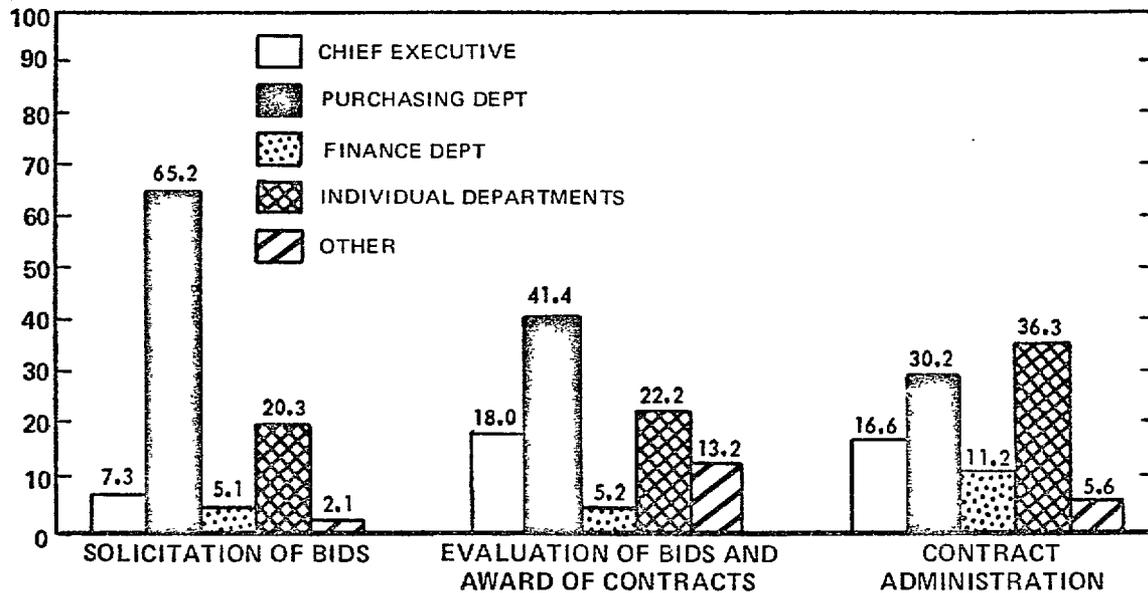
The central purchasing office is responsible for obtaining goods and services promptly and economically. It must develop a managerial approach to the procurement function which includes planning and control. It is the focal point for collecting information such as forecasted costs, market conditions, product availability, vendor and product performance, and historical usage data.

As a result of its management approach to procurement and its expertise in the procurement function, the central purchasing office is in the best position to control all aspects of purchasing and perform many of the functions.

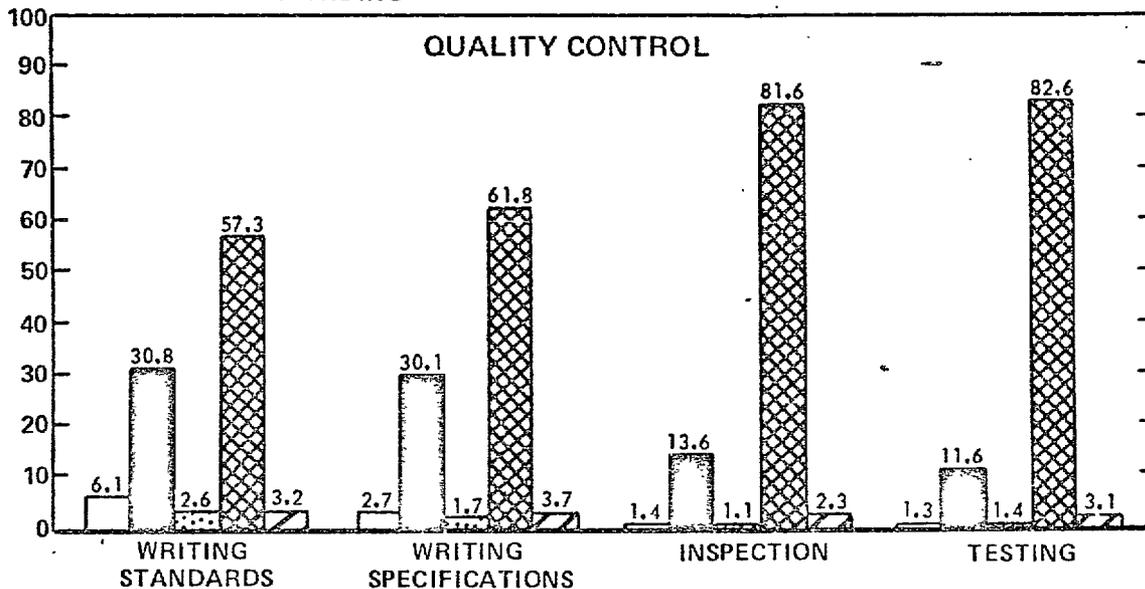
We asked the respondents of our questionnaire: who is responsible for performing various procurement functions. The results show that frequently the purchasing department is not given responsibility for major aspects of procurement.

## ACQUISITION

PERCENT OF CITIES RESPONDING

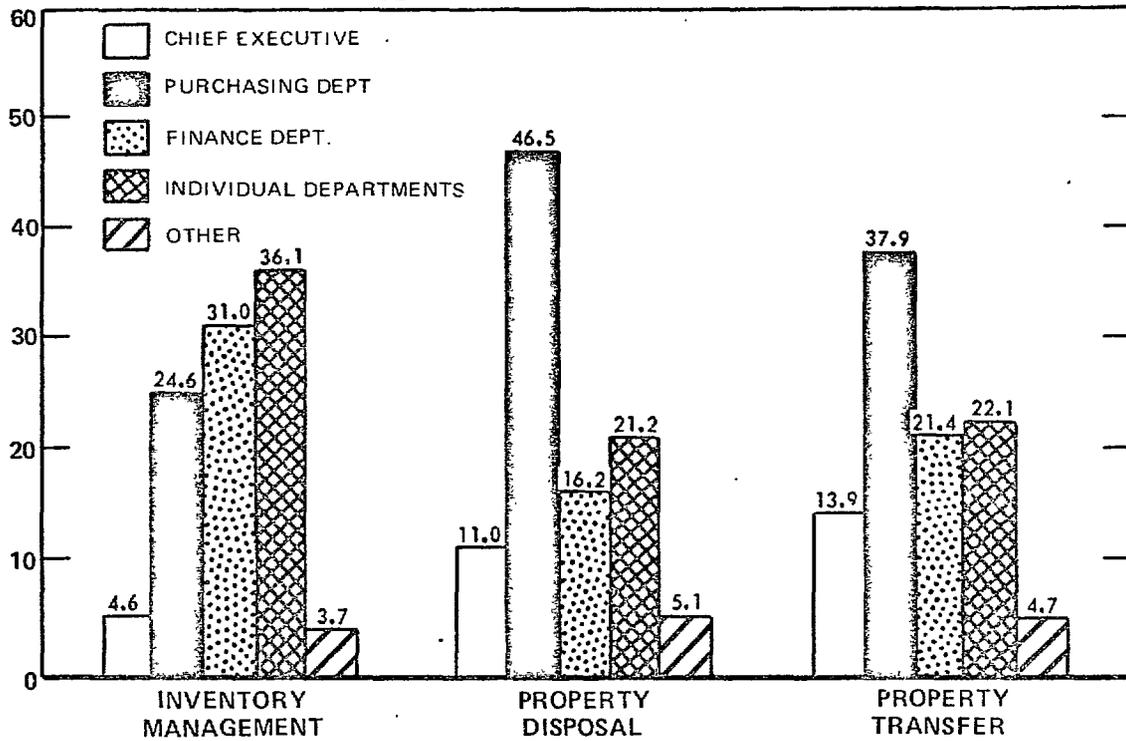


PERCENT OF CITIES RESPONDING



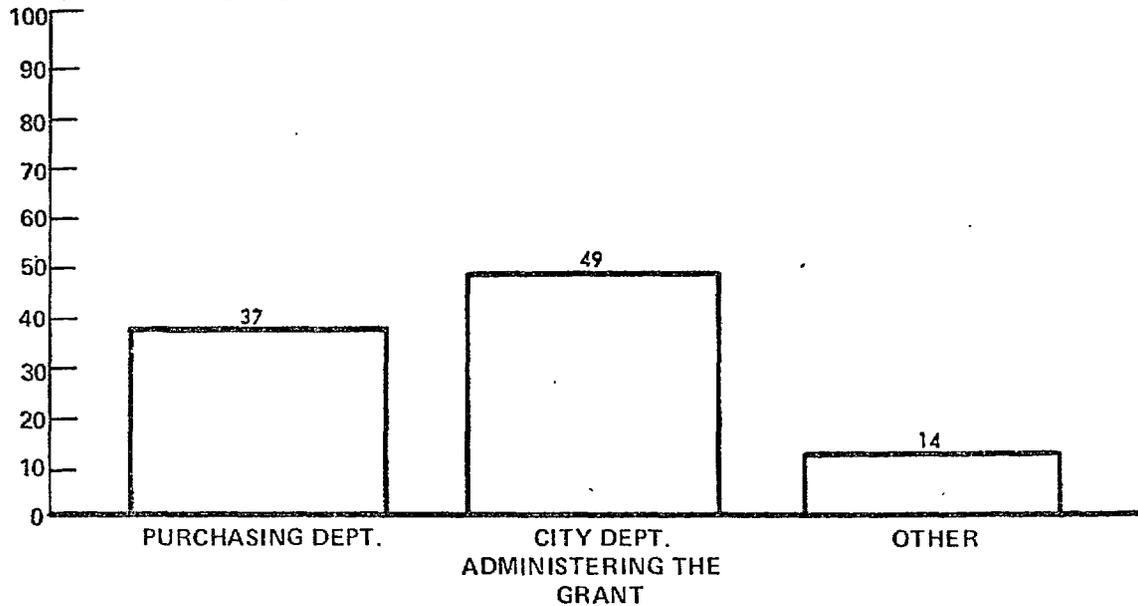
## PROPERTY MANAGEMENT

PERCENT OF CITIES RESPONDING



We considered the possibility that funds supplied by Federal grants might not flow through the same purchasing system as the city's own appropriated funds. We asked the respondents: who is responsible for carrying out the procurement policies and requirements for grant programs.

PERCENT OF CITIES RESPONDING



We also asked, who performs the functions listed below when grant funds are involved.

	Chief Executive Officer	Purchasing Agency	Finance Department	Individual Department	Other
Evaluating bids	14.3%	37.5%	4.4%	33.0%	10.8%
Negotiating contract	27.3%	25.7%	4.1%	31.4%	11.5%
Awarding contract	33.3%	19.5%	2.4%	8.5%	36.3%
Administering contract	13.5%	11.2%	9.9%	59.5%	5.9%

### Central Purchasing/User Agency Relations

Good rapport between using agencies and the central purchasing office is essential. The purchasing office's ability to plan and schedule purchases to get the most economical prices depends on user agencies cooperating in estimating their requirements. Also, to plan effectively, the agencies must be aware of some of the purchasing office's restrictions, such as product unavailability or long-lead times. Purchasing needs feedback, from the using agencies, on vendor and product performance to help it eliminate undesirable products and vendors. In some areas, such as writing specifications, the expertise of both purchasing and the user agency is required. In these cases, clear communication and amiable relations are necessary to accomplish the desired objective.

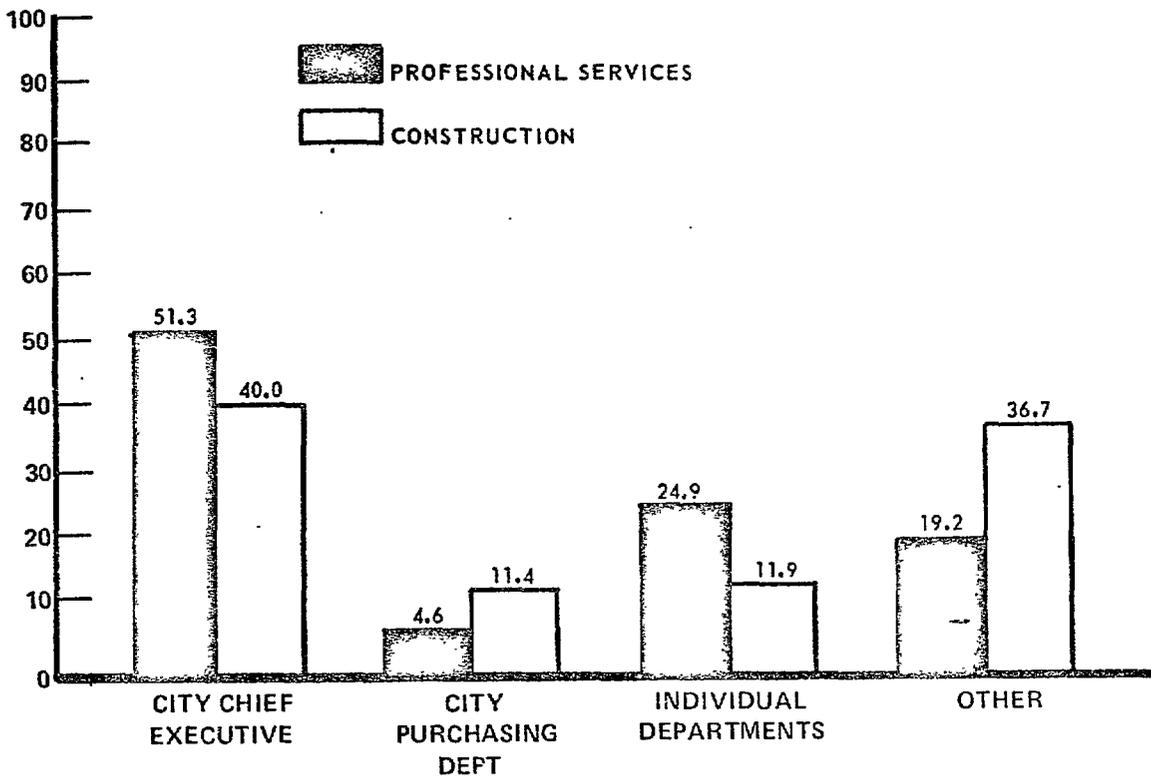
We attempted to determine how well using agencies were cooperating with the purchasing office by asking the following question: How much of each of the following do city departments provide to the purchasing office?

