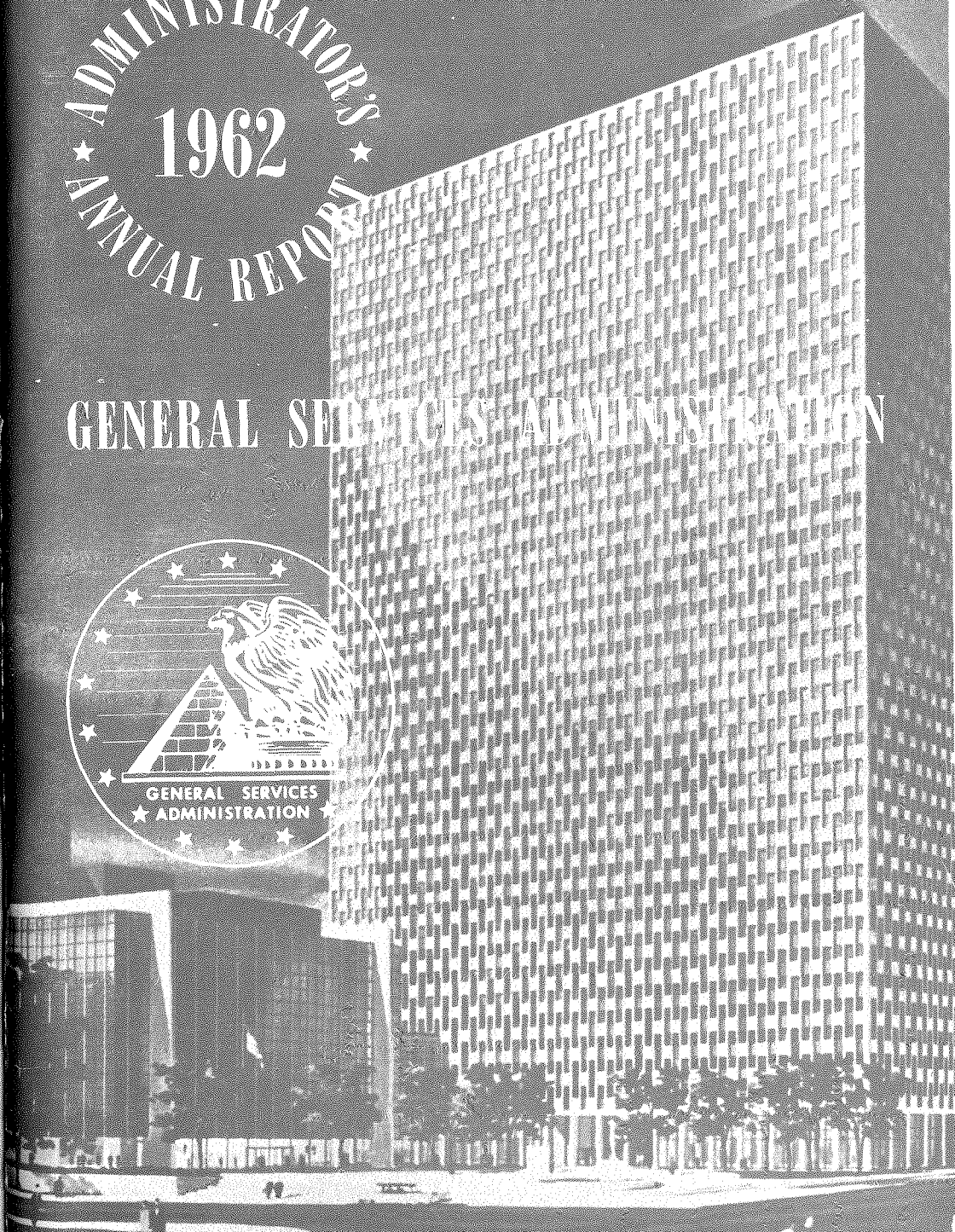


ADMINISTRATOR'S
1962
ANNUAL REPORT

GENERAL SERVICES ADMINISTRATION



**Annual Report
of the
Administrator
of General
Services**



1962

GENERAL SERVICES ADMINISTRATION

Washington 25, D. C.



January 15, 1963

The Honorable President of the Senate
The Honorable Speaker of the House of Representatives

Dear Sirs:

I am pleased to transmit to you the Annual Report to the Congress of the General Services Administration for the fiscal year which ended June 30, 1962.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Bernard L. Boutin".

Bernard L. Boutin
Administrator of General Services

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FOREWORD

This report summarizes the progress and accomplishments of the General Services Administration for Fiscal Year 1962.

On June 30, 1962, the General Services Administration completed its 13th year as an independent agency of the Federal Government. As its name implies, GSA was established to provide a wide variety of property and records management services to other Government agencies. For purpose of brief description, these services are summarized into seven major categories:

1. The procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification.
2. Provision of space for the housing of Federal agencies, including the operation, maintenance, security, repair and renovation of buildings, provision of public utility services, and the design and construction of needed new buildings.
3. Improvement of current records management and paperwork practices in Federal agencies, establishment and operation of records centers, selection and preservation of permanently valuable noncurrent records of the Federal Government, and the administration of historical materials in Presidential libraries.
4. Management of the national stockpile of strategic and critical materials and other inventories in accordance with policies and directives of the Office of Emergency Planning, and the maintenance of machine tools in the National Industrial Equipment Reserve in accordance with policy direction of the Department of Defense.
5. Provision of assistance to executive agencies in improving their traffic management practices, arranging routings of shipments, obtaining economical rates for public utility services, operation of a centralized telecommunications system for the civil agencies of the Government. The establishment of motor pools or systems for transportation of Government personnel and property by motor vehicle within special areas.
6. Development of policies and methods for the maximum utilization by Federal agencies of real and personal property excess to the needs of holding agencies; and supervision and direction of the disposal of property determined to be surplus.
7. The compilation and publication of Government-wide inventories of owned and leased real property, automatic data processing facilities, and jurisdictional status of real property.

The various functions of GSA are assigned to its six Services—Federal Supply, Public Buildings, National Archives and Records, Defense Materials, Transportation and Communications, and Utilization and Disposal. Many of the operations have been decentralized to the 10 regions that provide service to Government agencies and to the public throughout the 50 states. The regional offices are located in Boston, New York, Washington (D.C.), Atlanta, Chicago, Kansas City (Mo.), Dallas, Denver, San Francisco, and Auburn (Wash.).

Details of specific progress and accomplishments in the provision of services during fiscal year 1962 are contained in the parts of this report and highlighted on the next page.

SUMMARY OF OPERATIONS

	Fiscal Year 1962	Fiscal Year 1961	Percent increase or decrease (—)
FEDERAL SUPPLY SERVICE			
1. Stores sales (thousands of dollars).....	264, 379	202, 617	30. 0
2. Non-stores sales (thousands of dollars).....	139, 210	116, 014	20. 0
3. Stores line items shipped (thousands).....	5, 436. 4	4, 667. 0	16. 5
4. Number of stores depots and annexes operated..	41	25	64. 0
5. Total procurement (millions of dollars).....	1, 187. 9	1, 014. 4	17. 1
PUBLIC BUILDINGS SERVICE			
1. <i>Buildings Management:</i>			
a. Number of buildings managed.....	10, 401	9, 851	5. 6
b. Average net square feet operated (millions)...	141. 7	128. 7	10. 1
c. Total cost of buildings management services (thousands of dollars).....	285, 719	265, 202	7. 7
2. <i>Repair and Improvement:</i>			
a. Gross square feet (thousands).....	128, 486	121, 386	5. 8
b. Obligations incurred (thousands of dollars)...	62, 574	61, 241	2. 2
3. <i>Construction Program:</i>			
a. Number of projects contracted for.....	40	32	25. 0
b. Net square feet provided (million sq. ft.)....	4. 9	2. 8	75. 0
c. Estimated improvement cost (millions of dollars).....	124. 5	169. 5	—26. 5
NATIONAL ARCHIVES AND RECORDS SERVICE			
1. Number of Federal records centers.....	16	16
2. Records in inventory (thousand cubic feet) June 30.....	7, 864	7, 648	2. 8
3. Reference services handled (thousands).....	5, 393	5, 313	1. 5
DEFENSE MATERIALS SERVICE			
1. Strategic and critical materials in inventory (thousands of dollars).....	8, 686, 589	8, 550, 203	1. 6
2. Sales commitments (thousands).....	87, 533	69, 347	26. 2
TRANSPORTATION AND COMMUNICATIONS SERVICE			
1. <i>Interagency Motor Pools:</i>			
a. Number of pools in operation.....	66	60	10. 0
b. Sales of motor pool services (thousands of dollars).....	20, 920	18, 733	11. 7
c. Mileage (thousands).....	249, 571	222, 953	11. 9
d. Number of vehicles in pools (June 30).....	24, 359	21, 009	15. 9
2. <i>Communications Services</i> (thousands of dollars)...	26, 747	22, 596	18. 4
UTILIZATION AND DISPOSAL SERVICE			
1. <i>Personal Property</i> —(acquisition cost—millions of dollars):			
a. Transfers to other Federal agencies.....	362. 7	310. 1	17. 0
b. Donations.....	350. 7	387. 7	—9. 5
c. Sales.....	39. 8	24. 4	63. 1
Total.....	753. 2	722. 2	4. 3
2. <i>Real Property</i> —(acquisition cost—millions of dollars):			
a. Transfers to other Federal agencies.....	97. 0	87. 0	11. 5
b. Donations.....	191. 0	143. 0	33. 6
c. Sales.....	442. 0	413. 0	7. 0
Total.....	730. 0	643. 0	13. 5
Grand total.....	1, 483. 2	1, 365. 2	8. 6

Part 1. Space for Federal Agencies

The General Services Administration reached new heights in 1962 in the volume of work undertaken and completed in virtually all its continuing efforts to keep pace with the growing requirements of Federal agencies and activities for space and facilities for their business.

