

deciding whether test equipment is to be procured separately or as part of basic equipment systems, GAO concludes that it is still possible that common test equipment might again be procured indirectly at higher costs to the Government.

Recommendation

GAO recommended that the Administrator, FAA, direct that the revised order pertaining to the procurement of common test equipment (1) describe all the factors that need to be considered in deciding whether test equipment is to be procured separately or as a part of a contract for the purchase of a basic equipment system, and (2) provide that, where test equipment will require no modification or installation as part of a more complex system, the equipment be purchased directly from the manufacturer unless indirect procurement can be clearly justified.

EXHIBIT J—SUMMARY OF GAO REPORT—"ACQUISITION AND USE OF AEROMEDICAL RESEARCH FACILITIES"

(B-158515, APR. 6, 1967)

Problem

GAO found that the agency was incurring additional rental costs because its medical research facility at the aeronautical center in Oklahoma City, Okla., was larger than needed.

Recommendation

GAO recommended that, if the FAA Administrator cannot find Government research activities to use the space available in the Oklahoma facility, he determines the feasibility of locating nonresearch programs in the building.

Agency action

The agency issued space planning procedures requiring independent validation of all space estimates, including those to be used for special purposes. Efforts have been made to place other Government research facilities in the building but have not been very fruitful. If all efforts to locate research facilities in the building fail, consideration will be given to locate other type activities there.

Current status

The Department of Transportation is now studying the possibility of their using the space for research activities but has not concluded their study. No further action will be taken by FAA until the DOT study is completed.

FAA should expedite the present studies and take action to use the special purpose space as soon as practical.

EXHIBIT K—SUMMARY OF GAO REPORT—"COORDINATION BETWEEN PROCUREMENT OF TECHNICAL EQUIPMENT AND ITS ULTIMATE UTILIZATION—FAA"

(B-133127, NOV. 29, 1966)

Problem

GAO found that the agency had accumulated sizable overstocks of air navigational and traffic control equipment because it had procured the equipment without having firm plans for the installation of the equipment. Because of the inadequacy of procedures for determining stock availability, GAO also found that the agency had purchased equipment from commercial sources, at a cost of about \$136,000, when similar equipment stock at its Oklahoma City depot was in excess of reasonably current needs.

Recommendation

GAO proposed that the agency (1) establish definitive procedures for determining the amount of air navigational and traffic control equipment to be purchased; (2) discontinue the practice of procuring air navigational and traffic control equipment on the basis of budget estimates and tentative plans, and purchase such equipment as near as possible to the date of actual need for the equipment on specific approved projects; and (3) identify equipment excess