	<u>More than required</u>	<u>About right</u>	<u>Less than required</u>
	<u>(Percent)</u>		
A detailed description of needs	9	69	22
Sufficient time to follow procurement procedures	9	55	36
Latitude on procurement methods	14	70	16
Latitude on type of contract	12	75	14
Latitude on contract terms	12	74	14

Professional Services and Construction Projects

Contracting procedures for professional services and construction are unique, complex, and sometimes controversial. To learn what responsibility the central purchasing office has in these two areas, we asked: who is primarily responsible for contracting for professional services and construction projects.

PERCENT OF CITIES RESPONDING

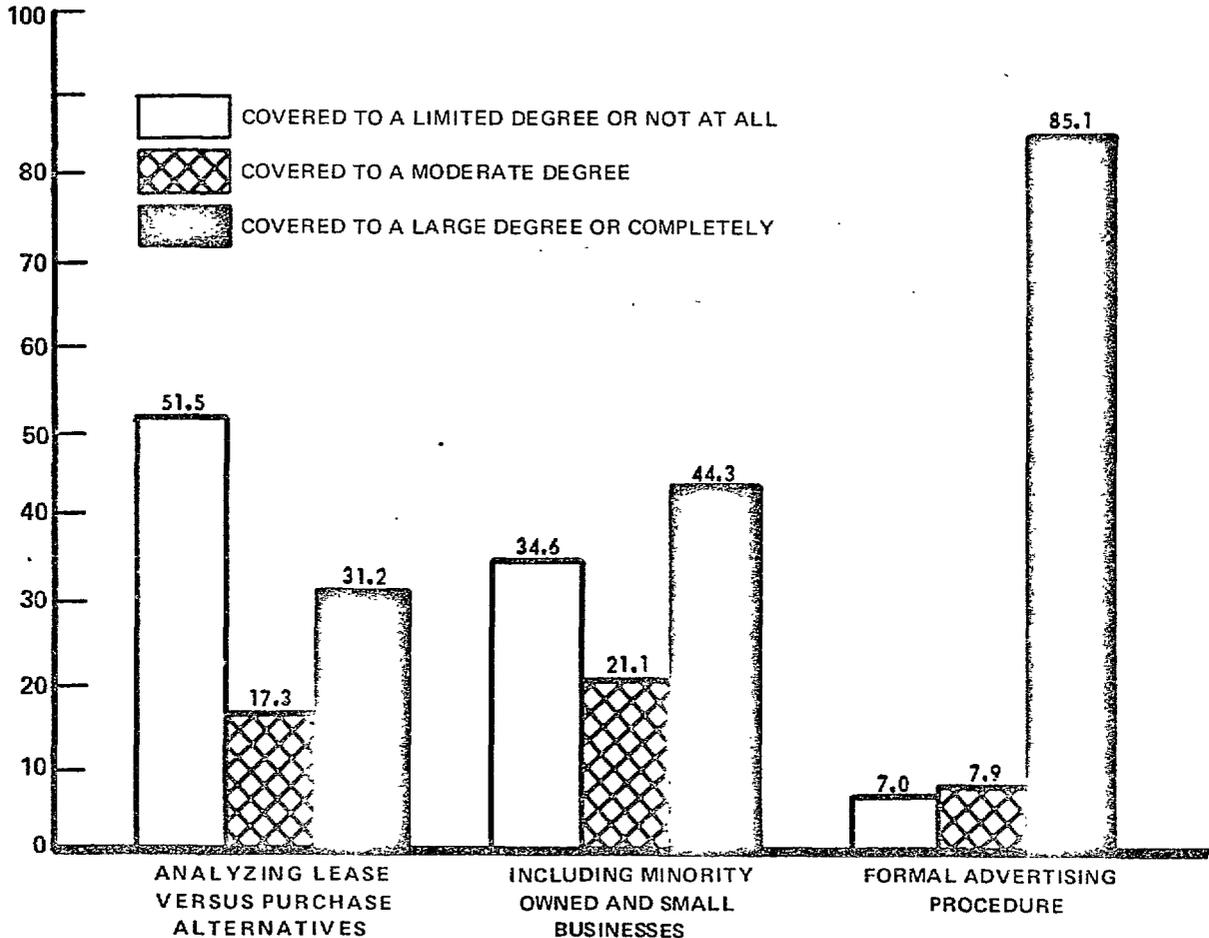


Written Policy

A centralized procurement system should have complete and comprehensive written guidelines and policies to assure uniformity and control. The purchasing office should set forth its goals and the accompanying responsibilities and duties. Authority delegated to using agencies should be clearly defined along with the policies and procedures to be followed by the agencies when executing the delegated authority.

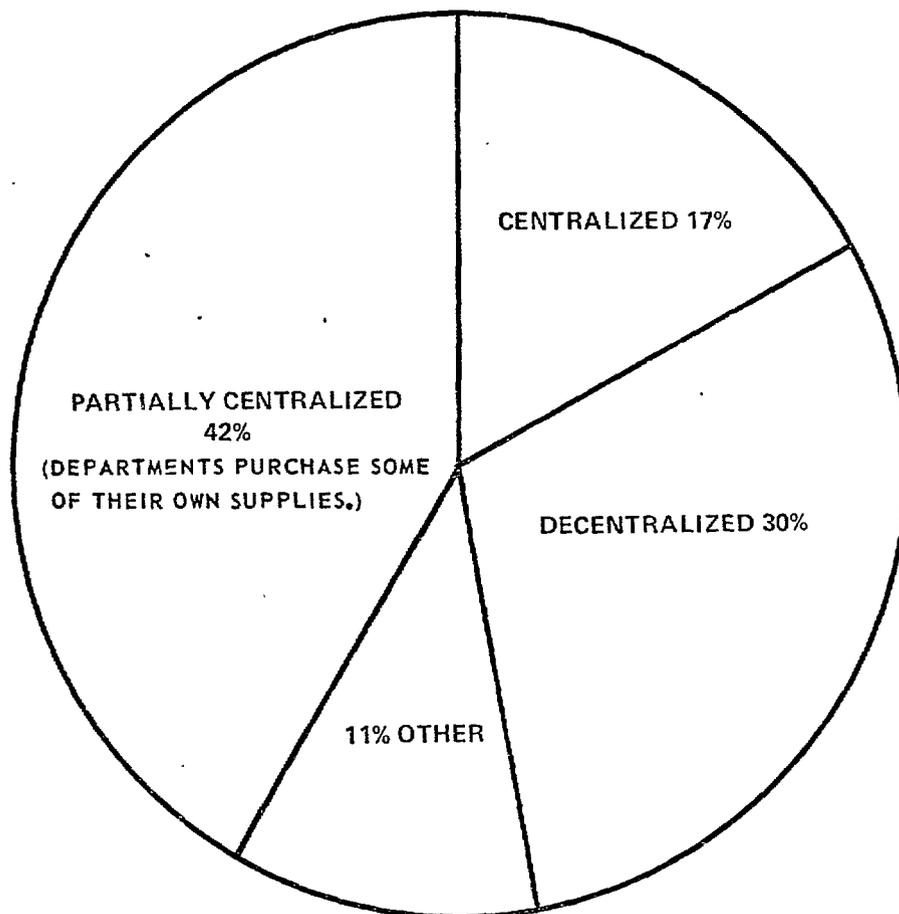
We polled the respondent cities to see how well the procurement activities listed below were provided for in written policies.

PERCENT OF CITIES RESPONDING



### Supply Function

A centrally managed supply system is essential for an efficient procurement system. Generally, the same advantages of a centralized procurement system apply to the supply system. Perhaps even more, because frequently greater opportunities exist for savings through bulk purchasing of supplies. We asked the cities how individual departments typically obtain the supplies they need for ongoing operations. The results indicated about 30 percent of the cities place the responsibility for purchasing supplies on the individual departments.



### Inspection and Testing

The purchasing office should maintain a centrally administered inspection and testing program because the receiving agencies do not always inspect goods received to assure conformity to specifications. Many using agencies seem to simply assume what is received is what was ordered.

Obviously, the purchasing office cannot supply personnel to inspect all supplies and equipment received by a city; therefore, it must establish procedures, techniques, and standards to be applied by the user agency personnel receiving the supplies or equipment. Purchasing personnel should be responsible for monitoring the program to see that the established procedures are being carried out.

We gave the cities five possible responses to the question, "What quality control measures are employed for

equipment and supplies your city purchases?" and asked them to check all that apply. The results showed a lack of control over inspection and testing procedures.

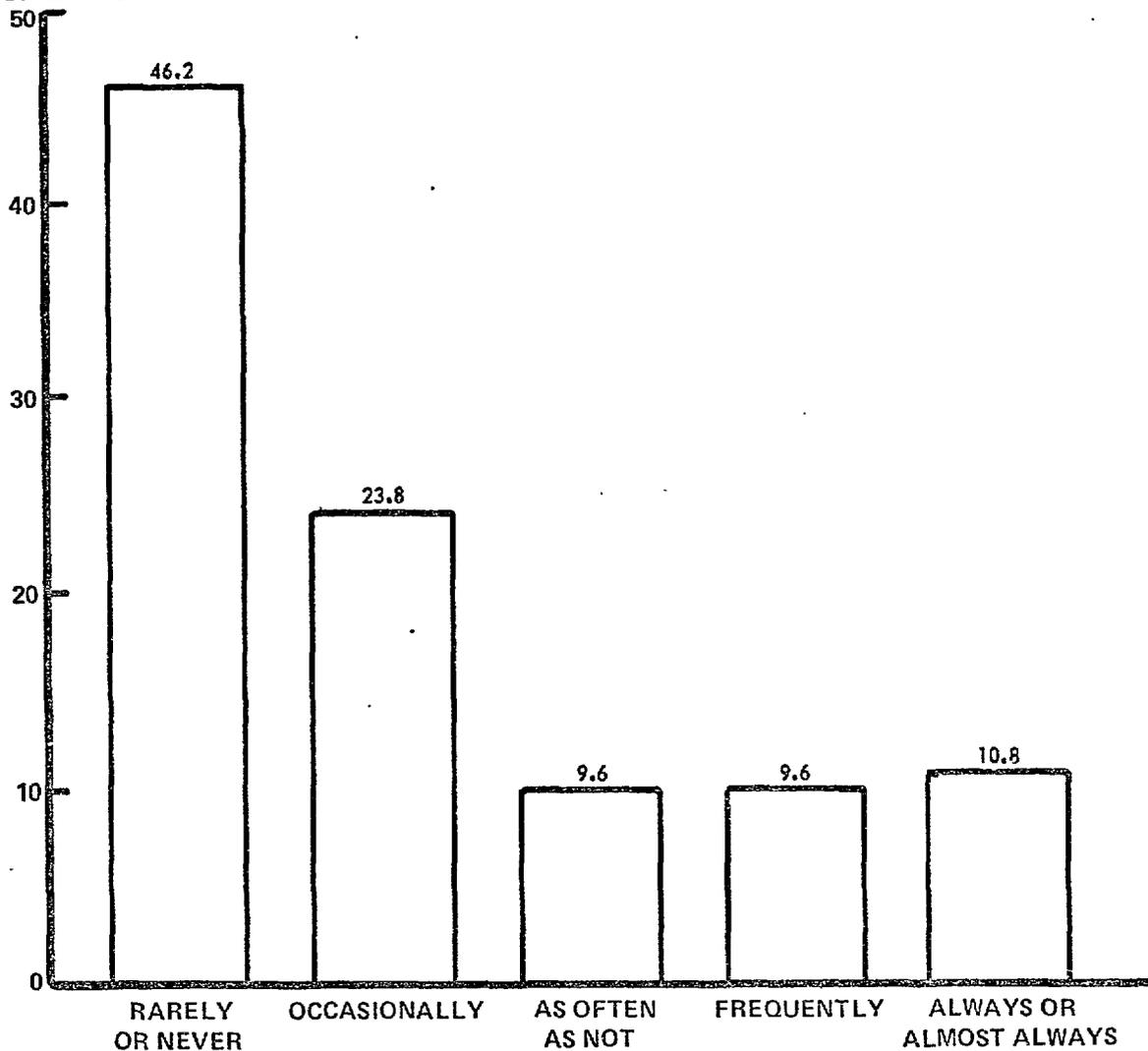
<u>Number of cities responding</u>	<u>Response</u>
55	Centrally controlled inspection and testing system
112	Uniform criteria, no central control
534	Requesting department is solely responsible
141	Reputation of supplier is relied upon

### Consolidation

Given an effective information system, the procurement office can identify agencies' needed items and expected amounts for the future. Estimated requirements of the same or similar items can then be consolidated and purchased in quantity to obtain volume discounts. Contracting for future requirements benefits both the buyer and seller by allowing better planning and reduced administrative expense.