The highlights of GSA's activities included:

1. Surveying Federal space requirements in 446 communities, bringing to 2,031 the communities surveyed at least once.
2. Proposing 41 new construction projects with a total cost of \$196.7 million under the Public Buildings Act of 1959.
3. Taking part in a special study of the acute Washington, D.C. space situation which resulted in a report to the President recommending an accelerated 10-year construction program to satisfy the deficiencies.

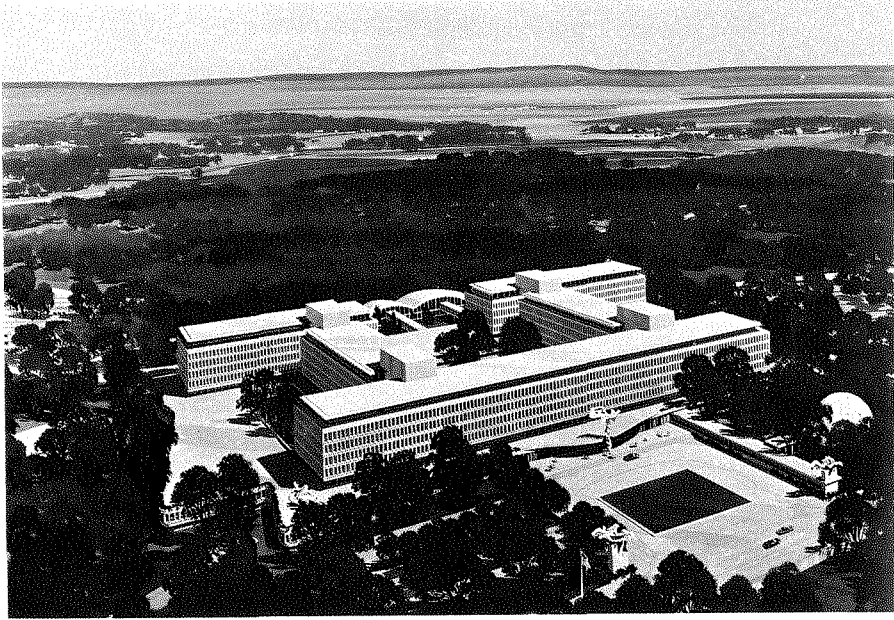
4. Acquiring 40 sites for constructing new buildings and extensions.
5. Completing 29 new buildings with 4.9 million square feet, a record for recent years.
6. Awarding 2,198 construction contracts at \$75 million for the repair and improvement of Federal buildings.
7. Providing temporary quarters immediately for 59 Federal judges appointed under the omnibus judgeships legislation.
8. Furnishing building management services for 141.7 million square feet of space in 7,240 Government-owned and leased buildings housing 533,000 Federal employees.
9. Holding office space occupancy at an average of 153 square feet per person in face of increasing demands for space.

PLANNING FOR REQUIREMENTS

GSA surveyed space requirements in 446 communities in 1962 in carrying out its responsibility under the Public Buildings Act of 1959 for investigating, on a continuing basis, the public buildings needs of the Government.

Existing and foreseeable requirements were surveyed in 258 communities for the first time. These surveys brought to 2,031 the number of communities which have been investigated at least once. As 2,300 communities are considered within the scope of this task, the new surveys completed 88 percent of the fundamental work of compiling complete basic space data

through in-community studies for re-examination within at least 5 years to keep pace with changing conditions and requirements. The rest of the year's investigations resurveyed 188 communities to assure continuing information on space requirements, especially in communities with serious deficiencies in the Federal space situation. These surveys include community improvement plans, population, business and realty trends, street and highway construction programs, and similar factors which may affect the Government's needs and its plans for satisfying them. The surveys evalu-



Central Intelligence Agency Quarters in Washington, D.C., Area.

ated in 1962 numbered 236 for a total of 1,578 evaluated surveys, about 78 percent of the completed surveys.

The recommendations based on evaluated surveys numbered 1,841 at the end of 1962. This exceeded the number of evaluated surveys because more than one type of action has been proposed in some communities. A synopsis of the recommendations indicates:

1. 311 communities in which space arrangements were considered acceptable for at least 5 years.
2. 233 new buildings required.
3. 1,000 existing buildings for which conversion (81), extensions (142), or major alterations (777) were considered desirable.
4. 5 leased buildings considered suitable for purchase.
5. 89 communities in which consolidations of leased space, bringing together agencies or agency units, were considered desirable.
6. 203 disposals of buildings no longer required.

The recommendations were the basis for 41 prospectuses which were submitted to Congress in 1962 for consideration by the Committees on Public Works. The projects were selected in the light of the criteria in the 1959 act requiring GSA to consider the comparative urgency of the needs and are estimated to cost \$196.7 million.

At the beginning of the year the committee had before them seven projects with an estimated cost of \$71.6 million. In addition, building project survey reports, requested by the Senate Committee on Public Works, set forth the need for five additional projects at an estimated cost of \$16.8 million. The new proposals, survey reports, and pending projects represented project costs estimated at \$285.1 million.

Committee approvals were accorded 47 prospectuses and reports involving nearly \$224.9 million in estimated costs. The approved projects consisted of 35 new buildings, 9 major alterations, and 4 extensions for a total of 48 projects. The difference reflects the prospectus for building needs in

Baton Rouge which recommended a new building and the alteration of another as complementary projects. Six prospectuses and reports estimated at \$60.2 million were pending at the year's end.

By the end of fiscal year 1962, nearly 3 years after the 1959 act was adopted,

the committees had approved 155 proposals. Their total cost is estimated at \$1.3 billion. Construction funds amounting to \$592.1 million had been appropriated for approved projects prior to the passage of the budget for 1963 which requested funds for additional projects.

STUDYING THE WASHINGTON SITUATION

In response to a directive from the President, GSA took part in a special survey of immediate and long-term space needs in the Washington, D.C., area. The study resulted in a report to the President from the *Ad Hoc* Committee on Federal Office Space. The Committee consisted of the Secretary of Commerce, the Secretary of Labor, the Director of the Bureau of the Budget, the Administrator of General Services, and the Special Assistant to the President for Cabinet and Departmental Relations.

The report emphasized the critical situation, one of the most acute space problems facing the Government, and proposed accelerated construction supplemented by leasing to meet the needs. The Committee urged that every effort should be directed at reaching the goal within 10 years. The proposals included guidelines for Federal architecture, redevelopment of Pennsylvania Avenue as the great thoroughfare of the Nation's Capital, and a broader management planning role for GSA to exercise in behalf of the President.

At the end of the year Government agencies occupied 37.7 million square feet at 300 locations in the Washington area. About 62 percent of the space is concentrated in 49 public buildings which have a permanent role in the GSA space program. These buildings contain 23.3 million square feet. The crux of the problem are the serious deficiencies in the remaining 38 percent; 14.4 million square feet at 251 locations. This space is divided among 4 temporary buildings with 5.5 million square feet, 63 obsolete Gov-

ernment-owned buildings with 3.7 million square feet, and 5.2 million square feet of leased space at 147 locations.



Marine Color Guard Raises Flag at Dedication to Public Use of Federal Office Building No. 6, Washington, D.C.

In furtherance of the attack on the Washington space problem, GSA proposed three new buildings among the projects which it submitted to the Public Works Committees. These would provide for new office buildings for the Federal Bureau of Investigation and the Geological Survey and a new GSA records center. The Committees approved the projects for design and construction when funds become available.

ACQUIRING SITES

GSA acquired 40 sites at a cost of \$5.4 million in 1962. They were acquired primarily for new buildings which GSA will construct and for extensions to post office buildings authorized by the Post Office Department. The acquisition of more than 260 sites, consisting of about 1,100 parcels with

an estimated cost of \$80.6 million, was in progress at the year end when GSA was holding for construction 125 sites with 444 parcels. All but 124 parcels were in use either by private occupants under lease or by Federal agencies. The rentals amounted to \$717,191.

DESIGNING AND CONSTRUCTING

By completing 29 construction projects, GSA took the longest stride in its continuing efforts to meet Federal requirements for new space and new facilities.

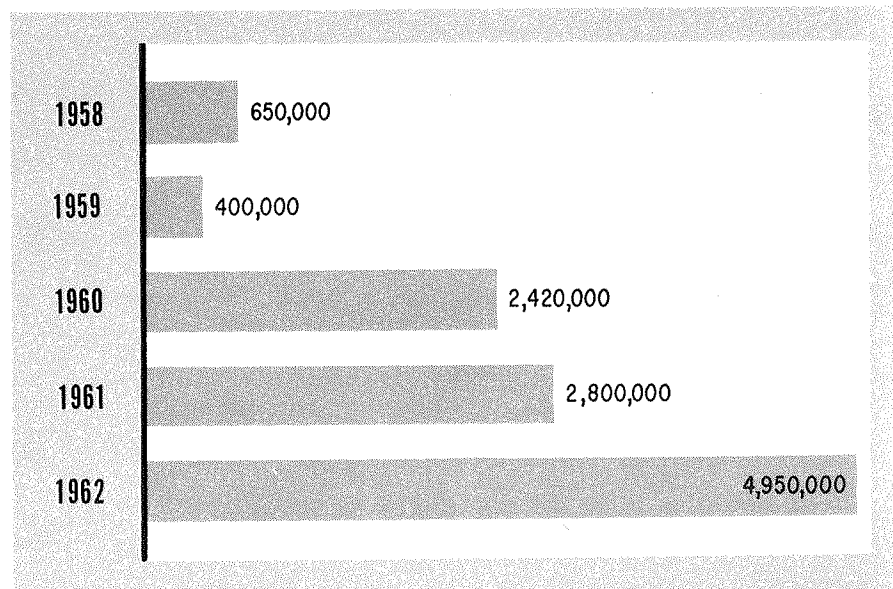
The newly completed net area measured more than 4.9 million square feet, exceeding by wide margins the space occupied for the first time in any other recent year. In 1960 and 1961, the first 2 years of the Public Buildings Act of 1959, the new space

amounted to 2.4 million and about 2.8 million square feet, respectively. The projects completed in 1962 represent an investment of \$149.9 million in buildings and facilities as compared with \$96.9 million for the 1961 completions.

