

with the intent of the Davis-Bacon Act which is that its administration should not be used to exert either an inflationary or a deflationary effect. We believe that it was not intended that the Government be put in the position of fixing or of anticipating wage levels or that wage determinations be used to establish high wage rates for Government-financed projects in areas where lower rates actually prevail, but that the wage determination requirement was intended to protect comparable wage levels in the area prevailing before beginning of the construction contract.

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REVIEW OF POLICIES AND PROCEDURES USED IN DETERMINING THE
ADMINISTRATIVE OFFICE SPACE TO BE PROVIDED IN MAJOR POSTAL
FACILITIES, POST OFFICE DEPARTMENT

Our review indicated a potential for substantial savings to the Government through (1) planning the office space in new postal facilities on the basis of standards comparable to those established by the General Services Administration for use in determining the office space needs of other Federal agencies and (2) subleasing office space in leased postal facilities, which is in excess of current requirements.

The Department's space standards provide for administrative offices which, in the 10 facilities that we reviewed, averaged about 32 percent larger than would have been provided under General Services Administration standards. We believe that, in most cases, the administrative operations of postal facilities could be carried out without loss of efficiency in offices of the sizes authorized under the General Services Administration's standards which were developed, with the cooperation and concurrence of more than 60 Federal agencies, on the basis of studies made to determine the amounts and types of space required for efficient operations.

We estimated that, if the 10 major leased facilities covered by our review had been planned on the basis of the General Services Administration standards for administrative office space, the savings in rentals might have amounted to as much as \$88,000 annually, or \$2,580,000 over the lives of the leases. As the Department currently has about 90 major facility projects under development and has a continuing program for constructing new facilities to meet its expanding needs, we believe it reasonable to conclude that substantial savings to the Government would result if the office space for new postal facilities were planned on the basis of standards comparable to those established by the General Services Administration.

The Post Office Department has sole responsibility for planning facilities to be acquired under the lease-construction program, but a question exists as to the agency responsible for establishing standards for the administrative office space to be occupied by the Department in federally owned buildings. The Post Office Department and the General Services Administration are in disagreement as to which of the two agencies has this responsibility. Although the General Services Administration generally has not required compliance with its space standards with respect to Post Office Department office