Since some items to be purchased for grant programs--for example, typewriters and furniture--are items which the city frequently purchases for normal operations, we asked the respondents how often they consolidate grant and city procurement requirements.

PERCENT OF CITIES RESPONDING



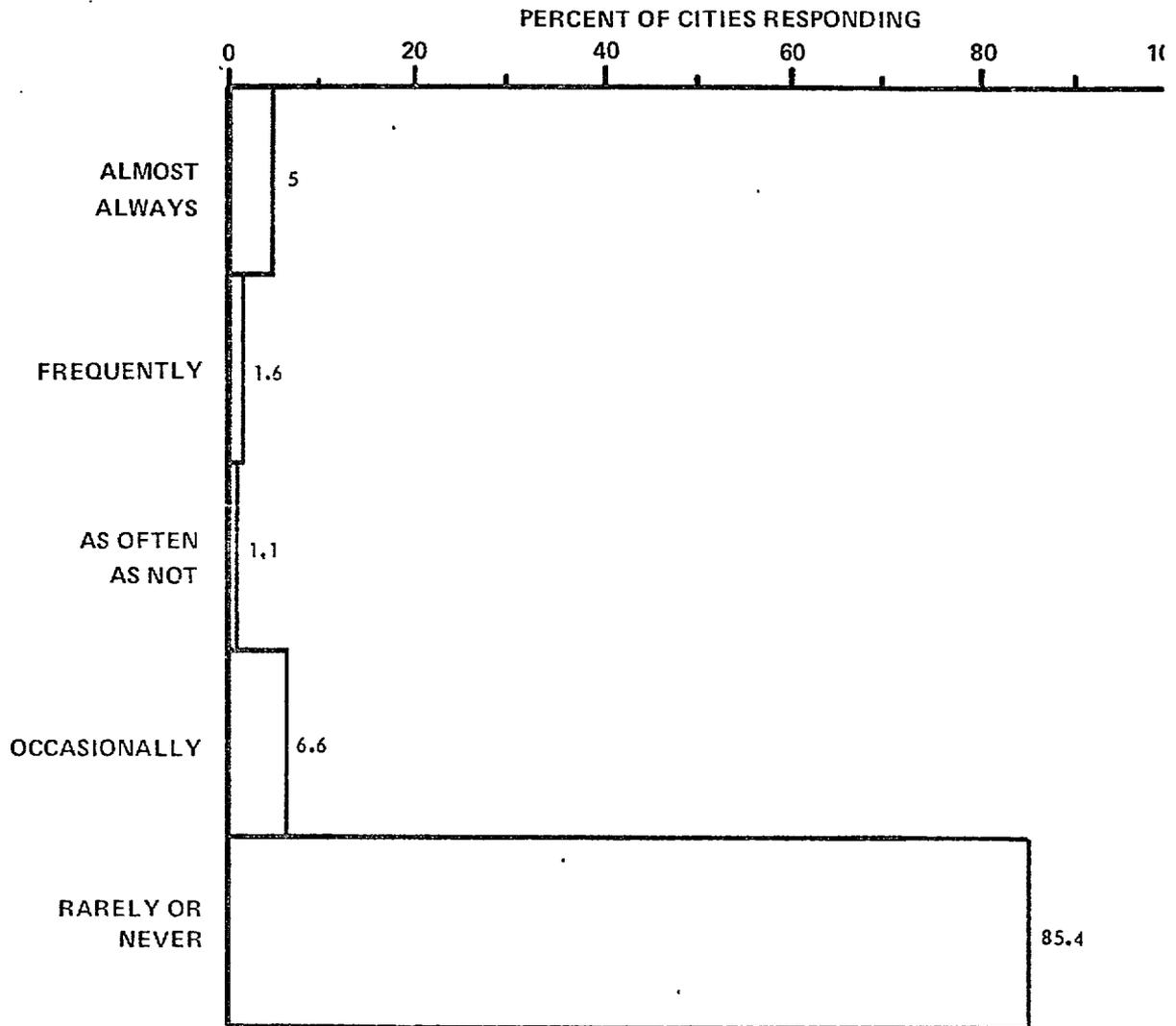
Schools

Public school systems historically have a high degree of autonomy. This is probably due to the idea that our children's education is a unique function and better left in the hands of professional educators. Schools, however, spend large amounts of money on procuring supplies, equipment, and services. It seems they might benefit from the purchasing office's expertise.

Of the cities responding, 79 percent said the public school system has a purchasing department separate from the cities.

To get further information on how autonomous the schools are, we asked how often schools purchase goods and services from contracts or purchase orders awarded by the city.

The response was as follows:



### Audit Coverage

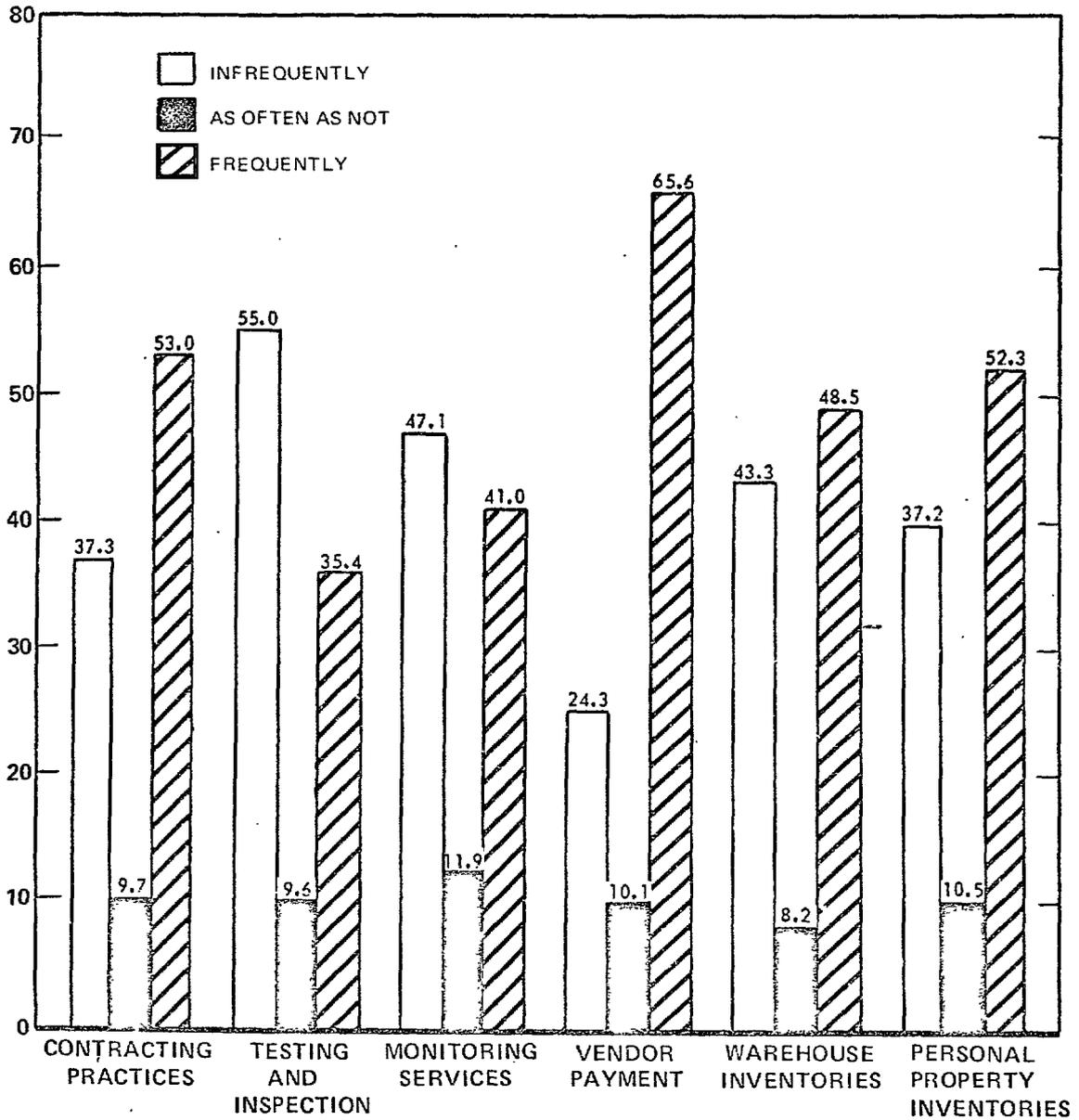
Evaluating procedures and controls is important for any governmental function and is particularly critical to the procurement function since large amounts of public funds are involved. Not only is there concern with effectiveness and efficiency of public fund expenditure, but there must be

safeguards against improper actions by the personnel involved in the procurement process.

As an indication of the control over procurement procedures, we asked questions concerning audit coverage.

How frequently are the following examined by internal review groups?

PERCENT OF CITIES RESPONDING



We also asked how often external auditors review procurement procedures as they relate to Federal grants. Three hundred and twenty-nine respondents said, "frequently." Two hundred and eighty-two said, "infrequently."

## CHAPTER 3

### PROPERTY MANAGEMENT

The purchasing office should have ultimate responsibility over property management which includes the inventory program and the surplus property program.

Property management affects the purchasing function directly. The most efficient procurement method is the re-assignment of property from an area where it is surplus to an area where it is needed. The purchasing office must be able to make a prompt identification of surplus property.

Federal Management Circular 74-7, Attachment N, provides standards for grantor agencies managing property purchased with Federal grant funds. Generally, it indicates that such property is to be used in other grant programs when it becomes surplus to the program for which it was purchased. For the cities to properly manage grant property, they must have an efficient inventory and surplus property program.

#### Maintaining Property Records

We asked the question, "Where are property records for nonexpendable personal property maintained?"

<u>Percent</u>	<u>Number</u>	
31	193	In each department where items or equipment is being used
63	385	In a centralized department where such records are maintained for all city departments
6	38	Other

#### Accountability Over Property

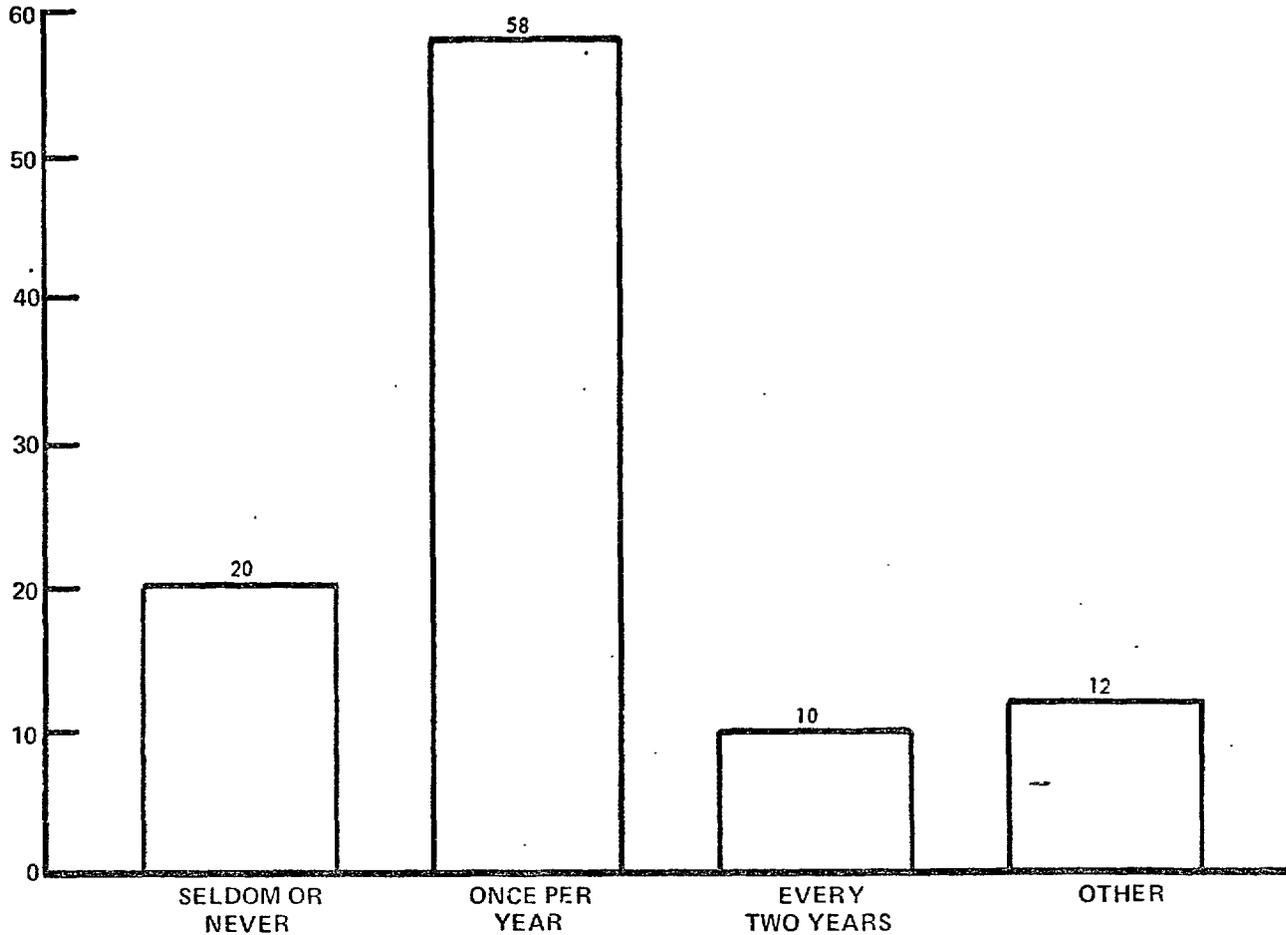
We asked to what extent can nonexpendable personal property purchased with Federal grant funds be traced back to the beginning of the program.