Ten of the projects finished in 1962 were designed and built for the special needs of other agencies with funds which they transferred to GSA. The other 19, mainly projects authorized

COMPARISON OF CONSTRUCTION COMPLETIONS (NET Sq. Ft.)

in Fiscal Years 1958-1962



under the 1959 act, were designed and constructed with funds appropriated to GSA for the furtherance of its building program as the construction agency responsible for satisfying Government requirements for public buildings and general purpose space.

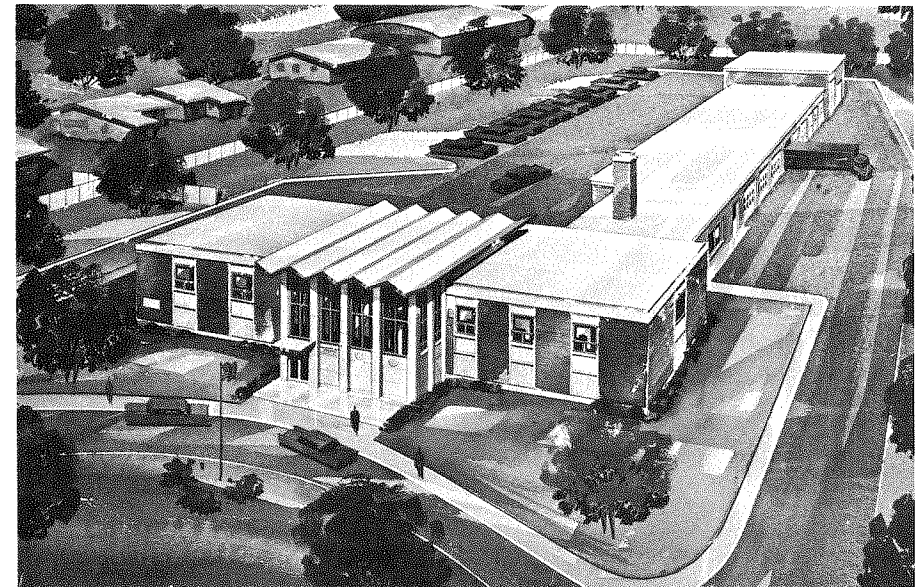
In addition to the record number of completions, GSA's construction activities continued at a high level. There were 150 projects with an estimated cost of \$818.2 million in the design or construction stages at the year's end.

GSA opened the year with 144 projects, estimated at \$872.5 million, under design or construction. The design load contained 91 projects with an estimated construction cost of \$510.5 million at the start and 86 projects, estimated at \$481.6 million, at the end. Transitions included the completion of designs for 57 projects estimated at \$196.7 million, and GSA awarded design contracts for 52 new projects with an estimated cost of \$167.8 million to private architects and engineers selected on professional standards. Except for major projects of national

significance in the Washington, D.C., area—where the country as a whole is the selection base—the architects were resident in the locality of each project. Among the projects in design were large Federal buildings in such major cities as New York, Chicago, Boston, Baltimore, Cleveland, and Kansas City, Mo.

Projects in construction at the beginning of the fiscal year numbered 53 with an estimated cost of \$362 million. The closing inventory consisted of 64 projects estimated at \$336.6 million.

New construction contracts, awarded by public competitive bidding, covered 40 projects with an estimated cost of \$124.5 million. These included new Federal buildings in Cincinnati, Denver, Miami, Pittsburgh, and Salt Lake City. One award was a demolition contract for the preparation of a site for the new Federal Building in New York, one of the largest buildings in the GSA program. Work continued during the year on the demolition and substructure contract



Border Patrol Sector Headquarters, Grand Forks, N. Dak., one of the smaller of GSA's 29 projects completed in 1962.

for the Chicago project, another of the larger buildings which GSA has in progress.

The largest completed project was the headquarters building for the Central Intelligence Agency at Langley, Va., which GSA constructed for CIA with transferred funds. Other projects financed with funds from other agencies included four laboratories for the Department of Agriculture, an office building, library, and surgical facilities at the National Institutes of Health in Bethesda, Md., educational facilities at Gallaudet College, Washington, D.C., and the U.S. Pavilion for the Century 21 Exhibition at Seattle for the Department of Commerce.

Construction completed under GSA supervision to satisfy space needs of other agencies included: 5 courthouse and Federal office buildings at a cost

of \$30 million; 4 Federal office buildings, \$33.8 million; 3 post office and Federal buildings, \$14.9 million; 2 post office and courthouse buildings, \$2 million; 2 warehouses, \$809,000; 2 border stations, \$552,840; and 1 Federal records center, \$5.5 million.

These buildings relieved urgent deficiencies in court, office, postal, and storage space in Albuquerque; Charleston, W. Va.; Houston; Little Rock; New Orleans; Oklahoma City; Phoenix, Ariz., Richmond, Va.; Sacramento; St. Louis; Washington, D.C.; and the Los Angeles area. Smaller projects were completed for existing requirements in Denton, Md.; Helena, Ark.; Keosauqua, Iowa; and Martinsburg, W. Va. The border stations were completed in Dunseith and Grand Forks, N. Dak.

REPAIRING AND IMPROVING

For the repair and improvement of Federal buildings, GSA also awarded 2,198 construction contracts with a total value of \$75 million in 1962. At the year's end, design work was in progress on 969 projects with an estimated construction cost of \$106.6 million. This work is scheduled for construction contracting in 1963.

The work is performed largely in GSA-operated buildings under GSA authority and in post office buildings under the authority of the Post Office Department which reimburses GSA for the Department's share. The wide diversity of jobs includes new vestibule doors in post office buildings, roof repairs, interior and exterior painting, re-covering floors, and replacing roof-mounted flagpoles with free-standing ground poles as a safety measure. The essential purposes are to counter obsolescence, estimated at \$66.7 million a year in GSA buildings alone, to bring buildings up to present day standards for efficient working conditions with

modern heating, lighting, air-conditioning, and elevators, and to obtain urgently needed space by extending buildings.

As larger repair and improvement projects require approval under the Public Buildings Act of 1959, GSA proposed 63 such projects in 1962 to the Committees on Public Works. A total of 112 projects with a maximum cost estimated at \$221.9 million has been approved.

One of GSA's high priority assignments of 1962 emerged with the enactment of the omnibus judgeships bill authorizing 73 additional Federal judges. GSA provided facilities for all 59 judges appointed before the end of the year. The space was furnished by remodeling Federal buildings, relocating agencies to release space suitable for court use, and by leasing additional space. These provisions are temporary, and planning is underway to provide permanent quarters for the new judges.

LEASING

The continuing growth of Federal activities has increased the demand on GSA for additional space. As a matter of policy, every effort is made to improve space utilization in Government-owned and leased space so as to hold new leasing activities to an absolute minimum. Also, the design of new Government buildings is directed toward maximum space utilization.

In fiscal year 1962, additional leasing was required primarily to house employees of those Federal agencies with expanding programs such as DOD, NASA, Internal Revenue, FAA, and HEW. In some instances the space has been leased to consolidate

Federal activities in quarters which will enhance their efficiency.

Table 1 is a comparison of Government-owned and leased space managed by GSA and financed through its Buildings Management Fund. Although the total amount of leased space has increased gradually, it represents a smaller proportion of the total space managed by GSA—26.1 percent in 1962 as compared with 32.5 percent in 1959. The increased cost of leased space is a direct result of larger amounts of space under lease and higher operating costs due to increases in rates for rentals, utilities, wages of maintenance personnel, and supplies and materials.

Table 1.—MILLIONS OF AVERAGE NET SQUARE FEET, 1958-1962

Fiscal year	Total	Government-owned	Leased		Annual cost of leased (\$ mil.)
			Square feet	Percent of total	
1958.....	110.0	74.2	35.8	32.5	\$73.2
1959.....	114.5	78.0	36.5	31.8	80.4
1960.....	119.8	83.7	36.1	30.1	86.9
1961.....	128.7	92.8	35.9	27.8	88.5
1962.....	141.7	104.7	37.0	26.1	96.1

MANAGING PUBLIC BUILDINGS

The task of operating, protecting, and maintaining space which GSA furnishes Federal activities is GSA's largest single management responsibility and required a staff of 18,562, about 58 percent of all GSA personnel.

The area under GSA servicing responsibility averaged 141.7 million square feet. This space was located in 7,240 Government-owned or leased buildings, including nearly a score under purchase-contract agreements. In addition GSA furnished maintenance and utility services for 52.6 mil-

lion square feet in 3,161 Government-owned buildings operated by other agencies, particularly the Post Office Department. Thus the scope of the management task, at varying levels of responsibility, extended to 195 million square feet in 10,401 buildings.

An increase of 12.9 million square feet from the 1961 level extended a series of annual increases in the size of the fully serviced area. The rising trend began in 1957. The nearest comparable expansion, however, took place in 1953 when the GSA-serviced

area was enlarged from an average of 93.5 million to 105.7 million square feet. The 1953 rise of 12.2 million square feet increased the average workload by 13 percent. The slightly larger increase which carried the 1962 load to 142.4 million square feet was equivalent to only 9.9 percent.

The largest part of the increase, amounting to 11.8 million square feet, was Government-owned space which came under GSA management for the first time. The transfer of properties already in Government ownership, largely from the Department of Defense, outmeasured the substantial increment from new construction.

