

(c) A specific paint dry film thickness for various paint systems. Although many previous loopholes have been eliminated, further refinements are being studied and implemented.

A new design guide specification is currently being developed for alteration painting work which has a completion target date of July 1, 1968.

Our firm intention is to continue to improve inspection procedures for painting and to exercise full control over inspection personnel to assure that the procedures that have been or are being developed are effectively implemented.

Mr. BROOKS. I will also submit exhibit H, a summary of a GAO report on architect-engineer fees and ask that you comment on it for the record.

(Exhibit H follows:)

EXHIBIT H—SUMMARY OF GAO AUDIT REPORT—GOVERNMENT-WIDE REVIEW OF THE ADMINISTRATION OF CERTAIN STATUTORY AND REGULATORY REQUIREMENTS RELATING TO ARCHITECT-ENGINEER FEES (B-152306, APRIL 20, 1967)

PROBLEMS

GAO found that GSA contracted for A-E services at fees in excess of the statutory provision which limits the fees payable to A-E's to 6 percent of the estimated cost of construction.

GAO found that GSA had determined that the requirements for cost or pricing data included in the Federal procurement regulations should not be applied to A-E contracts. GAO believes that cost or pricing data should be required for A-E contracts.

GAO found that GSA generally solicits a proposal only from the A-E firm selected on the basis of technical ability. In GAO's opinion, this negotiation procedure does not comply with the requirement in the FPR that proposals be solicited from the maximum number of qualified sources and that discussions be conducted with all responsible offerors.

GAO found that GSA generally used the percentage-of-estimated-construction-cost method to compute an estimate of the A-E fee for purposes of negotiation. GAO believes that the detailed analysis method should be used by all agencies in lieu of the percentage-of-estimated-construction-cost method.

RECOMMENDATIONS

We recommended that the Congress repeal the 6-percent limitation.

We recommended that the requirements of FPR for the submission and certification of cost and pricing data in negotiating contracts should be applied to the negotiation of A-E contracts.

We suggested that the Congress consider clarifying its intent as to whether the competitive negotiation requirements are to apply to the procurement of A-E services.

AGENCY ACTION

GSA has continued its practice of excluding certain costs. This practice does not comply with the 6-percent limitation.

GSA now requires cost or pricing data for A-E contracts.

GSA has continued its practice of soliciting only one proposal.

GSA is now using the detailed analysis method in lieu of the percentage-of-estimated-construction-cost method.

CURRENT STATUS

Congress has not repealed the 6-percent limitation.

Congress has not clarified its intent as to whether the competitive negotiation requirements are to apply to A-E services.

GSA COMMENT

Further action is dependent upon Congress clarifying its intent as to whether the competitive negotiation requirements are to apply to A-E services.