<u>Percent</u>	<u>Number</u>	
10	67	Very little, if any, can be easily identified
36	240	Most or all can be, but requires considerable reconstruction of individual purchase orders
52	348	Most, if not all, can be easily identified
2	17	Other

## Inventory Practices

We asked how frequently personal property is inventoried.

PERCENT OF CITIES RESPONDING



Slightly more than half the cities inventory personal property annually. However, inventory management is a purchasing department function in only about 25 percent of the cities.

## Surplus Property

We asked cities to indicate all methods they used to

screen surplus property before purchasing equipment for Federal programs.

Number

379	Cities screen all surplus city property
102	Cities screen surplus property in major departments
106	Cities screen only property in one department

We asked how often surplus property has been transferred from one Federal program to another.

Percent

Number

72	398	Cities responded, "rarely or never."
21	113	Cities said, "occasionally."
1	8	Cities said, "as often as not."
5	25	Cities said, "frequently."
1	8	Cities said, "always," or "almost always."

CHAPTER 4

COOPERATIVE PROCUREMENT

Cooperative procurement is an arrangement by which two or more governmental entities buy under the same contract. The primary purpose of purchasing cooperatively is to combine requirements and reduce costs through volume discounts. Other possible advantages are reducing duplication of work and enhancing intergovernmental relations.

Of the 763 cities in our survey, 385 cities (51 percent) indicated they participated in cooperative procurement activities in fiscal year 1975. Cooperative purchasing with the States was the most common activity. The following table shows whom the cities entered into cooperative procurements with and the number of cities involved in each type of cooperative activity.

Cooperative procurement with	Number of Cities			Total
	1 or 2 cooperative procurements	3 to 7 cooperative procurements	8 or more cooperative procurements	
Other Cities/Towns	82	45	28	155
Counties	90	41	51	182
Regions	24	6	5	35
State	81	58	89	228

Cooperative procurement arrangements were used primarily to purchase equipment and supplies. The following table shows what is typically purchased or constructed when cities participate in cooperative procurements.

Type of Items Purchased or Constructed by Cities  
in Cooperative Procurements

Type of Item	Number of Cities
Equipment (computers, vehicles, desks, typewriters, etc.)	319
Supplies	318
Construction projects (regional waste and water treatment plants, transportation systems, roads and highways, etc.)	130
Professional services (e.g., consultants, architects/engineering, etc.)	77
Purchase of land and facilities	38
Other	62

CHAPTER 5

USING FEDERAL SUPPLY SOURCES

Federal Supply Sources

It has been suggested that cities be granted access to Federal supply sources. Possible benefits include cost savings from consolidated purchases, shorter procurement time, and higher quality goods and services. The cities in our survey expressed little interest in purchasing through Federal supply sources. Their evaluation of the possible benefits that could be obtained from purchasing from Federal supply sources is presented in the following table.

	<u>Percent of Cities Responding</u>				
	<u>Little or none</u>	<u>Small extent</u>	<u>Moderate extent</u>	<u>Large extent</u>	<u>Substantial extent</u>
<u>Possible benefits</u>					
Cost savings	14.3	20.4	29.6	19.2	16.5
Shorter pro- curement time	55.7	17.4	14.3	6.9	5.7
Less adminis- trative "red tape"	64.7	9.2	12.4	6.1	7.7
Higher quality goods	49.0	19.1	21.9	6.2	3.7
Higher quality services	53.2	20.2	18.2	5.3	3.2

Although the cities indicated little interest in purchasing through Federal supply sources, 73 percent of the cities said that obtaining pricing information on Federal sources would benefit their procurement activities. Such information could be used as a guide or as leverage in dealing with local contractors. The cities' responses follow.

	<u>Cities</u>	
	<u>Number</u>	<u>Percent</u>
Little or no benefit	76	10.9
Somewhat of a small benefit	116	16.6
Generally beneficial	330	47.2
Somewhat of a large benefit	74	10.6
Large benefit	<u>103</u>	<u>14.7</u>
	<u>699</u>	<u>100.0</u>

## CHAPTER 6

### PROBLEMS RELATING TO FEDERAL GRANTS

When local governments purchase goods and services with Federal grant funds they are expected to follow the requirements and guidelines issued by the Federal agencies from which they received the funds. This chapter will show the results of the questionnaire's section dealing with the problems local governments experience in complying with the procurement requirements of these Federal grantors.

#### Federal Procurement Standards

Attachment O of Federal Management Circular 74-7, entitled "Procurement Standards," provides guidelines for use by grantor agencies in establishing procedures to be used by State and local governments when purchasing with Federal grant funds. A study group composed of representatives of interested Federal agencies is working to revise Attachment O and create a single set of procurement guidelines to satisfy all Federal grantors and relieve the grantees' confusion over varying and conflicting requirements.

Although the majority (86 percent) of the city procurement officers said that they were generally aware of the Federal procurement guidelines and requirements that are to be followed, only 48 percent of them were familiar with the provisions of Attachment O.

#### Attitudes on Federal Requirements

In an attempt to discover and quantify problems experienced by local governments in procuring with Federal grant funds, we asked several questions regarding Federal guidelines and requirements. The results are summarized below.

Obtaining initial Federal approval of procurement plans and subsequent approval for changes is at least a moderate problem for about 62 percent of the respondents. Following are the results:

	Obtaining initial Federal approval of procurement plans		Obtaining subsequent Federal approval for changes in procure- ment plans	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Little or no problem	159	23.6	135	20.3
Somewhat of a problem	89	13.3	120	18.0
Moderate problem	195	29.1	185	27.7
Somewhat of a major problem	137	20.4	151	22.6
Major problem	91	13.6	76	11.4
	<u>671</u>	<u>100.0</u>	<u>667</u>	<u>100.0</u>

Complying with Federal grant procurement requirements was little or no problem, or, at the most, only a moderate problem for most of the cities surveyed. About 22 percent of the cities did indicate, however, that compliance with Federal procurement requirements was a major or somewhat of a major problem. The cities' responses follow:

	Compliance with Federal grant procurement requirements	
	<u>Number</u>	<u>Percent</u>
Little or no problem	219	32.6
Somewhat of a problem	127	18.9
Moderate problem	181	26.9
Somewhat of a major problem	106	15.8
Major problem	39	5.8
	<u>672</u>	<u>100.0</u>

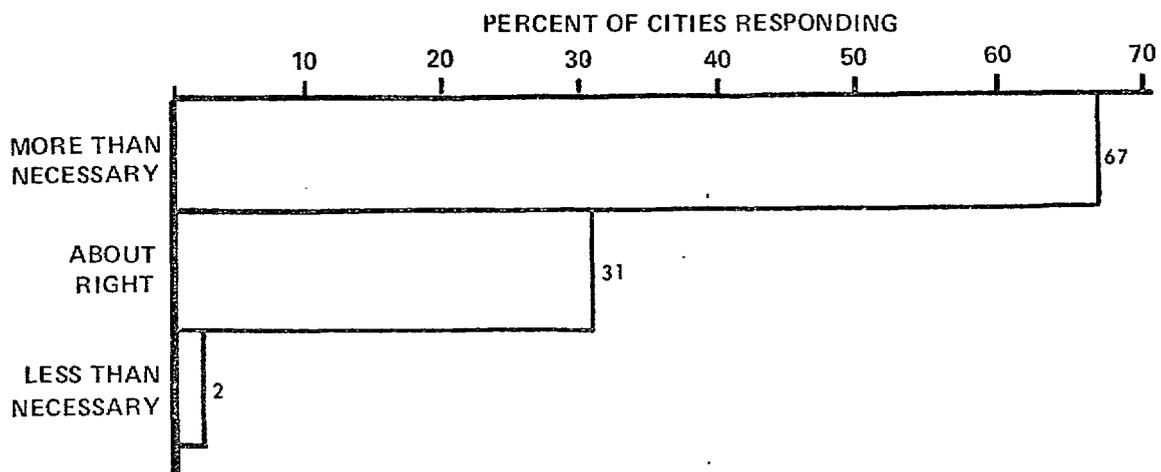
Complying with inventory regulations for Federal property was little or no problem for 40 percent of the respondents. It was a more significant problem for remaining cities, but a major problem for only 6 percent. The cities' responses follow:

	<u>Cities</u>	
	<u>Number</u>	<u>Percent</u>
Little or no problem	261	39.7
Somewhat of a problem	116	17.7
Moderate problem	171	26.0
Somewhat of a major problem	68	10.4
Major problem	41	6.2
	<u>657</u>	<u>100.0</u>

We also asked the cities how much of a problem they experienced cooperating and coordinating efforts with the State government when they are involved in Federal grant programs. The results follow:

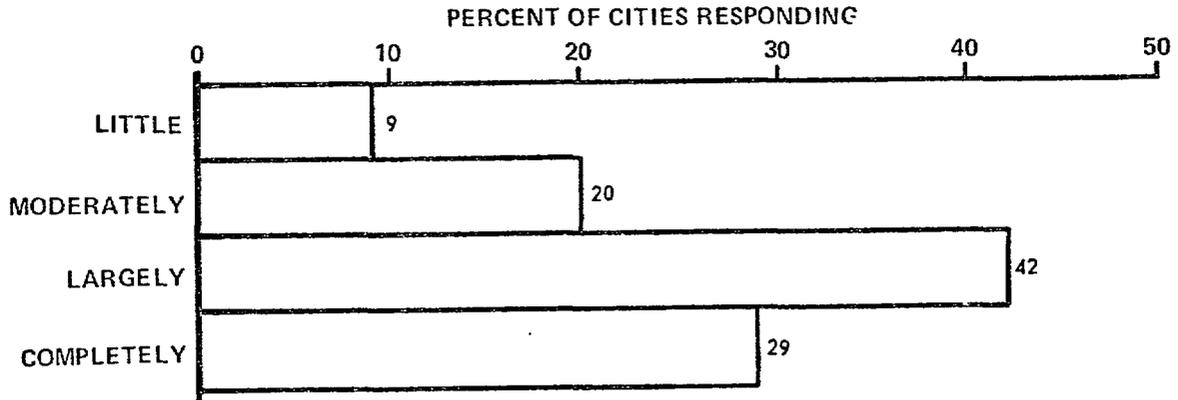
	<u>Cities</u>	
	<u>Number</u>	<u>Percent</u>
Little or no problem	189	28.9
Somewhat of a problem	114	17.4
Moderate problem	158	24.1
Somewhat of a major problem	102	15.6
Major problem	92	14.0
	<u>655</u>	<u>100.0</u>

We asked "What best describes how you feel about reporting, accounting, and auditing requirements for equipment and construction financed with Federal grant funds?"

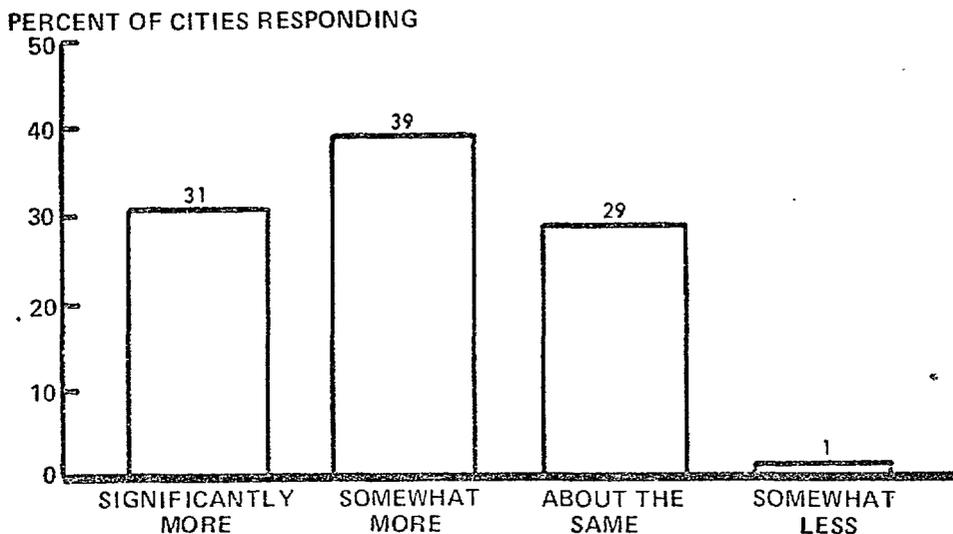


## Comparing Federal and City Procurement Guidelines

Recognizing that some of the respondents' problems with the Federal requirements might stem from differences between the Federal requirements and local requirements, we attempted to learn whether those differences existed and whether the Federal requirements consumed more of the respondents' time. We asked the respondents, "To what degree do your own procurement guidelines correspond to those for Federal grant programs?"



Also, "Does compliance with grant procurement requirements consume more or less time than normal city procurement procedures?"