For the most part these were military installations or defense production facilities which were transferred when GSA surveys indicated the feasibility of converting them to other uses, particularly storage, to satisfy existing needs. The scale of these additions is illustrated by the Dobbins Air Force Base, Marietta, Ga., with 1,367,837 square feet; the National Industrial

Reserve plant in Kansas City, Mo., with 3,425,182 square feet; and the Military Medical Supply Agency depot in Brooklyn, N.Y., with 1,718,255 square feet. Other principal sources were vacated small post office buildings which were converted when feasibility studies indicated that local requirements for Federal office space justified the remodeling.

The average service load for the year, excluding buildings operated by other agencies, consisted of:

1. 676 Government-owned buildings with 103.4 million square feet for which GSA provided the full gamut of building services, including operation, maintenance, and protection. These buildings furnished office and other work space for 342,366 Federal employees.
2. 365 leased buildings with 14.4 million square feet which GSA operated and supplied with other building services. Employees housed: 61,456.



Professionally Trained Firefighters Instruct Custodial Employees in Handling Emergency Firefighting Equipment.

3. 19 buildings with 1.3 million square feet which GSA is acquiring under purchase contracts. GSA furnished its full range of building services. Employees housed: 5,626.
4. 6,180 privately owned buildings with 22.6 million square feet of GSA-leased space which the owners operated under their lease contracts. GSA furnished limited additional services. Employees housed: 123,523.

The personnel in GSA-supplied space averaged 533,000 during the year and were employed by 66 Federal agencies. In view of the concentration of many employees in large Federal buildings, GSA has arranged for food and vending service as an allied responsibility. The service included 75 cafeterias installed and operated by concessionaires under GSA contracts. In addition the opening of new buildings in 1962 brought to nearly 300 the blind-operated vending stands which GSA has set up in Federal buildings under the Randolph-Sheppard Act, which is designed to enlarge economic opportunities for the blind. In the last 3 years GSA issued permits for nearly 100 stands which are accorded building services and repairs without cost.

In 1961 GSA provided work space for 487,000 Government employees. The increase of 46,000 to 533,000 in 1962 was 9.4 percent, closely in line with the increase of 9.9 percent in the average space load. Utilization studies, based on comparable data, indicate that the occupancy rate for office space remained constant at 153 square feet per person. The slightly larger rise in the serviced space reflects the sizable share of the additional space

devoted to storage and special purpose use which is excluded from the office space average.

Space costs continued to increase in 1962 but at a lower rate than the growth in the overall space under GSA management. Costs amounted to \$211.1 million and included the full range of services and rentals for GSA space and maintenance expenses for space operated by other agencies as well as GSA. Comparable costs for 1961 were \$195.2 million. The increase of \$15.9 million was 8.1 percent in comparison with an increase of 9.9 percent in the amount of space.

The lesser rate of increase in costs is a reflection of a significant increase in the amount of warehouse space in GSA custody represented mainly by former defense installations which GSA has converted for new uses. Warehousing represented 26.2 percent of the managed space in comparison with 23.7 percent in 1961. The lower cost requirements for this space in comparison with the cost of servicing office space held the increase in costs to a slower pace.

Other factors which contributed to the improved showing in costs were greater efficiency in using custodial personnel, increased reliance on automatic protection equipment, and the consolidation of guarding duties with other tasks performed by custodial personnel. Although these were salutary improvements, they were insufficient to arrest the generally rising cost trend which has accompanied the continuing expansion in space requirements. Emphasis will continue on more efficient utilization of manpower and other economies in an effort to slow down foreseeable increase in costs.

ASSIGNING AND UTILIZING SPACE

GSA was responsible for the assignment of 146.4 million square feet at the year's end in comparison with an

assignable area of 129.0 million square feet at the end of fiscal year 1961. The larger area pointed to the con-

tinuing expansion in space requirements. The largest growth appeared in storage space which increased by 22 percent from 43.4 million square feet in 1961 to 53.3 million square feet in 1962. In comparison the increase in office space was 8 percent.

Nine occupancy guides were issued for use by Federal agencies. The guides set forth standards for economi-

cal space use geared to efficient office operations. The new publications bring to 56 the number of guides, standards, and space criteria so far published. For the most part these have concerned field operations. Increased emphasis is being given to improving space utilization standards for the Washington, D.C., area.

Part 2. Utilization of Excess and Disposal of Surplus Property

Through the Utilization and Disposal Service, GSA promotes the maximum possible use of excess personal and real property by Federal agencies, and provides for the rehabilitation of personal property. GSA also supervises and directs the disposal of property for which no further Federal need is found, through donation, sale, destruction, or abandonment, and the handling of such property pending its disposition. (The term "excess" means property no longer required by an executive agency for its needs and the discharge of its responsibilities. "Surplus" property is that excess property which is not required for the needs and responsibilities of any Federal agency.)

On June 30, 1961, these functions previously handled by divisions within

the Public Buildings Service and the Federal Supply Service were placed in a single organization—the Utilization and Disposal Service. This was designed to (1) facilitate coordination and promotion of the utilization of excess property among Federal agencies, (2) assure consideration of national economic factors becoming increasingly important in making decisions on the proper disposition of surplus property, (3) create a single point of contact within GSA for all outside interests, and (4) insure coordinated policies and procedures for all matters pertaining to utilization and disposal.

The merits of this reorganization are evidenced in the success of the first year's operation.

Table 2.—COMPARATIVE ACCOMPLISHMENTS, FISCAL YEARS 1961-62

Item	Fiscal year 1961 (millions)	Fiscal year 1962 (millions)
Property rehabilitation (acquisition cost).....	\$13.4	\$21.0
Utilization of excess property (acquisition cost).....	397.1	459.7
Donation for public benefit (acquisition cost).....	530.7	541.7
Sales:		
Sales price.....	75.7	85.3
Acquisition cost.....	437.4	481.8

REAL PROPERTY

Large high-cost industrial properties continued to be the dominant type of real property reported excess by executive agencies. Of the 825 properties having an original cost of \$696 million

reported excess by holding agencies, 47 industrial properties comprised \$406 million or 58 percent of the total. These large, complex properties, most of which are reported by the Depart-

ment of Defense, have limited potential for further utilization and present special disposal problems both to GSA as a disposal agency and to the communities in which properties are located. These problems are being resolved by closer cooperation with the communities and by coordination with agencies determining such property excess well in advance of deactivation. However, because of the current DOD program of phasing out many of its military installations and activities

over a period of years, GSA expects to continue to receive reports of excess covering these large complex installations at accelerated rates.

Circularization of Federal agencies resulted in the transfer of 44 properties costing \$87 million as compared to 63 properties costing \$79 million which were put to further use in 1961. In addition, 55 properties costing \$11 million were withdrawn from the excess inventories and put to further use by the holding agencies.

Table 3.—REAL PROPERTIES WITH HIGH ACQUISITION COST TRANSFERRED, FOR USE BY OTHER GOVERNMENT AGENCIES, FISCAL YEAR 1962

Property	Property reported excess by—	Property transferred to—	Acquisition cost (millions)
Naval Industrial Reserve Shipyard, Hingham, Mass.	Department of Defense.	General Services Administration.	\$4.5
Shemya Airfield, Shemya Alaska.	Federal Aviation Agency.	Department of Defense.	23.1
Sampson Air Force Base, Romulus, N.Y.	Department of Defense.	General Services Administration.	5.8
McQuay-Norris Building, St. Louis, Mo.do.....do.....	4.6
Michoud Ordnance Plant, New Orleans, La.do.....	National Aeronautics and Space Administration.	37.6

During this period, 808 excess real properties having an acquisition cost of \$657 million were determined to be surplus to the needs of the Government. Real property costing \$570 million was subject to disposal by GSA and holding agencies. The latter primarily involves leases or similar instruments granting the right to use, occupy, or control properties not owned by the Government, and improvements to be disposed of without the underlying land.

GSA further accelerated the disposal of surplus real property in order to place such property in the civilian economy, add the property to local tax rolls, and return sales proceeds to the Federal Treasury. In this regard, every effort was made to sell surplus property to user-buyers. This is particularly beneficial in areas of sub-

stantial unemployment in that pay rolls are thereby brought into these communities. These efforts resulted in the disposal of surplus real properties originally costing \$633 million. Of this total, 260 properties costing \$442 million were sold for \$78.9 million. Such sales, which were at 110 percent of the appraised fair market value, represented the highest selling price recorded for disposal by sale for the last 10 years.

Conveyances for other purposes such as public health, education, airports, park and recreation, wildlife conservation, and historic monuments at public benefit discount amounted to 175 properties costing \$91 million.

The cost to GSA for maintenance of surplus real property pending disposal amounted to \$1.7 million during the year. However, this was offset

by receipts from interim use under lease, permit, or other use agreements. The income from such interim use amounted to \$1.4 million during the same period.

Payments in lieu of taxes on real property totaled \$300,000. These payments are made on certain real property under GSA's custody transferred on or after January 1, 1946, from the Reconstruction Finance Corporation in accordance with the Act of Congress approved August 12, 1955 (69 Stat. 722), as amended.

As of June 30, 1962, two real properties were in the custody of GSA in the National Industrial Reserve. The New England Lime Co. magnesium plant at Canaan, Conn., was under permit to the Atomic Energy Commission, and the Turtle Mountain Ordnance Plant at Rolla, N. Dak., was under lease to a private concern.

Table 4.—GSA SURPLUS REAL PROPERTY DISPOSALS, FISCAL YEAR 1962

Type of disposals	Number of properties
Sales.....	260
Assignments to Department of Health, Education, and Welfare.....	101
Recalls from surplus inventory for further Federal use.....	61
Park, recreation, and monument use.....	25
Airport use.....	20
Other (conservation of wildlife; named recipients; abandonment, write-off and destruction; widening of public highways and streets; and assignments to Department of Commerce for Federal highways.).....	29
Total.....	496

PERSONAL PROPERTY

GSA conducts several programs dealing with personal property which is excess or surplus to the needs of the Federal Government. These programs involve: the rehabilitation of personal property owned by the Government to extend its useful life; the utilization of available excess personal property by Federal agencies; the donation of surplus personal property for authorized purposes in the States; and the sale of remaining property items to the public.

