

evaluating the relevant information concerning the reporting of a transaction as price competitive.

We plan to test the effectiveness of the revised procedures in our future work.

#### 9. REAL ESTATE MANAGEMENT

Related to the Subcommittee's continuing interest in the management of real estate owned by the Federal Government, we have recently completed and will shortly report on a review of the need for land held by the Coast Guard in 4 of the 12 Coast Guard Districts.

Our review showed that the Coast Guard was retaining land which seemed to be in excess to its present or planned needs because Coast Guard Headquarters' instructions did not specifically require, and Coast Guard district offices had not developed, a program for systematically and continuously reviewing land holdings. We found that about 1,500 of the 11,435 acres held by the 4 districts may be in excess to needs. Information supplied by local realtors and Coast Guard district officials indicated that about 400 of the 1,500 acres had a value of about \$250,000. We did not obtain valuation information for the remaining 1,100 acres.

The Commandant of the Coast Guard in a letter dated August 23, 1967, agreed that instructions were needed for a systematic evaluation of the Coast Guard's land holdings, and stated that an instruction will be issued to reemphasize the necessity for an active real property management board in each district. He stated also that the instruction will include specific criteria for retention and disposal of real property, and provide for a regular review of operational requirements in relation to property holdings.

#### 10. SAVINGS AND ECONOMIES TO THE GOVERNMENT AS A RESULT OF GENERAL SERVICES ADMINISTRATION OPERATIONS

In its July 1967 report the Subcommittee suggested that the General Accounting Office review the report submitted by GSA on the savings and economies realized and give consideration to whether similar savings might be obtainable elsewhere in the Government. The report was entitled "Savings and economies to the Government as a result of GSA operations, fiscal years 1965 and 1966", and for fiscal year 1966 showed a total savings and economies figure of about \$1.6 billion.

The principal savings and economies reported by GSA for 1966 were—

\$363.1 million—Savings from large volume buying of supplies and materials for distribution through the GSA supply system and FSS schedule purchasing by using agencies.

\$952.0 million—The transfer of excess personal and real property among Federal agencies for further Federal use.

\$138.0 million—Proceeds from sales of personal property (\$13.0 million) and real property (\$125.0 million).

\$90.0 million—Rehabilitation of personal property and distribution of such property through the GSA supply system.

General Services Administration operates under the mandate of the Federal Property and Administrative Services Act and provides a host of direct services to other agencies of the Federal Government as well as policy guidance in the "general services" field. Almost all the savings reported by GSA relate to these Government-wide responsibilities. Accordingly, the savings do not represent opportunities generally applicable to other agencies of the Government, although such savings may serve to emphasize to them the importance of cooperating with GSA in its endeavors.

GSA has an established system for compiling annual savings figures used in its annual report and elsewhere. The figures reported to the Subcommittee were drawn from this system and appear to have been intended to show the *gross* savings and economies resulting from its activities.

The Subcommittee has requested that we verify "the reality of net savings." Generally speaking, the figures reported by GSA were not intended to show *net* savings in the sense that (1) all GSA costs were deducted, or (2) the GSA cost of carrying on an activity was less than the costs which would have been incurred by the Government if the activity had been carried on by each of the benefiting agencies. Also, the figures reported for property transferred and rehabilitated are based on acquisition cost and, for purposes of estimating net savings, need be qualified by considerations such as condition, nature of use by