As shown in the first of the two charts just above, 71 percent of those responding said that normal city procurement policies corresponded to Federal grant requirements to a large degree or more. Only 9 percent thought the correspondence was small. Although most of the cities view their own procurement policies as largely similar to the Federal grant requirements, about the same number (70 percent) said that compliance with Federal requirements consumed more time than compliance with their own requirements. In fact, 45 percent said their city procurement policies corresponded with Federal grant programs requirements to a large degree, yet also claimed that complying to Federal procurement requirements was more time consuming.

Since these results appeared to be contradictory, we investigated further by making telephone calls to a random sample. Although the city officials generally felt that city and Federal procurement policies were very similar, often Federal requirements were more time consuming because they imposed additional administrative requirements, such as lengthier review to assure compliance with legal requirements, and communication with the grantor agencies.

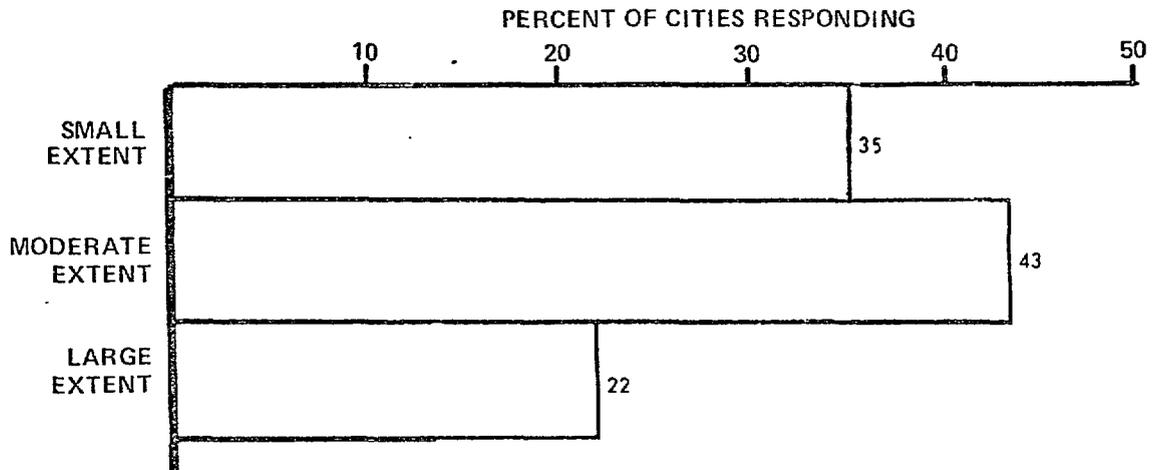
#### Clarity of Procurement Guidelines

Grant recipients are sometimes required to provide information on proposed procurements to Federal agencies before such procurements. They are expected to follow prescribed procurement procedures intended to insure the most efficient expenditure of grant funds. To guide the grant recipients in purchasing equipment, supplies, and services with Federal grant funds, the Federal agencies have developed instructions and guidelines for procurement activities by grant recipients for their respective grant programs. We asked the cities how clear the procurement guidelines for the various Federal grant programs are as to what is required when awarding contracts for equipment, supplies, and services to be financed with Federal grant funds. Nearly 70 percent of the 700 cities responding to this question indicated that the procurement guidelines were clear compared to about 10 percent who felt they were unclear. Their responses are shown below.

	<u>Cities</u>	
	<u>Number</u>	<u>Percent</u>
Very clear	81	11.6
Generally clear	406	58.0
About as clear as not	145	20.7
Generally unclear	53	7.6
Very unclear	15	2.1
	<u>700</u>	<u>100.0</u>

Variance of Federal Procurement Guidelines

Many different grant programs are administered by the various Federal departments and agencies. We asked respondents whether procurement guidelines and requirements vary from one program to another.



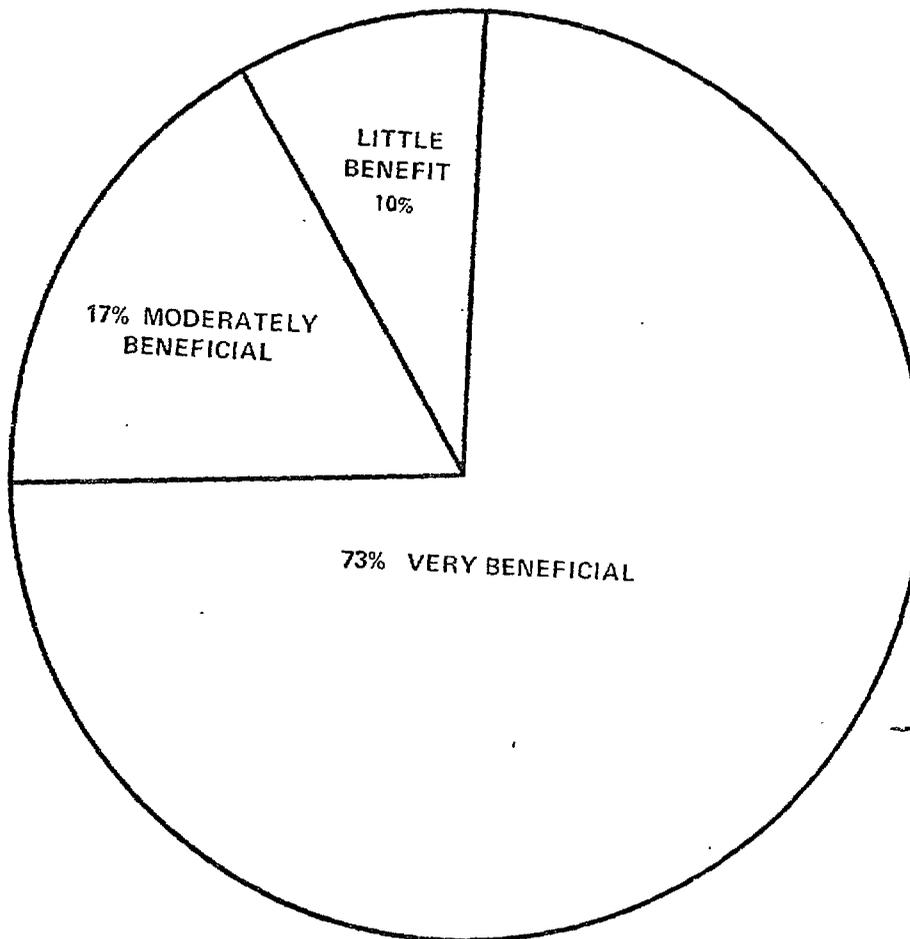
The cities were asked to what extent does the type and amount of information they are required to provide on proposed procurements vary among Federal grant programs. The responses to this question were mixed as shown in the following table.

Extent to which type and amount of information required on proposed procurements varies among Federal grant programs

	<u>Number</u>	<u>Percent</u>
Varies to a substantial extent	68	10
Varies to a large extent	133	20
Varies to a moderate extent	268	39
Varies to a limited extent	136	20
Varies little or not at all	75	11
	<u>680</u>	<u>100.0</u>

Benefits of Standardizing Federal Procurement Guidelines

Concern was expressed over the variances in procurement requirements from one grant to the next. We asked respondents whether they would benefit from standardizing procurement requirements for all grant programs.



We telephoned a random sample to obtain information explaining why standardization was popular. A majority of those interviewed felt that grantor policies varied in requirements and emphasized specific requirements. Some grantor agencies were felt to be stricter in their interpretation of requirements. It was hoped that standardization would help alleviate these problems.

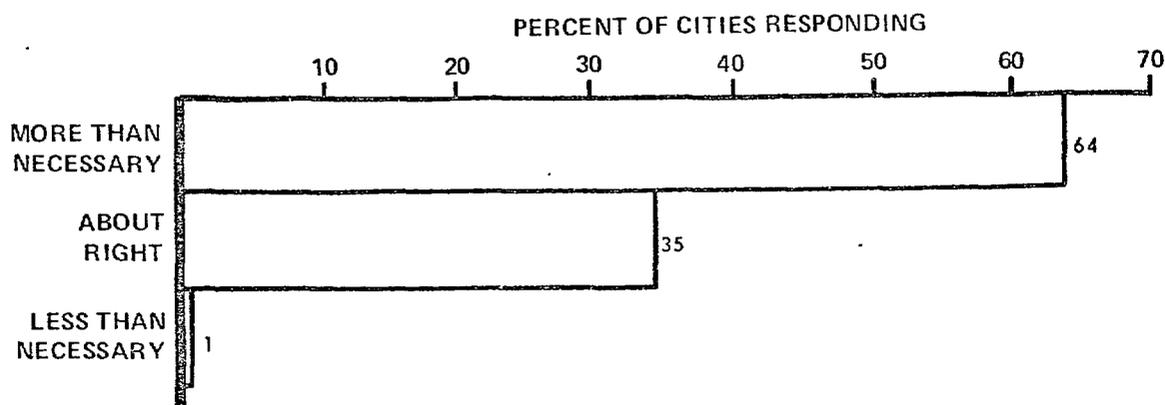
Information Required on Proposed Procurements

Grant recipients are usually required to submit information on their procurement actions to the appropriate Federal department or agency. The cities were asked how often they are required to submit detailed procurement plans, identifying, for example, what items will be purchased and their prices, to Federal grantor agencies before the grant is awarded. Only about 31 percent of the cities indicated they were frequently or always required to submit such information prior to grant approval. The cities' responses follow:

How frequent are detailed procurement plans submitted to Federal agencies before grant approval

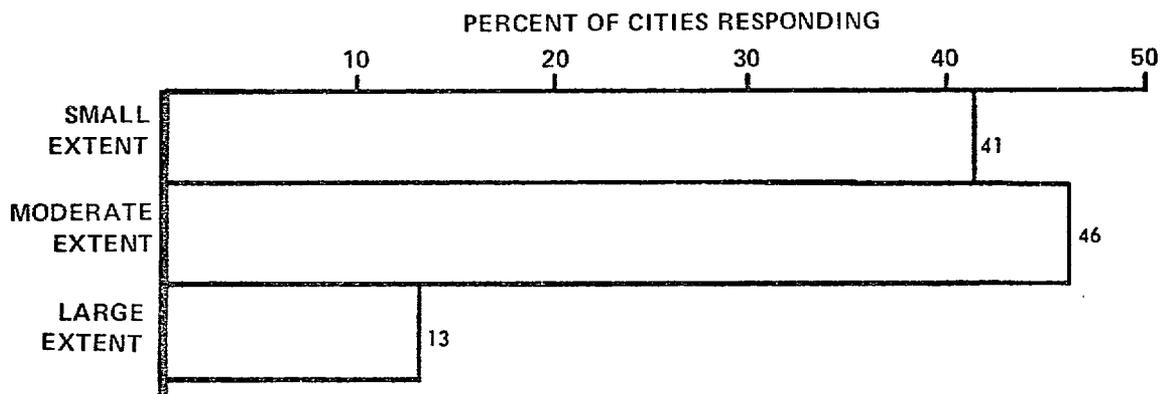
	Cities	
	Number	Percent
Almost always or always	142	20.3
Frequently	73	10.4
As often as not	43	6.2
Occasionally	139	19.9
Rarely or never	302	43.2
	<u>699</u>	<u>100.1</u>

The cities were also asked how they felt about the amount of information they were required to submit to Federal agencies on proposed purchases of equipment, supplies, and/or services that are to be financed with Federal grant funds. About 64 percent of the 702 cities responding to this question indicated that the information required on proposed procurements was more than necessary, while only 1 percent felt the information was less than necessary. Their responses are shown below:



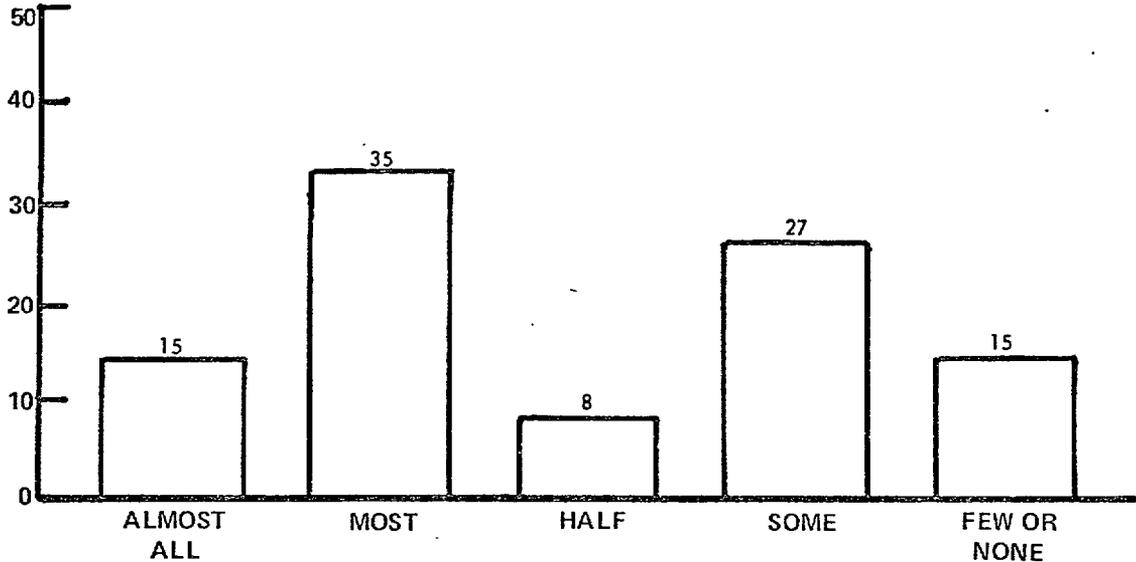
Helpfulness of Federal Procurement Guidelines and  
Federal Officials in Solving Procurement Problems

Since assistance in complying with and interpreting Federal procurement guidelines is sometimes needed, we also asked questions concerning the assistance available for resolving problems encountered by grant recipients. The city administrators were asked to what extent the Federal procurement guidelines have been helpful in resolving or clearing up questions on procurement requirements. Of the 683 cities responding to this question, 13 percent felt they helped to a large extent while approximately 41 percent indicated they helped to a small extent or not at all. The city administrators' responses follow.