Utilization

In order to minimize expenditures for new property and to upgrade current property holdings, GSA prescribes policies and methods to promote the maximum utilization of excess personal property by executive agencies, and provides for the transfer of such property among Federal agencies.

In the interest of such utilization, arrangements were made under which excess personal property acquired at a cost of \$621 million was reported to

GSA for screening in fiscal year 1962. Moreover, excess property holdings of \$853 million at acquisition cost, with lesser utilization potential, were screened by GSA technicians during that year at scores of Government sites, by physical appraisal or by using holding agency documentation.

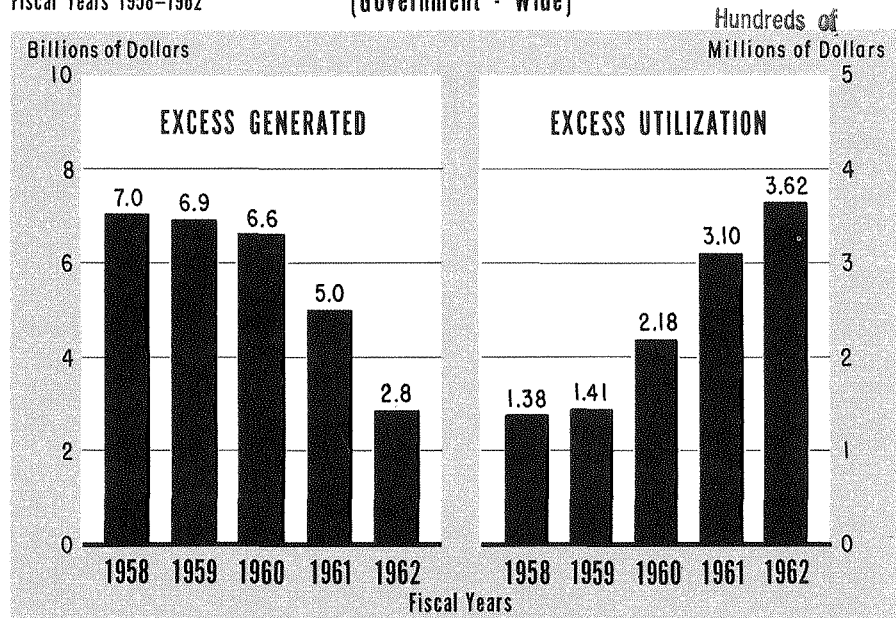
Transfers of excess property to Federal agencies for continued use totaled \$363 million at acquisition cost, thus continuing the marked increase in this area of achievement which began in fiscal year 1959, despite a decline of available property.

Many different factors are contributing to the annual increases being experienced in the extent of utilization transfers. Beneficial changes in procedure and increased participation in the program by Federal agencies made significant contributions. Also, during the year, special arrangements were made to apply screening procedures in behalf of utilization to the excess contractor inventory of the Department of Defense. This brought into the

GENERATION AND UTILIZATION OF EXCESS PERSONAL PROPERTY

Fiscal Years 1958-1962

(Government - Wide)



program an additional source of a substantial quantity of desirable property.

All Federal agencies are customers of the utilization program. An appreciable volume of excess personal property, about \$50 million at acquisition cost, was transferred to the Agency for International Development in fiscal year 1962, and it is contemplated that this volume will increase appreciably in subsequent years under the favorable terms of section 607 and 608 of the Foreign Assistance Act of 1961.

GSA is promoting the utilization of excess personal property in all Federal agencies. The availability of excess is communicated to such agencies in several ways; by catalog, bulletin, telephone contact, or visitation. These techniques are being subjected to intensive scrutiny for possible improvement, as effective communication is a vital part of the utilization procedure. From the standpoint of participating agencies, each is represented by national and regional utilization officers who have been designated to serve as an inter-

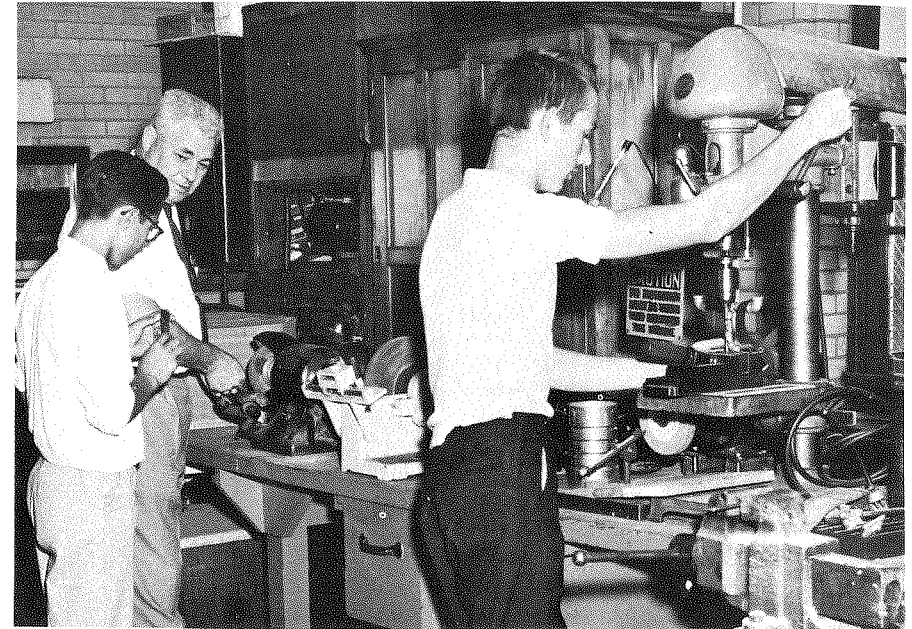
agency team, formed to promote utilization of excess in such Federal agencies and to assure that policies and procedures of these agencies are favorable to the purposes served by the program.

Donations

Congress has repeatedly recognized that personal property not needed by the Federal Government can contribute to increased public benefit through donation for use in the States for purposes of education, public health, civil defense, and public airports.

Donations approved by GSA for these purposes in the fiscal year 1962 amounted to \$351 million at the acquisition cost of the personal property concerned.

The decrease in the total volume of property donated over the last 2 fiscal years is attributed, first, to the decline in property available, and, second, to the marked increase in property transferred for Federal utilization. Both of



Donated Equipment in Use by High School Students

these actions have served to decrease the extent of the property available for donation.

Table 5.—PERSONAL PROPERTY DONATED, FISCAL YEARS 1959-62

Fiscal year	Donations approved by GSA (acquisition cost in millions)
1959.....	\$361.1
1960.....	412.8
1961.....	387.7
1962.....	350.7

One significant procedural step taken during the fiscal year was the development of a plan to increase the extent of surplus property donated for public airport purposes. GSA acted in collaboration with FAA to develop operating instructions for this purpose, with full effect to be given them in fiscal year 1963. By this action, an additional volume of aviation-type property will be donated for use at

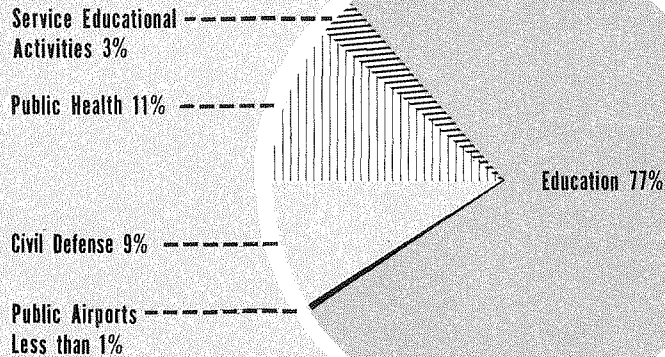
public airports rather than sold as surplus property.

Congressional attention was given during the year to the prospect of decreasing operating costs in the donation program for the State agency for surplus property in each State. Public Law 87-94 was enacted in July 1961 to authorize each State agency to use in its operations surplus property approved by the GSA Administrator for donation. This is expected to reduce operating costs, with the reduction to be passed on to eligible State donees in the form of a decreased charge for the services of the State agency for surplus property.

GSA published a concise pamphlet, entitled *Donation of Federal Surplus Personal Property*, which outlines the principles and procedures governing this program. Copies of this pamphlet were furnished during the year to interested parties, including all members of Congress. It is being used constantly to respond to queries about the program, which are received from sources concerned with it.

PERSONAL PROPERTY DONEES

Fiscal Year 1962



Sales

GSA exercises both supervisory and operating responsibility for personal property sales of surplus and exchange-sale items. It directs and supervises the sale of personal property by the executive agencies, and conducts sales of such property of its own and of other civil agencies.

Sales of usable surplus personal property of all executive agencies totaled \$1.0 billion at acquisition cost in fiscal year 1962. This quantity is \$533 million, or 37 percent less than comparable personal property sold during 1961.

Just as the quantity of personal property determined excess to the needs of executive agencies declined over the last 2 years, there was a related decrease also in the quantity of usable personal property sold and the proceeds from such sales.

