

(Exhibits N, O, and P follow:)

EXHIBIT N—SUMMARY OF GAO AUDIT REPORT—"SAVINGS AVAILABLE TO THE GOVERNMENT THROUGH REVISION OF THE METHOD OF SUPPLYING COMMERCIAL RENTAL CARS" (B-160781 Apr. 17, 1967)

PROBLEM

GAO found that the Government was incurring an estimated \$1.9 million in costs each year for short-term rental of cars under informal arrangements with commercial rental firms. GAO found that GSA awarded contracts for similar cars through formal advertising and obtained lower rates. It was estimated that savings of about \$350,000 could be realized annually if cars being rented by agencies under the informal arrangements were rented directly from the commercial firms at the GSA contract rates.

RECOMMENDATION

GAO proposed that GSA reexamine its role in the rental of commercial cars for Government use with a view toward (1) making a better response to agency needs, and (2) increasing the relative share of such rentals made under GSA formally advertised contracts.

AGENCY RESPONSE

GSA stated that it concurred in GAO proposals and was undertaking a full-scale in-depth study of ways and means to achieve greater economy and efficiency in the supply of rental vehicles to Government agencies.

CURRENT STATUS

GSA made a study which disclosed a number of problems which had to be evaluated. Accordingly, further study was considered necessary.

GSA COMMENT

Action was taken to initiate a study of the role of GSA in providing vehicles for travel status employees. However, as a result of other individual improvement projects, the study was combined into a broader based review of the entire concept of motor pool operations. This study is now underway and is scheduled for completion by December 1, 1968.

EXHIBIT O—SUMMARY OF GAO AUDIT REPORT—"OPPORTUNITY FOR SAVINGS BY ADOPTING MANUFACTURERS' RECOMMENDED PREVENTIVE MAINTENANCE PROGRAMS FOR INTERAGENCY MOTOR POOL VEHICLES (B-161340, OCT. 12, 1967) "

PROBLEM

GAO found that savings could be obtained by adopting the preventive maintenance programs developed by automobile manufacturers for their vehicles in place of the uniform preventive maintenance programs developed by the General Services Administration which provide generally for more frequent preventive maintenance. GAO found that it is not economical to apply uniform preventive maintenance requirements to vehicles which have been built under varying engineering concepts and which have different maintenance requirements.

RECOMMENDATION

GAO recommended that the Administrator of General Services adopt the manufacturers' recommended maintenance, service and inspection programs for IMP vehicles, except in specific cases where GSA has made evaluations or studies that support different requirements.

GAO recommended also that the Administrator, consistent with his authority, promote similar action by other Government agencies.

AGENCY RESPONSE

The Deputy Administrator informed GAO that GSA was working with the manufacturers to revise the then current January 1963 guide.