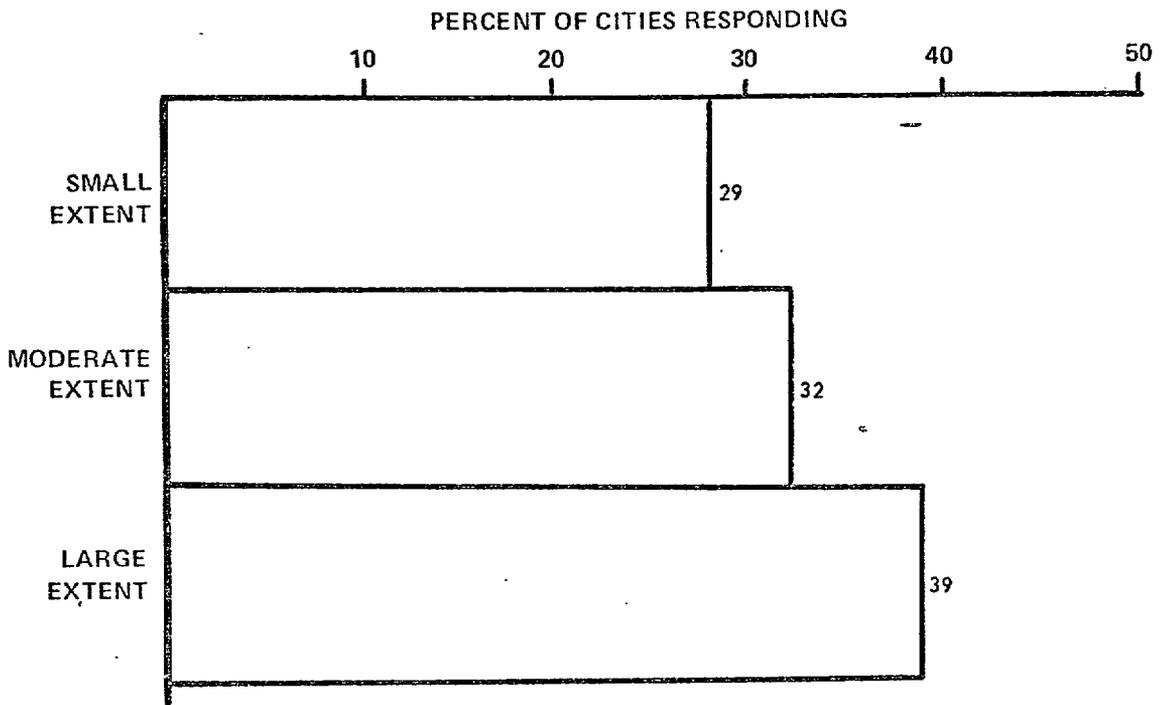


The city grant administrators were asked to estimate the number of Federal grant programs under which it was clear who in the Federal departments or agencies should be contacted for questions on procurement matters. The responses were mixed, with approximately the same number of respondents saying that it was clear who to contact for help on all or almost all programs as said it was clear on only a few programs. The cities' responses follow.

PERCENT OF CITIES RESPONDING



With respect to the helpfulness of the assistance provided by Federal grant administrators in resolving questions, we found that 29 percent of the respondents found such help useful only to a small extent. Thirty-two percent found the help useful to a moderate extent, and 39 percent found the help useful to a large extent. The following graph shows their responses to this question.



Comparing the last three responses, we found that 54 percent of those who said the guidelines weren't very helpful also indicated that they seldom knew who to contact to ask questions. Moreover, 40 percent of the respondents who get little help from the guidelines said that the assistance from the Federal grant administrator is helpful only to a small extent. It appears that many of those who need help the most are not getting it.

### Adequacy of Procurement Guidelines

The cities were asked how adequate the written procurement guidelines of the various major Federal departments and agencies are in interpreting program procurement requirements and how they can best be accomplished. We recorded only the responses of those cities that received Federal grants from the Federal agencies they were being asked to rate. The table below shows the number of cities that received grants from each of the major Federal agencies and their evaluation of that agency's procurement guidelines.

Federal Agency	Number of Cities That Received Grants From Agency	Adequacy of Procurement Guidelines						
		No Response (Number)	Not Aware (Percent)	Much More Than Adequate (Percent)	Slightly More Than Adequate (Percent)	Just Right (Percent)	Slightly Less Than Adequate (Percent)	Much Less Than Adequate (Percent)
Agriculture	60	17	34.9	4.7	11.6	32.5	9.3	7.0
Commerce	80	21	20.3	3.4	13.6	39.0	16.9	6.8
HEW	226	56	15.9	5.9	9.4	44.1	15.9	8.8
HUD	489	50	4.1	7.5	11.6	48.6	21.4	6.8
Interior	154	47	17.8	5.6	9.3	50.5	12.1	4.7
Justice	376	59	5.4	7.3	16.1	50.4	16.4	4.4
Labor	342	79	14.8	4.2	11.4	49.1	15.2	5.3
DOT	281	59	11.3	8.1	13.5	40.5	18.0	8.6
Treasury	32	11	14.3	9.5	0.0	52.4	23.8	0.0
EPA	251	37	7.5	8.9	14.0	43.4	20.6	5.6
Other	123	84	10.3	12.8	10.3	51.2	7.7	7.7

### Respondents' Comments

At the end of each of the two sections of the questionnaire, we asked for comments on major problems. A summary of the responses, requiring some judgmental grouping on our part, revealed the following results.

<u>Number of Responses</u>	<u>Comments</u>
148	There is too much paperwork and red tape. The procurement requirements are time consuming and expensive.
136	The procurement requirements vary among agencies or grant programs--need to be standardized.
102	Procurement requirements are too complex --need simplification.
99	No problems.
38	Lack of competent sources of information and decisionmaking.
30	Procurement requirements are too restrictive--inflexible.
30	Procurement requirements change frequently.

PROFILE OF RESPONDENTS

The questionnaires were divided into two sections. Section I was to be completed by the person(s) most familiar with the administration of Federal grant programs; Section II was to be completed by the person(s) most familiar with the city's procurement policies and practices. However, in some instances both Section I and Section II questionnaires were completed by the same individual. We received 741 completed questionnaires for Section I and 723 completed questionnaires for Section II. A total of 763 cities responded to at least one section of the questionnaire for a response rate of 80.4 percent.

City Size

Although questionnaires were sent to all cities purported to have a population of 25,000 or greater, the population of the 763 cities responding to our survey actually ranged in size from 10,400 to 3,500,000. Twenty-two percent of the cities were identified as the chief city in an area with suburbs, 30 percent as a city with few or no suburbs, and 42 percent as a suburb.

The population of the cities was used to classify the cities as small, medium, and large. These designations evolved from the table below and refer to cities with a population of less than 50,000, between 50,000 and 100,000, and 100,000 and more, respectively. The large cities which represented about 20 percent of the cities surveyed received about 73 percent of the Federal grant funds awarded to the cities surveyed in fiscal year 1975. On the other hand, the small and medium cities which represented about 80 percent of the cities surveyed received about 27 percent of the Federal grant funds awarded. The following table shows a breakdown of the cities surveyed by the population category.

BREAKDOWN BY CITY SIZE OF GRANT FUNDS  
AWARDED TO RESPONDING CITIES IN FY 1975

City Size (Population)	Cities		Federal Grants Received in FY 1975			
	Number	Percent	Number	Percent	Amount (1000)	Percent
SMALL (less than 50,000)	379	49.7	1339	18.2	\$ 437,693	10.1
MEDIUM (50,000-- 99,999)	235	30.8	2044	27.9	743,644	17.2
LARGE (100,000 and greater)	149	19.5	3954	53.9	3,138,956	72.7
	<u>763</u>	<u>100.0</u>	<u>7337</u>	<u>100.0</u>	<u>\$4,320,293</u>	<u>100.0</u>

Number and Value of Grants Awarded

During fiscal year 1975, 660 of the 763 cities responding reported receiving 7,337 grants totaling \$4.3 billion. The average grant received by these cities was approximately \$589,000. Seventy-three percent of the cities received two or more grants. Seven percent of the respondents did not receive Federal grant funds in 1975 but answered the questionnaire based on past experience. The following table shows the number and amount of reported grants received in fiscal year 1975 by the cities in our survey.

It has been estimated that about 88% of the grants to State and local governments go directly to the States. Therefore, the respondents may not have included much of the Federal money they receive from the States. In addition, the total grants-in-aid to State and local governments reported in the U.S. Budget include direct payments, such as income security and medicaid, and revenue sharing which would not be considered grants by the cities. These factors appear to account for the relatively low total grants' value of \$4.3 billion reported by the respondents to the questionnaire.

FEDERAL GRANTS RECEIVED  
IN FISCAL YEAR 1975  
BY CITIES SURVEYED

Range-Grants Received by Cities	Cities		Number of Grants		Amount of Grants \$(1,000)	
	Number	Percent	Number	Percent	Amount	Percent
No Grants Received	56	7.3	0	-	0	-
Number and Amount Not Provided	47	6.2	Not Provided	-	Not Provided	-
Number not Provided	10	1.3	Not Provided	-	25,736	0.6
1	91	11.9	91	1.2	62,462	1.4
2	88	11.5	176	2.4	86,644	2.0
3	64	8.4	192	2.6	138,841	3.2
4	58	7.6	232	3.2	118,748	2.8
5	42	5.5	210	2.8	63,421	1.5
6-10	139	18.2	1068	14.6	515,181	11.9
11-25	106	13.9	1693	23.1	917,719	21.2
26-50	42	5.5	1448	19.7	676,295	15.7
51-100	12	1.6	877	12.0	432,079	10.6
over 100	8	1.1	1350	18.4	1,283,167	29.7
Totals	763	100.0	7337	100.0	\$ 4,320,293	100.0

Source of Federal Grant Funds

The largest amount of grant funds awarded to the cities in our survey by a single Federal agency was from the Department of Housing and Urban Development (HUD). The total value of the HUD grants was approximately \$1.14 billion and involved 1,131 grants that went to 489 different cities. This represented about 26 percent of the grant funds reported as received by the cities in our survey. The following table shows the number and amount of the Federal grants received in fiscal year 1975 from each of the major Federal departments or agencies as reported by the respondents to our questionnaire.

NUMBER AND AMOUNT OF GRANTS RECEIVED IN FY 1975 BY  
CITIES SURVEYED

Federal Agency	Number of Cities That Received Grants From Agency	Total Number of Grants by Agency		Total Amount of Grants by Agency		Average Grant Per Agency (1,000)
		Number	Percent	Amount (1,000)	Percent	
Agriculture	60	103	1.4	\$34,801	0.8	\$ 338
Commerce	80	134	1.8	53,622	1.2	400
HEW	226	1462	19.9	810,684	18.8	555
HUD	489	1131	15.4	1,141,906	26.4	1010
Interior	154	281	3.8	43,788	1.0	156
Justice	376	1741	23.7	147,927	3.4	85
Labor	342	967	13.2	882,878	20.5	913
DOT	281	717	9.8	311,838	7.2	435
Treasury	32	43	0.6	128,893	3.0	2998
EPA	251	431	5.9	637,324	14.8	1479
Other	123	327	4.5	126,632	2.9	387
TOTAL		7337	100.0	\$4,320,293	100.0	
Average Grant Amount						\$589

BREAKDOWN BY STATE OF FEDERAL GRANT FUNDS  
RECEIVED BY CITIES SURVEYED  
IN FISCAL YEAR 1975

	Number of Cities Responding to Survey	Number of Cities That Received Grants	Number of Grants Received by Cities	Amount of Grant Funds Received \$(1,000)
1. Alabama	10	10	80	16,330
2. Alaska	1	1	16	7,119
3. Arizona	8	8	112	15,067
4. Arkansas	7	7	50	10,591
5. California	116	94	525	345,777
6. Colorado	12	10	107	51,208
7. Connecticut	26	23	251	69,605
8. Delaware	2	1	14	2,953
9. Florida	28	25	258	135,168
10. Georgia	12	12	131	108,504
11. Hawaii	1	1	16	23,800
12. Idaho	3	3	25	17,110
13. Illinois	47	37	114	112,284
14. Indiana	13	12	143	77,013
15. Iowa	12	12	103	48,440
16. Kansas	8	8	103	45,669
17. Kentucky	4	3	39	21,541
18. Louisiana	8	7	72	25,843
19. Maine	3	3	59	10,242
20. Maryland	6	5	20	2,375
21. Massachusetts	41	34	426	668,198
22. Michigan	37	35	299	248,259
23. Minnesota	19	14	219	140,898
24. Mississippi	4	3	22	14,839
25. Missouri	15	11	203	55,607
26. Montana	3	3	35	3,645
27. Nebraska	3	3	58	11,963
28. Nevada	2	2	12	12,951

29.	New Hampshire	3	3	59	21,573
30.	New Jersey	48	35	432	188,981
31.	New Mexico	5	5	73	33,311
32.	New York	24	21	134	105,711
33.	North Carolina	13	12	105	45,657
34.	North Dakota	0	0	0	0
35.	Ohio	38	30	353	220,891
36.	Oklahoma	9	9	69	30,736
37.	Oregon	4	4	80	88,333
38.	Pennsylvania	37	31	267	214,379
39.	Rhode Island	8	8	196	40,120
40.	South Carolina	6	6	67	12,330
41.	South Dakota	6	5	50	14,799
42.	Tennessee	9	7	107	49,523
43.	Texas	45	43	514	265,247
44.	Utah	4	4	28	11,864
45.	Vermont	1	1	21	1,269
46.	Virginia	14	14	377	126,675
47.	Washington	11	11	239	59,703
48.	West Virginia	5	5	33	4,790
49.	Wisconsin	19	17	105	82,089
50.	Wyoming	2	1	12	6,101
51.	District of Columbia	1	1	504	393,212
Total		763	660	7,337	\$4,320,293

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U.S. GENERAL ACCOUNTING OFFICE  
SECTION I  
MANAGEMENT AND PROCUREMENT ACTIVITIES  
UNDER FEDERAL GRANT PROGRAMS

INSTRUCTIONS

This questionnaire is being sent to city and city/county governments. The purpose of the questionnaire is (1) to survey city procurement practices and policies, especially those used when purchasing or contracting for equipment, supplies or services that are financed with Federal grant funds, and (2) to identify inconsistencies or problems that might be encountered in complying with the procurement guidelines and requirements established for the various Federal grant programs.