One significant development during the 4-year period was a modest increase in the percentage of proceeds from such personal property sales in

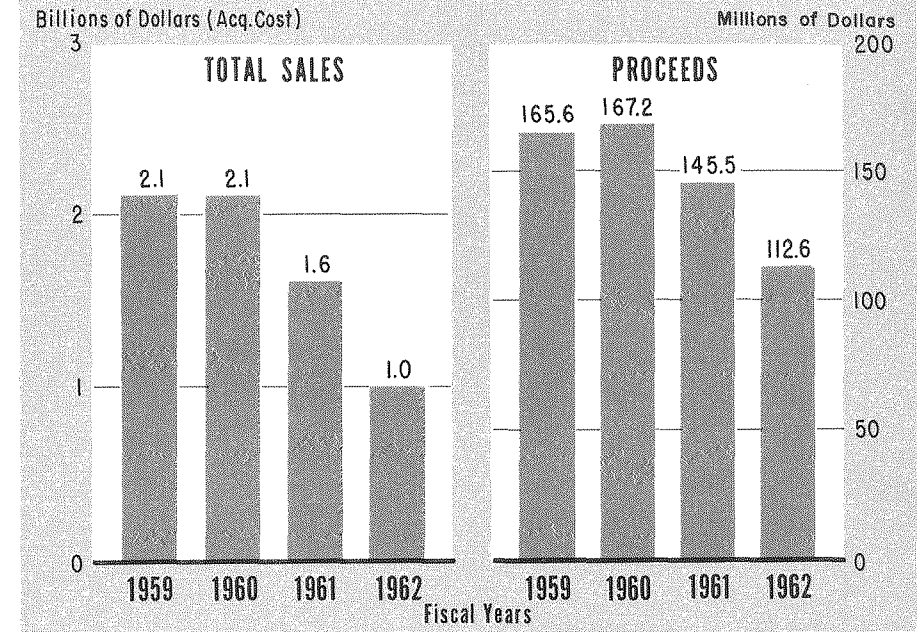
relation to the acquisition cost of usable property sold. From a low of 4.7 percent in 1959, the ratio improved to 5.1 percent in 1960; to 5.7 percent in 1961; and to a high of 6.7 percent in 1962.

In the sale of its own surplus and exchange-sale personal property and that of other civil agencies during the year, GSA regional offices conducted 1,641 sales involving property items originally acquired at a cost of \$39.8 million. This represented an increase of more than 100 percent in the number of sales and more than 60 percent in the volume of property sold in 1961. During the same period, GSA costs for selling declined materially, from \$17.37 to \$14.94 per \$100 of proceeds obtained.

Proceeds from sales conducted by GSA increased from the \$4.1 million obtained in 1961 to \$6.4 million in 1962. The percentage of proceeds related to the acquisition cost of usable property sold by GSA remained stable at 15 percent in both years.

(Government - Wide) SALES OF USABLE PERSONAL PROPERTY

Fiscal Years 1959-1962



Further progress was made in the progressive program initiated in 1961 under which GSA proposed to assume operational responsibility for the sale of personal property of the civil agencies by conducting the sales. Memoranda of Understanding were executed with the Department of the Interior and Treasury, bringing to 10 the number of civil agencies for which GSA has assumed sales responsibility. The sales volume of these agencies, including that of GSA, represents 70 percent of the total volume of surplus and exchange-sale property being sold by civil executive agencies under the Federal Property and Administrative Services Act of 1949. Plans were developed for a further extension of this program to other executive agencies.

A study was initiated by GSA, in collaboration with the Department of Defense and the Bureau of the Budget, of personal property sales being made

by DOD pursuant to authority delegated by the Administrator. The study, not completed at the end of the fiscal year, was directed to the feasibility of GSA assuming more control over DOD personal property sales.

Property Rehabilitation

Continued emphasis was placed on the development of administrative and contractual arrangements for the economic rehabilitation of specific items of Government-owned personal property. This program is designed to further the useful life of property already owned, and thus minimize the procurement of new items.

During the year, 232,601 items of furniture, office machines, and household appliances were rehabilitated, with estimated economies to the Government of \$16 million. From the standpoint of program growth, this represents a 48 percent increase over



Auction Sale of Surplus Property.

the prior fiscal year. Costs for rehabilitating the substantial quantity of property involved totalled some \$4.2 million.

By July 1, 1962, nearly 100 commercial repair facilities, all small businesses, were serving the program under contract, as were 8 Federal penal institutions. The latter are participating under an informal arrangement between the Department of Justice and GSA, which provides for increased use in property rehabilitation work of the Federal Prison Industries, Inc. The rehabilitation work of FPI for the Federal Government with respect to these items is monitored by GSA in the interest of a fully coordinated program. For the program as a whole, GSA processes agency orders; schedules rehabilitation; assures quality of workmanship; pays contractors' invoices; and bills agencies for services furnished.

Program services were extended to the States of Hawaii and Alaska dur-

ing the year. Use of the services available under the program was given renewed emphasis by a recent revision to GSA Regulation 1-VIII-201.00, which states that where rehabilitation requirements exceed the capabilities of an activity or installation, the rehabilitation services provided by this GSA program will be used as a primary source, unless delivery requirements cannot be met. This action makes it possible for the Federal Government to obtain quality workmanship at an economical price. The Department of Defense has implemented this revision to the Regulations of GSA Title 1 by a recent change to the Armed Services Procurement Regulations.

DOD is the largest customer of this program, having used available services last fiscal year to rehabilitate over 150,000 items, acquired at a cost of \$12 million. Costs for rehabilitation were less than \$2.5 million.

Part 3. Defense Materials

General Services Administration, under the policy direction of the Office of Emergency Planning: purchases strategic and critical materials for the national stockpile; contracts for the upgrading of materials already on hand; maintains inventories in a state of readiness for use when needed; and disposes of materials due to obsolescence or deterioration, and those which have become excess to current objectives.

OEP also issues policy direction for the elephant machine tool program and the machine tool pool order program, which are administered by GSA in accordance with provisions of the Defense Production Act.

The Department of Defense has the responsibility for the policy determinations to be followed by GSA in the administration of the National Industrial Equipment Reserve which was authorized by the National Industrial Reserve Act of 1948.

There are 76 materials on the list of Strategic and Critical Materials for Stockpiling. As of the end of June, basic objectives (materials on hand) have been met for 62 of these materials in the national stockpile and maximum objectives have been met for 49 of them. The materials on hand in all Government inventories equal or exceed the basic objectives for 69 and the maximum objectives for 65 materials. Materials in all inventories and on order will meet the basic objectives for 69 commodities and the maximum objectives for 65. The materials on hand in the various inventories have an acquisition value of almost \$8.8 billion.

National Stockpile

Under the procurement directive for fiscal year 1962, purchases of materials were limited to chrysotile asbestos and jewel bearings, the latter to be produced at the Government-owned, contractor-operated plant at Rolla, N. Dak. GSA has executed a lease with the producer of the jewel bearings which permits it to accept orders from Department of Defense contractors and commercial customers.

Because of the difficulty in having domestic suppliers meet contract delivery schedules for domestically produced chrysotile asbestos, authorized under a previous directive, GSA arranged with the Department of Agriculture to procure the current requirement for this material from foreign sources through its barter program, administered by the Commodity Credit Corporation.

Contracts have been made for the upgrading of raw materials in inventory to the higher use forms of oxygen-free copper, columbium carbide powder, tantalum carbide powder, and ferrovanadium.

Barter

GSA provides pricing, transportation, and other information and advice to CCC in connection with the barter or exchange of surplus agricultural commodities for strategic and other materials. These raw materials are held in the supplemental stockpile and GSA provides the same services in the inspection, transportation, and storage of barter materials as are applied to commodities acquired by GSA under

authority of OEP purchase directives. During the past year almost 4 million tons of raw materials went into the Government inventory through the barter program.

Rotation

The rotation of cordage fibers more than doubled the rate of the previous year. Approximately 19,700,000 pounds of abaca and 70,900,000 pounds of sisal were rotated this fiscal year. No other commodities were rotated during this period.

Domestic Purchase Programs

The two remaining Defense Production Act domestic purchase programs were brought to a conclusion during the period. The program quantity limitation of 25,000 short tons of hand cobbled mica or its equivalent was reached shortly before the termination date of June 30. The beryl purchase program was terminated on June 30 in accordance with the terms of the program.

Disposals

When the mobilization program, assumed for stockpiling purposes, was reduced from 5 to 3 years in 1958, substantial quantities of many commodities became excess to the revised stockpile objectives. Excesses have also resulted from the development of substitute materials and for other reasons.

During the past year increasing emphasis has been placed upon expanding and accelerating the disposal of materials no longer required. In April 1962, at the direction of the President, the OEP revised the policies governing disposals to provide greater flexibility in the program. In accordance with these policies, GSA is constantly seeking new and improved methods and procedures to assure prompt and orderly disposal of such excesses.

Particular attention has been given to the greater use of excess materials

in Government programs including foreign assistance for both direct and indirect use. These efforts have resulted in increased disposals of feathers and down, and rubber. GSA has completed 73 plans for the disposal of materials, and has received authority from OEP to draft plans for 11 other items. These 84 items represent over 2 million tons of materials acquired for almost \$966 million.

On June 21, 1962, by H. Con. Res. 473, the Congress granted express approval for the disposal of 14 materials totaling 189,000 short tons which had an acquisition cost of \$177.6 million. The quantities of silk noils, cordage fiber, vegetable tannins, tin, castor oil, nickel oxide powder, and molybdenum authorized for disposal are excess to objectives. The miscellaneous nickel items, celestite, nonferrous and platinum scrap, cobalt oxides and carbonates, chromite, ferrovanadium, ferromanganese, and electrolytic manganese do not meet stockpile specifications.

Total gross value of sales commitments to date under active disposal programs exceeds \$439 million. Commitments for disposals from raw materials inventories during the year approximated \$87.5 million, which includes \$47.7 million from the national stockpile, \$29.2 million from the Defense Production Act inventory, and \$10.6 million from the Federal Facilities Corporation tin inventory.

Contract Cancellations and/or Reductions

Cancellations and reductions of commitments for the acquisition of strategic materials total \$410.2 million under DPA and S&CM contracts since the beginning of fiscal year 1958. Over \$14 million of this was accomplished in fiscal year 1962. Contracts for commodities affected to date are aluminum, chromite, cobalt, copper, industrial diamond-bort, fluorspar, lead, manganese, mica, molybdenum, nickel, rutile, titanium, and tungsten.

