

[Index No. 23—B-133044, Apr. 21, 1966]

SAVINGS AVAILABLE THROUGH UTILIZATION OF GREATER QUANTITIES
OF EXCESS MEDICAL EQUIPMENT AND SUPPLIES, VETERANS'
ADMINISTRATION

On the basis of our review, we believe that the veterans Administration could have used considerably greater quantities of certain medical equipment and supplies that were declared excess by the Department of Defense in 1962 and 1963 than it actually acquired. The excess items cost about \$2.7 million. Of these excess items, about \$1.8 million worth were acquired by Government agencies—including about \$450,000 worth acquired by the Veterans Administration—and about \$900,000 worth were donated to recipients outside the Government. We believe that a significant quantity of the \$900,000 worth of donated excess items could have been used throughout the Veterans' Administration hospital system.

In our opinion, the Veterans' Administration did not acquire the maximum quantities of excess medical equipment and supplies that it could have used, because responsibility for screening and evaluating excess property for use by the Veterans' Administration was not centralized and was therefore ineffective.

We advised the Administrator of Veterans' Affairs of our findings and proposed that he centralize authority and responsibility for, and provide procedures for, effectively screening and utilizing excess property.

The Deputy Administrator of Veterans' Affairs informed us on September 8, 1965, that he agreed that the Veterans' Administration should make the fullest practicable use of excess property of other Government agencies and that procedures had been developed centralizing the responsibility for screening and maximizing the utilization of excess property.

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OPPORTUNITY FOR SAVINGS THROUGH PAYMENT OF RELOCATION
COSTS RATHER THAN SUBSISTENCE ALLOWANCES FOR CON-
TRACTOR-FURNISHED EMPLOYEES, FEDERAL AVIATION AGENCY

During the 5-year period ended June 30, 1964, the Government incurred significant additional costs that could have been avoided if the Agency had paid relocation costs rather than subsistence allowances for certain contractor-furnished employees assigned to work at its National Aviation Facilities Experimental Center. We believe that, when it was advantageous to do so, the Agency's contracting personnel should have authorized or requested relocation, at Government expense, of contractor-furnished employees assigned to work on projects at the Center for periods in excess of 1 year. We believe also that the basic cause for the additional costs was the absence of specific guidelines for use by the Agency's contracting personnel in evaluating the allowability and reasonableness of subsistence and relocation allowances.

Although the precise amount of savings that would have been realized is not readily determinable, we found that the cost of relocat-