SECTION I is to be completed by the person(s) most familiar with the administration of Federal grant programs--most likely the city's grant manager, grant liaison officer or city official(s) familiar with the administration of several different Federal programs at the city level.

Please answer the questions as they pertain to your city government. Read the questions carefully and answer each one as frankly and completely as possible. Remember that the questionnaire is concerned with Federal grant funds and, therefore, does not apply to General Revenue Sharing Funds.

The pages of this questionnaire have numbers printed beside or in the response boxes to assist our key-punchers in coding your responses for computer analysis. Please disregard these numbers.

A. GENERAL

1. City official completing this section of the questionnaire.  
 Name: \_\_\_\_\_  
 Position or Title: \_\_\_\_\_  
 Business Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
 Telephone: \_\_\_\_\_ Area Code: \_\_\_\_\_

2. What is the approximate population of the area served by your city government?  
 Approximate population \_\_\_\_\_

3. How would you classify your type of city?  
 (Check one.)

1  160 Metropolitan (chief city in area with many suburbs)

2  304 Suburb (those places which are incorporated as cities, boroughs, towns, and villages which are located directly outside a larger --greater population--city or town)

3  219 Chief city with few or no suburbs

4  43 Other (please specify) \_\_\_\_\_

4. Under how many Federal programs from each of the agencies listed below did your city receive grant funds from during fiscal year 1975 (July 1, 1974-June 30, 1975) and what was the approximate total value of the grant funds received from each agency?

(Please include Federal grant funds that were received from or passed-through State agencies. Do not include Federal Revenue Sharing funds.)

DEPARTMENT/AGENCY	Number of Federal Programs	Approximate Value of Grant Funds Received
1. Agriculture		
2. Commerce		
3. Health, Education and Welfare		
4. Housing and Urban Development		
5. Interior		
6. Justice		
7. Labor		
8. Transportation		
9. Treasury		
10. Environmental Protection Agency		
11. Other (please specify)		
_____		
_____		

Please check this box  1/56 if your city did not receive Federal grant funds during fiscal year 1975 and answer the remaining questions in this section based on your city's prior experience with Federal grant programs.

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**B. FEDERAL PROCUREMENT GUIDELINES AND REQUIREMENTS**

5. In general, when purchasing with Federal grant funds, who performs the steps listed below? (Check one for each row.)

	Chief Executive Office	Purchasing Agency	Finance Department	Individual Departments	Other
1. Evaluating Bids	88	231	27	203	67
2. Negotiating Contracts	166	156	25	191	70
3. Awarding Contracts	212	124	15	54	231
4. Administering Contracts	85	71	62	374	37

6. Who is responsible for carrying out the procurement policies and requirements for the Federal grant programs in which your city participates? (Check one.)

- 1  245 Purchasing department
- 2  539 City departments responsible for administering Federal grant programs
- 3  927 Other (please specify) \_\_\_\_\_

7. In general, how often is your city required to submit detailed procurement plans, identifying for example what items will be purchased and their price to Federal grantor agencies before the grant is awarded? (Check one.)

- 1  307 Rarely or never (less than 15% of the time)
- 2  139 Occasionally (15% to 45% of the time)
- 3  437 As often as not (45% to 55% of the time)
- 4  737 Frequently (55% to 85% of the time)
- 5  1427 Almost always or always (more than 85% of the time)

8. To what degree do your procurement policies for normal city operations correspond to the procurement requirements for Federal grant programs? (Check one.)

- 1  1197 Little or not at all
- 2  457 To a small degree
- 3  1417 To a moderate degree
- 4  2977 To a large degree
- 5  2047 Completely or almost completely

9. Generally, how clear are procurement guidelines for the various Federal grant programs as to what is required when purchasing or awarding contracts for equipment, supplies and services that are to be financed with Federal grant funds? (Check one.)

- 1  817 Very clear
- 2  4067 Generally clear
- 3  1457 About as clear as unclear
- 4  537 Generally unclear
- 5  157 Very unclear

10. How adequate are written procurement guidelines in interpreting program procurement requirements and how they can best be accomplished for the various Federal grant programs administered by the following Federal departments and/or agencies? (Check one for each department/agency.)

FEDERAL AGENCY/DEPARTMENT	Not aware of any	Much less than adequate	Slightly less than adequate	Just about right	Slightly more than adequate	Much more than adequate
1. Agriculture	211	8	9	36	10	8
2. Commerce	172	16	22	59	17	16
3. Health, Education and Welfare	121	23	52	111	32	19
4. Housing and Urban Development	41	43	127	245	55	39
5. Interior	137	11	26	92	17	12
6. Justice (LEAA)	66	26	65	213	63	30
7. Labor	116	22	50	154	38	19
8. Transportation	108	24	59	141	38	26
9. Treasury	162	4	17	62	9	7
10. Environmental Protection Agency	82	27	68	146	41	36
11. Other (please specify)	15	5	9	31	9	11

11. In general, do you believe that compliance with Federal procurement requirements (such as, receiving bids from 3, 4 or more firms, receiving approval from Federal, State and/or regional government agencies, etc.) consumes more or less time than compliance with your city's procurement regulations and requirements? (Check one.)

- 1  2167 Significantly more time
- 2  2767 Somewhat more time
- 3  2057 About the same
- 4  87 Somewhat less time
- 5  17 Significantly less time

12. Which statement best describes how you feel about the amount of information your city is required to submit to Federal agencies on proposed purchases of equipment, supplies and/or services that are to be financed with Federal grant funds? (Check one.)

- 1 107 Much more than necessary
- 2 341 More than necessary
- 3 247 Just right
- 4 67 Less than necessary
- 5 17 Much less than necessary

13. To what extent, if at all, does the type and amount of information your city is required to provide on proposed procurements vary among Federal grant programs? (Check one.)

- 1 687 Varies to a substantial extent
- 2 1337 Varies to a large extent
- 3 2687 Varies to a moderate extent
- 4 1387 Varies to a limited extent
- 5 757 Varies little or not at all

14. To what extent do procurement guidelines received for various Federal grant programs differ from one program to another? (Check one.)

- 1 1797 Little or not at all
- 2 1697 To a small extent
- 3 2897 To a moderate extent
- 4 1297 To a large extent
- 5 217 To a very large extent

15. Which statement best describes how you feel about the reporting, accounting and auditing requirements for equipment purchases and construction projects financed with Federal grant funds? (Check one.)

- 1 1297 Much more than necessary
- 2 3437 More than necessary
- 3 2157 Just right
- 4 137 Less than necessary
- 5 37 Much less than necessary

16. Listed below are a number of activities or procedures that are usually required when purchasing equipment, supplies or services under Federal grant programs. How much of a problem, if any, are each of these activities or procedures? (Check one for each activity.)

		Major Problem	Somewhat Major	Moderate Problem	Minor Problem	No Problem
1. Obtaining initial Federal approval of procurement plans	91	137	195	89	159	
2. Obtaining subsequent Federal approval for changes in procurement plans	76	151	185	120	135	
3. Complying with Federal grant procurement requirements	39	106	181	127	219	
4. Complying with grant stipulations for keeping inventory control over Federally financed equipment	41	68	171	116	261	
5. Cooperating and coordinating efforts with State government when they are involved in Federal grant programs	92	102	158	114	189	

17. Generally, to what extent have the Federal procurement guidelines been helpful to you in resolving or clearing up questions you might have on procurement requirements? (Check one.)

- 1 1277 Little or not at all
- 2 1567 To a small extent
- 3 1127 To a moderate extent
- 4 1777 To a large extent
- 5 117 To a very large extent

18. On approximately how many Federal grant programs is it clear what officials at the different Federal departments or agencies should be contacted for questions on procurement matters under the various Federal grant programs? (Check one.)

- 1 1077 All or almost all programs
- 2 2377 Most programs
- 3 1577 About half of the programs
- 4 1887 Some programs
- 5 1097 Few or no programs

19. Generally, to what extent has the assistance or consultation of Federal grant administrators been helpful to you in resolving or clearing up questions on procurement guidelines and requirements? (Check one.)
- 1 85 Little or not at all
  - 2 115 To a small extent
  - 3 226 To a moderate extent
  - 4 234 To a large extent
  - 5 36 To a very large extent
20. Do you believe it would be beneficial to standardize procurement requirements for all Federal grant programs? (Check one.)
- 1 29 Little or no benefit
  - 2 38 To a small extent
  - 3 117 To a moderate extent
  - 4 507 To a large extent

**C. SURPLUS PROPERTY**

21. Prior to purchasing equipment for Federal programs how is surplus equipment screened to determine whether surplus property could be substituted? (Check all that apply.)
- 1 106 Screen surplus property available in grantee department only
  - 2 107 Screen surplus property available in major departments
  - 3 179 Screen all city surplus property
  - 4 70 Other (please specify) \_\_\_\_\_
22. How often has your city transferred Federal surplus property from one Federal grant program to another? (Check one.)
- 1 396 Little or not at all
  - 2 113 Occasionally
  - 3 8 As often as not
  - 4 25 Frequently
  - 5 8 Almost always or always
  - 6 123 No basis to judge

**D. PROPERTY MANAGEMENT AND INVENTORY PRACTICES**

23. To what extent can nonexpendable personal property (e.g., equipment) purchased with Federal funds be identified or traced back to the inception of a given Federal grant program? (Check one.)
- 1 67 Very little, if any, can be easily identified with the original grant program
  - 2 249 Most or all can be, but it requires reconstructing individual purchase orders for each grant
  - 3 348 Most, if not all, can easily be identified (e.g., inventory listings specify what items were purchased with each Federal grant)
  - 4 17 Other (please specify) \_\_\_\_\_
24. Which of the following factors are recorded in your city's property records for non-expendable items or equipment purchased under Federal grants? (Check all that apply.)
- 1 667 A description of the property
  - 2 509 Manufacturer's serial number or other identification number
  - 3 657 Acquisition date and cost
  - 4 385 Source of funds for the property (i.e., city or Federal funds)
  - 5 502 Location
  - 6 446 Use
  - 7 151 Condition of property
  - 8 231 Ultimate disposition including sale price
  - 9 39 None of the above, property records are not maintained
  - 10 507 Other (please specify) \_\_\_\_\_
25. Where are property records for nonexpendable personal property maintained? (Check one.)
- 1 193 In each department where items or equipment are being used
  - 2 385 In a centralized department where such records are maintained for all city departments
  - 3 88 Other (please specify) \_\_\_\_\_

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26. Approximately how frequently is nonexpendable personal property physically inventoried? (Check one.)

- 1  Seldom or never
- 2  Once a year
- 3  Every two years
- 4  Other (please specify) \_\_\_\_\_

27. Approximately when was the most recent physical inventory of your city's personal property completed? (Check one.)

- 1  Within the last year
- 2  Within the last two years
- 3  Never
- 4  Other (please specify) \_\_\_\_\_

E. AUDIT

28. How often do external auditors (e.g., from Federal agencies or CPA firms) review your procurement procedures as they relate to Federal grants? (Check one.)

- 1  Rarely, if ever
- 2  Sometimes
- 3  As often as not
- 4  Frequently
- 5  Always or almost always

29. Please describe in the space below what you believe are the most significant problems cities have in complying with procurement guidelines and requirements under Federal grant programs and your suggestions for resolving these problems? (Continue comments on back of this page if necessary.)

30. Please use the space below to add any comments you may wish to make on the questionnaire or procurement activities under Federal grant programs. (Continue comments on back of this page if necessary.)

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U. S. GENERAL ACCOUNTING OFFICE  
SECTION II  
PROCUREMENT POLICIES AND PRACTICES

INSTRUCTIONS

This questionnaire is being sent to city and city/county governments. The purpose of the questionnaire is (1) to survey city procurement practices and policies, especially those used when purchasing or contracting for equipment, supplies or services that are financed with Federal grant funds, and (2) to identify inconsistencies or problems that might be encountered in complying with the procurement guidelines and requirements established for the various Federal grant programs.