Machine Tool Programs

Under the direction of the Department of Defense, GSA maintains a reserve of machine tools and industrial equipment known as the National Industrial Equipment Reserve which is administered in accordance with provisions of the National Industrial Reserve Act of 1948. At the end of June approximately 8,200 items were being maintained at 3 GSA and 6 DOD facilities.

The program for the loan of tools to educational institutions, provided for in section 7 of the act, was activated within the last 2 years. At the end of June, contracts had been executed for a total of 1,248 tools with another 194 under negotiation which will then extend participation to 54 schools in 20 States.

The elephant machine tool program authorized under the Defense Production Act was designed to assure production of large tools in the event of a national emergency. There are three contracts in effect under this program.

Also authorized under the Defense Production Act is the machine tool pool order program which will make available immediate productive capacity for the manufacture of machine tools as soon as the program is triggered by the Government. A total of 80 contracts have been executed with a value of over \$234 million.

Storage

About 50 million tons of strategic and other materials in Government inventories are stored at 208 locations. Approximately 90 million square feet of warehouse and open storage and about 2 million barrels of tank storage are in use. Of the 4 million tons of material delivered to the Government during the year, 1 percent was added to the national stockpile, 2 percent to the Defense Production Act inventory, and 97 percent to the supplemental stockpile.

A substantial portion of the tonnage placed in storage this year consisted of bulk ores stockpiled at the plantsite of the potential consumer. This type of



For National Defense—GSA Drum Storage of Molybdenic Oxide at Buffalo, N.Y.

storage is intended to reduce transportation costs, conserve vitally needed transportation facilities in time of national emergency, and provide economical recurring storage costs of about one-tenth of a cent per ton per year.

One of the major functions of this service is the maintenance of the stockpile inventories in a state of readiness in order to accomplish the purpose for which they were established. During the year 211 maintenance projects were initiated, and 264 that had previously been started were completed.

GSA completed actions to assume custody and operation as of July 1 of two former Department of Defense facilities where strategic and critical materials are stored. By deactivating

one GSA depot and combining the materials which had been stored there with materials in one of the ex-military depots, substantial savings in recurring storage costs were made possible.

Table 6.—STORAGE LOCATIONS FOR STRATEGIC MATERIALS, JUNE 30, 1962

Type of facility	Number of locations
GSA facilities.....	22
Military installations.....	57
Commercial warehouses.....	65
Leased commercial sites.....	15
Industrial plant sites.....	39
Other Government facilities..	10
Total.....	208

Part 4. Supply Procurement and Distribution

General Services Administration's basic supply procurement and distribution programs experienced a record rate of growth during the year. Significant steps were also taken by GSA in fulfilling its regulatory responsibility covering the procurement of personal property and nonpersonal services by other Government agencies.

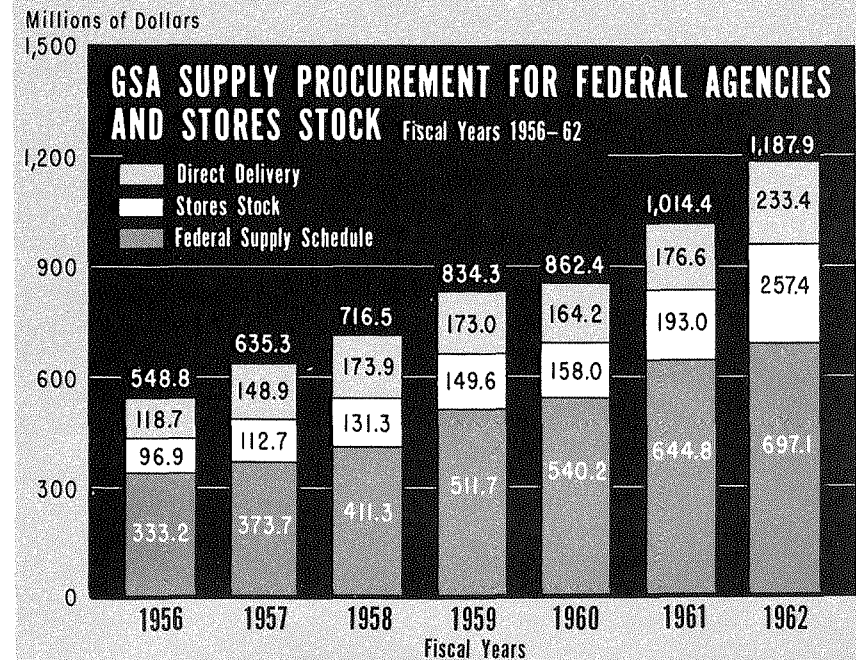
Related supply programs included under the general heading of Supply Procurement and Distribution are; development of Government-wide procurement and economic policy, supply management assistance, commodity standardization, cataloging, specifications, and warehousing of civil defense supplies.

PROCUREMENT

The growth trend of recent years continued as total procurement volume under GSA's major supply programs rose 17 percent over the preceding year

to more than double the fiscal year 1956 volume.

Procurement under the Federal Supply Schedule Program increased 8



percent and accounted for nearly three-fifths of the total. Under this program, GSA executes indefinite quantity term contracts for a wide range of goods and services with various supply sources. Agencies order directly from these sources at more favorable prices without either the delay or the administrative expense incurred when awarding individual contracts.

Purchases for stores stock rose 33 percent over the preceding year—the largest year-to-year gain in the history of GSA. This program provides for the consolidated procurement and redistribution of some 12,000 supply items through GSA stores depots, and results in the expeditious delivery of

articles of uniformly high quality at low delivered costs.

Purchases for direct delivery, including foreign aid, also increased to 32 percent above 1961. Such purchases are made as a result of specific agency requests that are submitted either in accordance with existing regulations or voluntarily to take advantage of GSA's specialized procurement capabilities. Principal commodity items purchased under this program include motor vehicles, appliances, household and quarters furniture, radiological instruments, and insecticides.

A number of significant improvements affecting both customer agencies and suppliers were made. Among these were the adoption of a revised system for establishing and maintain-

ing bidder's mailing lists using simplified forms which require only one filing by any supplier in order to receive invitations from any or all Federal Supply Service procurement activities; development of new techniques in the procurement of motor vehicles which simplify requisitioning by customer agencies and effect economies in the contracting for and delivery of motor

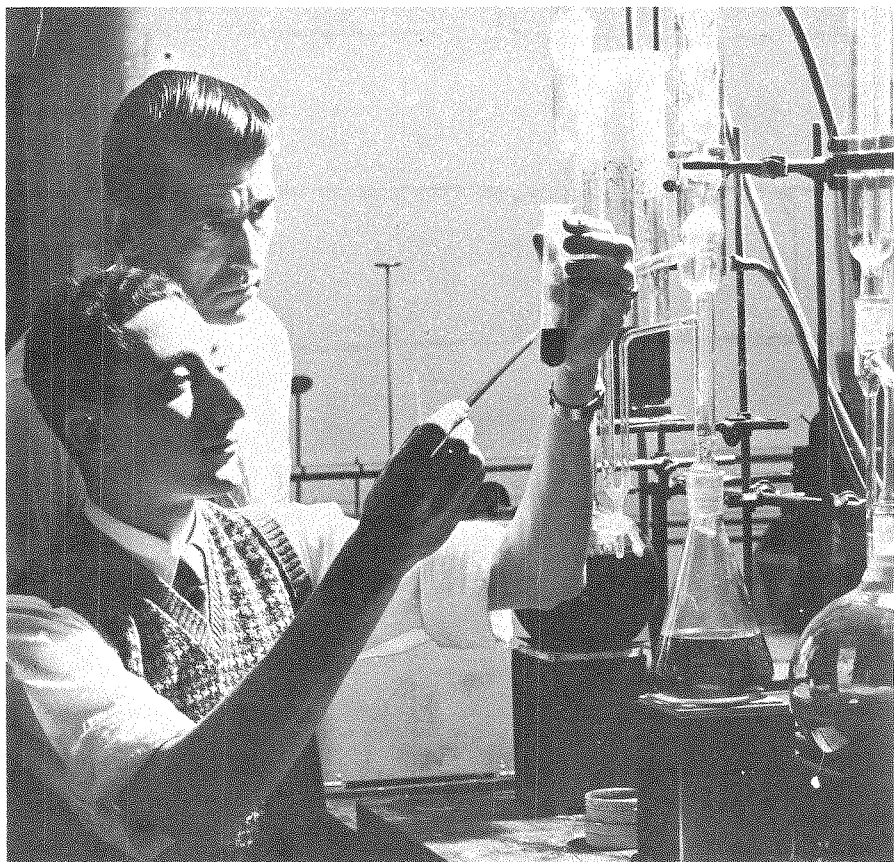
vehicles; development of improved inventory management procedures, utilizing data processing equipment, which provide improved management control over stores inventories; and the completion of arrangements for increased supply support of overseas military activities from domestic sources.

QUALITY CONTROL

The value of all commodities inspected was \$645 million; an increase of 52 percent in workload.

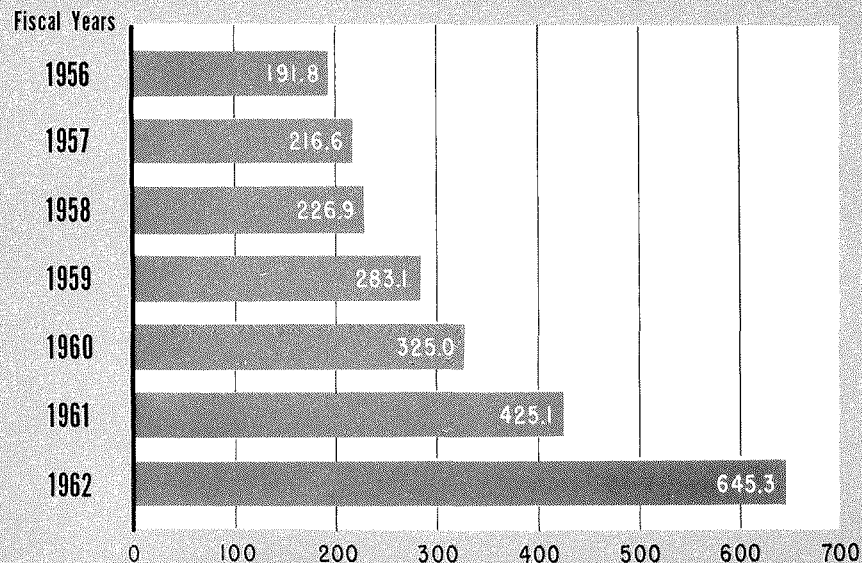
The quality of supplies procured was improved by selective emphasis on programs which assure quality compatible with procurement requirements and specifications. Illustrative was an increase of 37 percent in contractor participation in the Quality Assurance Inspection Plan. Under this plan, contractors inspect and test

each order prior to shipment. Quality control representatives frequently check their overall operation, including inspection and test records, to assure strict compliance with the agreement. GSA continuously encourages and assists contractors to improve their manufacturing methods and inspection techniques so that their products may be readily accepted by the Government.



