

2. The feasibility and economy of establishing a defense, or single service, public works center on Oahu, Hawaii, that would provide maintenance type services to installations of all the military departments. The Navy has consolidated a number of its installation maintenance activities at various locations into public works centers and claims the consolidations have resulted in substantial savings. Under this program a public works center was established in Oahu. There are, however, a number of Army and Air Force installations on the same island that are maintaining their own maintenance activities.

3. The construction of military hospitals and medical facilities. A major aspect to be reviewed in this survey will be whether in the requirements determinations maximum consideration is given to interservice use of the facilities.

4. The policies and procedures used in determining the requirements for family housing, bachelor officer quarters and barracks. There appear to be indications of a need for better coordination within and among the services, particularly in geographical areas of military concentration. Improved coordination should result in a better identification of common needs and combined existing facilities to meet such needs.

5. The validity of the need for training and other facilities included in recent military construction programs (particularly from the viewpoint of maximum interservice utilization).

6. The pricing of recently awarded military construction contracts and modifications.

7. Construction aspects pertaining to the move of United States forces out of France. Over \$100 million of new military construction is planned in Europe largely as a result of this move. We are planning to review the proposed construction projects to determine (1) whether all existing facilities have been considered for possible use, (2) whether stocks have been properly screened to eliminate any excesses and thus reduce storage facility requirements, and (3) the adequacy of the contracting procedures.

In the near future, we are planning to issue a report to the Congress on the compliance with Public Law 87-653 and implementing regulations in the negotiation of military construction contracts and modifications. This is our third report in 1967 informing the Congress of various specific steps that need to be taken in the Department of Defense in order to fulfill the purposes of Public Law 87-653, the "Truth-in-Negotiations" Act of 1962. This report concerns our review of 237 contract actions negotiated since November 1964 and totaling about \$128 million.

GOVERNMENT-WIDE REVIEW OF THE ADMINISTRATION OF CERTAIN STATUTORY AND REGULATORY REQUIREMENTS RELATING TO ARCHITECT-ENGINEER FEES

Our review of the interpretations and applications by Federal agencies of the statutory 6-percent fee limitations on architect-engineer fees under Government contracts and of certain related statutory and regulatory requirements was made in response to the request of the House Committee on Science and Astronautics and the Senate Committee on Aeronautical and Space Sciences.

We found that the major construction agencies contracted for architect-engineer services at fees in excess of the statutory provisions which limit the fees payable to architect-engineers to 6 percent of the estimated cost of construction. Generally, agencies interpreted the limitation as applying only to that portion of the total fee relating to the production and delivery of designs, plans, drawings, and specifications. Under this interpretation, most of the architect-engineer contracts under which the total fee exceeded 6 percent would be in compliance with the limitation. However, in our opinion, the military procurement statute and the Federal Property and Administrative Services Act of 1949 impose the 6-percent fee limitation on all architect-engineer services.

In our opinion, the present statutory fee limitation is impractical and unsound, and we recommended that the Congress repeal the 6-percent limitation imposed on architect-engineer fees by the United States Code (10 U.S.C. 2306(d), 4540, 7212, and 9540) and by section 304(b) of the Federal Property and Administrative Services Act of 1949, as amended (41 U.S.C. 254(b)). Representatives of the Federal agencies, the architectural-engineering professional societies, and the Bureau of the Budget advised us that they agree with this recommendation.

During our review, we examined into whether the agencies were requiring architect-engineer contractors to submit cost or pricing data prior to the award