SECTION II is to be completed by the person(s) most familiar with your city's procurement policies and practices--most likely your city's chief procurement officer and/or city official(s) familiar with your city's policies and practices for purchasing and awarding contracts for equipment, construction projects and professional services.

Please answer the questions as they pertain to your city government. Read the questions carefully and answer each one as frankly and completely as possible. Remember that the questionnaire is concerned with Federal grant funds and, therefore, does not apply to General Revenue Sharing Funds.

The pages of this questionnaire have numbers printed beside or in the response boxes to assist our key-punchers in coding your responses for computer analysis. Please disregard these numbers.

A. GENERAL

1. City official completing this section of the questionnaire.

Name: \_\_\_\_\_

Position or Title: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Area Code: \_\_\_\_\_

2. Are all city departments required to comply with the same procurement practices and policies set up for normal city operations?

1 689 Yes      2 620 No

3. Does the public school system in your city have a separate purchasing department? (Check one.)

1 659 Yes    2 742 No    3 607 Don't know

4. How often do public schools in your city purchase goods and non-professional services from contracts or purchase orders awarded by the city? (Check one.)

1 549 Rarely or never (less than 15% of the time)

2 42 Occasionally (15% to 45% of the time)

3 7 As often as not (45% to 55% of the time)

4 10 Frequently (55% to 85% of the time)

5 82 Always or almost always (more than 85% of the time)

5. To what degree do your city's written procurement policies provide for the following activities? (Check one box for each activity.)

	Not at all	Limited degree	Moderate degree	Large degree	Completely
1. Analyzing lease versus purchase alternatives when large expenditures are anticipated	175	178	119	119	95
2. Including minority-owned and small businesses in procurement efforts	129	106	143	151	150
3. Formally advertising for anticipated procurements	17	31	55	189	401

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**B. EQUIPMENT AND SUPPLIES**

6. Below are listed several activities related to the purchasing of equipment, goods and non-professional services. Who is primarily responsible for the conduct of these activities for ongoing or normal city procurement functions? (Check one box for each activity.)

	Chief Executive	Purchasing Agency	Finance Dept.	Individual Depts.	Other
ACQUISITION PROGRAMS	49	436	34	136	14
1. Solicitation					
2. Evaluation and award	108	248	31	133	79
3. Expediting	47	382	52	171	8
4. Contract Administration	104	189	70	227	35
STANDARDS AND QUALITY CONTROL PROGRAMS	37	186	16	346	19
5. Standards					
6. Specifications	16	180	10	376	23
7. Inspection	9	88	7	528	15
8. Testing	8	74	9	527	20
PROPERTY MANAGEMENT					
9. Inventory management	29	156	197	229	24
10. Disposal	71	299	104	136	33
11. Transfer	89	242	137	141	30

7. How do individual departments typically obtain the supplies required for ongoing operations?(Check one.)

- 1  207 Each department purchases and stocks most, if not all, of its own supplies
- 2  287 Most, if not all, departments order common items from a central storeroom and stock other items themselves peculiar to the department's needs
- 3  117 Most, if not all, departments order supplies from a centrally managed warehouse and distribution system
- 4  78 Other (please specify) \_\_\_\_\_

8. When evaluating bids/proposals for the award of a contract for the procurement of equipment, how important are each of the factors listed below? Place a "1" in the box for the most important factor, a "2" in the box for the 2nd most important factor, a "3" for 3rd most important factor, etc.

- 1  587 Low bidder
- 2  91 Past performance of the same or similar equipment
- 3  16 Estimates of life time maintenance costs
- 4  Other (please specify) \_\_\_\_\_

9. What quality control measures are employed for equipment and supplies your city purchases? (Check all that apply.)

- 1  537 Requesting department or individual is solely responsible for assuring that purchase meets contract specifications
- 2  447 In the majority of cases, the reputation of the supplier is relied upon with little or no testing or inspection required
- 3  557 Many, if not all, procurements are routed through a centrally controlled and administered inspection and testing program
- 4  117 Although not centrally controlled, uniform criteria for testing and inspection are used
- 5  577 Other (please specify) \_\_\_\_\_

10. How often are contracts awarded to a firm because it is the sole source (e.g., only firm capable of providing required equipment or supplies that are to be purchased)? (Check one.)

- 1  84 Rarely or never
- 2  77 Occasionally
- 3  37 As often as not
- 4  26 Frequently
- 5  7 Always or almost always

11. How much of each of the following do city departments provide to purchasing office when they wish to purchase goods and services? (Check one box for each row.)

	Far more than what is required	Somewhat more than what is required	Just about right	Somewhat less than what is required	Far less than what is required
1. Detailed specifications, financial arrangements, and quantitative requirements for the proposed procurement	12	50	459	122	24
2. Time to follow normal procurement procedures	8	55	368	200	37
3. Latitude to decide the best procurement methods (e.g., two-step advertising, competitive negotiations, multiple contract awards, etc.)	22	71	454	77	28
4. Latitude to decide the best type of contract (e.g., fixed price with incentives, fixed price with escalation clauses, cost reimbursable with incentives, etc.)	20	54	480	59	30
5. Latitude to decide the most favorable contract terms (e.g., delivery dates, etc.)	19	58	486	68	24

C. CONSTRUCTION PROJECTS

12. Who is primarily responsible for contracting for construction projects? (e.g., hospitals, municipal buildings, etc.) (Check one.)
- 1  263 Executive Officer of the City
  - 2  175 Purchasing Agency/Department
  - 3  78 Individual Departments
  - 4  124 Other (please specify) \_\_\_\_\_
13. How important is each of the factors listed below when awarding contracts for construction projects? Place a "1" in the box for the most important factor, a "2" in the box for the 2nd most important factor, a "3" for 3rd most important factor, etc.
- 1  582 Contractor's proposed price
  - 2  91 Past performance of contractor
  - 3  16 Contractor's proposed schedule (e.g., completion date for project)
  - 4  21 Other (please specify) \_\_\_\_\_
14. How does your city check whether or not contractors are meeting specifications for city projects? (Check one.)
- 1  225 City engineers are required to periodically check
  - 2  145 City inspectors are required to periodically check
  - 3  64 Outside engineering/inspecting services are used
  - 4  18 City officials require contractors to submit certified inspection reports
  - 5  53 Other (please specify) \_\_\_\_\_
15. How often are contracts for construction projects awarded to a firm because it is the sole source (e.g., only firm capable of constructing the required facilities that are to be contracted for)? (Check one.)
- 1  538 Rarely or never
  - 2  147 Occasionally
  - 3  107 As often as not
  - 4  4 Frequently
  - 5  1 Always or almost always

D. PROFESSIONAL SERVICES

16. Who is primarily responsible for contracting for professional services? (e.g., consultants, architect/engineering services, etc.) (Check one.)
- 1  336 Executive Officer of the City
  - 2  307 Purchasing Agency/Department
  - 3  463 Individual Departments
  - 4  126 Other (please specify) \_\_\_\_\_
17. How important are each of the factors listed below when awarding contracts for professional services? Place a "1" in the box for the most important factor, a "2" in the box for the 2nd most important factor, a "3" for 3rd most important factor, etc.
- 1  274 Contractor's personnel qualifications
  - 2  447 Contractor's past performance
  - 3  466 Contractor's proposed charges
  - 4  18 Other (please specify) \_\_\_\_\_
18. How often are contracts for professional services awarded as a result of negotiations with two or more firms? (Check one.)
- 1  106 Rarely or never
  - 2  189 Occasionally
  - 3  105 As often as not
  - 4  443 Frequently
  - 5  49 Always or almost always
19. How frequently are contracts for professional services awarded to a firm because it is the sole source (e.g., only firm capable of providing the required professional services)? (Check one.)
- 1  387 Rarely or never
  - 2  261 Occasionally
  - 3  22 As often as not
  - 4  14 Generally
  - 5  5 Always or almost always

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**E. COOPERATIVE PROCUREMENT ACTIVITIES**

20. Approximately, how many times during fiscal years 1974 and 1975 did your city participate in joint or cooperative procurement activities with governmental bodies listed below? For example, police cars being jointly purchased by your city and one or more other cities under one contract or purchase order?

	Number of Times	
	FY-1974	FY-1975
1. With other cities or towns		
2. With counties		
3. With regions		
4. With states		
5. Other (please specify)		
_____		
_____		

21. What is typically purchased or constructed when your city participates in cooperative procurements with others? (Check all that apply.)

- 1  157 Our city does not participate in any cooperative procurement activities
- 2  777 Professional services (e.g., consultants, architects/engineering, etc.)
- 3  1307 Construction projects (e.g., regional waste water treatment plant, transportation system, roads and highways, etc.)
- 4  387 Purchase of land and facilities
- 5  319 Equipment (computers, vehicles, desks, typewriters, etc.)
- 6  318 Supplies
- 7  627 Other (please specify) \_\_\_\_\_

**F. FEDERAL SUPPLY SOURCES**

22. It has been suggested that cities should be granted access to Federal supply sources (e.g., General Services Administration). To what extent do you believe each of the following would be achieved from purchasing equipment or supplies from Federal supply sources? (Check one box for each item.)

	Little or none	Small extent	Moderate extent	Large extent	Substantial extent
1. Cost savings	98	139	202	131	113
2. Shorter procurement time	374	117	46	46	38
3. Less administrative "red tape"	438	62	84	41	52
4. Higher quality goods	331	179	142	22	25
5. Higher quality services	353	134	121	35	11
6. Other (please specify)	6	1	5	3	9
_____					
_____					

23. What benefit, if any, do you believe could be derived from obtaining pricing information on Federally used sources of supplies and services (i.e., current prices being paid by Federal agencies for specific items or services in a specific geographic area)? (Check one.)

- 1  767 Little or no benefit
- 2  167 Somewhat of a small benefit
- 3  307 Generally beneficial
- 4  747 Somewhat of a large benefit
- 5  037 Large benefit

**G. PROCUREMENT RESTRICTIONS**

24. Are you required by City, State, or Federal regulations to spend a certain portion of your procurement dollars as prescribed below? (Check one box for each row.)

	Yes	No	Don't know
1. With minority owned businesses	87	513	83
2. In labor surplus areas	39	538	98
3. With local vendors	89	547	51

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25. To what extent have requirements to spend specific portions of your procurement dollars in ways such as those cited in question 24 affected your procurement activities? (Check one box for each row.)

	Little, none	Some extent	Large extent	Don't know
1. Limited competition	224	56	14	200
2. Resulted in paying higher prices	214	62	16	212
3. Added to administrative procedures	190	63	40	203
4. Resulted in obtaining lower quality goods and services	227	33	16	219
5. Other (please specify)	6	0	1	27

H. PROCUREMENT WITH FEDERAL GRANT FUNDS

26. When awarding contracts for equipment or services, are you aware of whether or not what is being contracted for is to be financed with Federal grant funds? (Check one.)

- 1  16/ Never or rarely
- 2  37/ Occasionally
- 3  19/ As often as not
- 4  61/ Frequently
- 5  56/ Always or almost always

27. Are you generally aware of Federal procurement guidelines and requirements that are to be followed in the procurement of equipment, supplies and services that are to be financed with Federal grant funds? (Check one.)

- 1  60/ Yes
- 2  98/ No

28. Are you familiar with the provisions of Attachment O of Federal Management Circular 74-7 entitled Federal Procurement Standards? (Check one.)

- 1  23/ Yes
- 2  48/ No

29. Approximately how often are procurements required for Federally funded programs consolidated with similar requirements for normal city operation? For example, purchasing typewriters needed for Federally funded programs at the same time and from the same source that typewriters for other purposes are purchased. (Check one.)

- 1  31/ Rarely or never
- 2  16/ Occasionally
- 3  66/ As often as not
- 4  66/ Frequently
- 5  74/ Always or almost always

30. When procurements required for Federally funded programs are consolidated with other procurements, what is typically purchased? (Check all that apply.)

- 1  17/ No consolidated procurements
- 2  6/ Non-professional services (e.g., janitorial services)
- 3  8/ Professional services (e.g., consultants, architects/engineering, etc.)
- 4  20/ Equipment
- 5  26/ Construction services
- 6  96/ Supplies
- 7  51/ Land/or facilities
- 8  13/ Other (please specify) \_\_\_\_\_

31. How much of a burden, if at all, does year end purchasing with Federal grant funds place on your normal city procurement operations? (Check one.)

- 1  41/ Little or no burden
- 2  25/ Some burden
- 3  92/ Moderate burden
- 4  26/ Substantial burden
- 5  8/ Very great burden

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I. AUDIT

32. How frequently have the following areas been examined by internal review groups of your city (e.g., internal audit staff, management task group, etc.)? (Check one box for each row.)

	rarely	sometimes	often	generally	always
1. Contracting practices	102	141	63	188	158
2. Testing and inspection procedures for goods received	208	149	62	140	93
3. Technical monitoring practices for service and consulting contracts	177	123	76	152	109
4. Vendor payment procedures	74	83	65	178	230
5. Warehouse inventories	172	101	52	163	143
6. Inventory practices for personal property (e.g., equipment)	114	125	67	175	160

33. Please describe in the space below what you believe is the most significant problem cities have in complying with procurement guidelines and requirements under Federal grant programs.

34. Please use the space below to add any comments you may wish to make on the questionnaire or procurement activities under Federal grant programs.

U.S. GOVERNMENT PRINTING OFFICE: 1977-728-443/1226

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