Laboratory Controlled Quality for Government Procurement.

VALUES OF COMMODITIES INSPECTED (expressed in millions)



Many Federal Supply Service contractors are now required to inspect and test supplies prior to offering them to the Government for acceptance. All future FSS invitations for bids will include the contractor inspection clause which is now a part of many Federal Specifications. Standardization of Government inspection and test requirements for industry, better utilization of inspection and test personnel, and compatible GSA and DOD inspection policy are distinct benefits under this policy.

Over 85 percent of all inspections were made at contractors' plants, which is the better, cheaper, and industry-endorsed method of inspection.

Verification of inspection of materials shipped on Federal Supply Schedules was \$165 million, an increase of 197 percent over fiscal year 1961. This made it possible for agencies

requisitioning materials from schedules to considerably reduce inspection by them at destination.

Regional quality control laboratories did extensive testing of supplies to insure that contractors met specification requirements. In addition, these laboratories were constantly developing improved methods of testing, preparing Government samples, and qualifying products for Federal procurement. Because of the increased need for specialization, three regional laboratories were designated national testing laboratories with special equipment and staffs of skilled and competent technical personnel. The specialized laboratories designated were: Kansas City, handtools; Washington, metal furniture; and New York, paint brushes and pressure-sensitive adhesive tape.

DISTRIBUTION

Sales of common-use items stored and distributed by GSA stores depots, annexes, and other supply distribution facilities totaled \$229.6 million, an increase of \$46.4 million or 25 percent over that of the prior fiscal year. Thus, sales have increased for 8 consecutive years. Growth was reflected in each of the supply distribution levels, depots, self-service retail stores, fuel and building materials yards.

Export operations, both stores stock sales and direct delivery procurements for the four port regions, totaled \$73.0 million, a gain of \$16.3 million or 29 percent. Overseas consignees included DOD installations, AID, State Department, Trust Fund activities, and Territories.

Substantial increases were experienced in line items processed and tonnage shipped. Line items processed increased 17 percent to a record total of 5.4 million. Tonnage shipped totaled 473,000 tons, an increase of 32 percent.

Table 7.—OUTGOING WORKLOAD, FISCAL YEARS 1956-1962
[In thousands]

Fiscal year	Shipped	
	Line items	Tonnage
1956.....	2, 676	195
1957.....	3, 053	225
1958.....	3, 163	228
1959.....	3, 685	271
1960.....	4, 099	290
1961.....	4, 667	358
1962.....	5, 436	473

Warehouse space assigned to supply distribution activities as of the end of the fiscal year totaled 8.7 million square feet, an increase of 2.4 million square feet. All additional space acquired was Government-owned in line with continued emphasis on utilization of available excess Government-owned



Cheaper, Convenient, and Controlled Service through GSA Retail Stores.

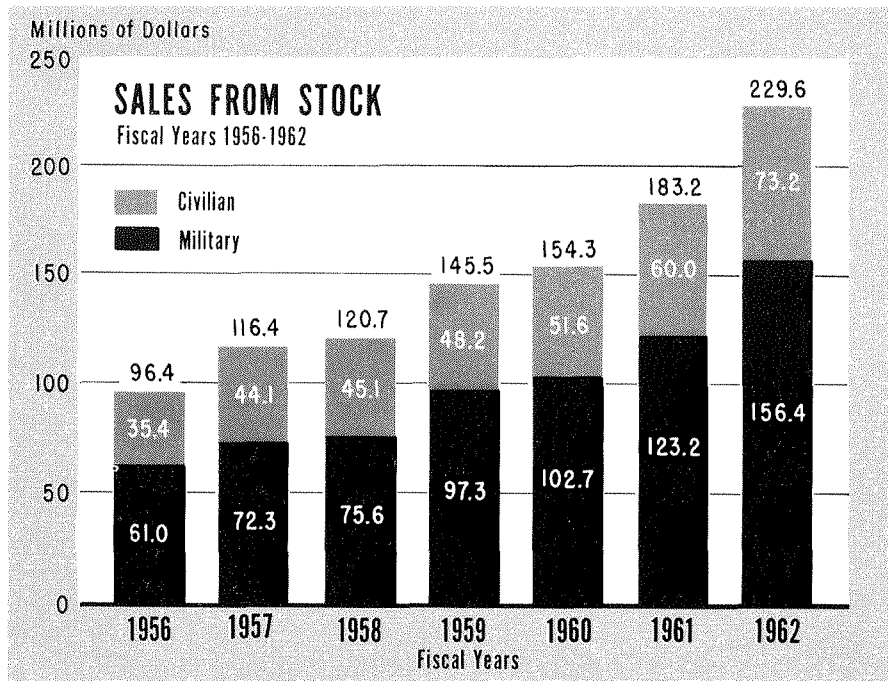
space. Space for depot and stores operations was acquired in military installations at the Raritan Arsenal, Metuchen, N. J.; Naval Ammunition Depot, Hingham, Mass.; Quartermaster Depot, Savannah, Ga.; Wilkins Air Force Base, Shelby, Ohio; Westinghouse Plant Naval Facility, Kansas City, Mo.; Fort Worth Army General Depot; Army Terminal, Oakland, Calif.; and the Auburn Army General Depot, Auburn, Wash. Construction of a new Government-owned depot annex at Albuquerque, N. Mex., was completed and the annex activated in August 1961.

The GSA depot distribution system consists of 30 facilities. Consolidation of storage facilities will be undertaken wherever possible as part of a master space, acquisition and utilization plan.

Additional self-service retail stores were approved. These stores represent savings to the Government in re-

duced paperwork, personnel, inventory investment, and storage space costs. By the end of the year, 11 stores were in operation, 7 were scheduled for an early opening in the next fiscal year, and plans and studies were begun for 10 other stores. Stores are planned for every city where GSA has a regional headquarters and in any location where high concentration of Federal activities make it an economical proposition.

To keep pace with the increased workload, GSA developed and installed an integrated order processing system in its national supply distribution network. Employing the latest automation techniques, all operations in the customer order processing cycle are completely integrated from the initial receipt of order to selection, packing, shipping, and billing. The system incorporates new and unique features to provide better customer service and more effective management control through (1) machine



preparation of combination invoice/shipping documents and warehouse selection cards, (2) automatic calculation of bin replenishment requirements, (3) summary listings of all work-in-process so that the depot manager can pre-select the following day's business based on known production standards and carrier schedules, (4) automatic preparation of bills of lading.

Other actions initiated to improve and extend GSA's supply service in-

clude: (1) An agreement with the Peace Corps for GSA to furnish storage and related services for Peace Corps material acquired for subsequent shipment to overseas consignees; (2) State Department authorization to foreign service posts to submit requisitions direct to GSA's port regions at New York, Fort Worth, and San Francisco; and (3) single uniform surcharge rates for all export services performed by GSA.

GSA-CIVIL DEFENSE DEPOTS

GSA provided PHS/DHEW and OCD/DOD with direct management and operational support in the storage, warehousing, and maintenance of medical, engineering, chemical/biological, and radiological emergency civil defense supplies and equipment.

GSA currently operates 21 depot facilities having a combined inventory

of \$117.5 million and 3.4 million gross square feet of space. Three GSA/CDM depots were activated at: Clearfield, Utah; Williamsburg, Va.; and Stockton, Calif. In the interest of economy and improved warehouse operations, four GSA/CDM depots located at: Marion, Ohio; Springfield, Mo.; San Jose, Calif.; and Yakima,

Wash., were deactivated and inventories and equipment consolidated at other Government-owned GSA/CDM depots. Other civil defense emergency materials were relocated from various military installations to GSA/CDM depots.

Arrangements were initiated to activate 33 GSA facilities involving approximately 1,750,000 gross square feet for the receipt, storage, and issue of civil defense survival supplies in support of the DOD National Fallout Shelter Program.

Components for 750 additional civil defense emergency hospitals were procured by PHS/DHEW. This material will be received, inspected, packaged, assembled, and prepositioned in the various States by GSA/CDM depots. These new hospitals will have a 30-day supply capability. Steps are being taken to increase the existing 1,930 civil defense emergency hospitals from the present 3- to 4-day capability to the new 30-day capability.

Forty mobile maintenance crews, operating from 20 GSA/CDM depots, performed onsite inspection, inventorying, maintenance, refurbishing, and servicing activities in connection with the Civil Defense Emergency Hospital Program. Approximately 500 prepositioned hospitals were substantially upgraded.

A prototype packaging and rehabilitation center was established at the GSA/CDM depot, Jeffersonville, Ind. Packaging and rehabilitation centers are planned for six other GSA/CDM depots.

Surveys were made of potential underground storage sites in the eastern sector of the United States. Subsequently, PHS/DHEW requested GSA to acquire 500,000 gross square feet of underground space in the Pennsylvania area.

There were 13,562 radiological defense monitoring kits assembled and distributed to Federal, State, and local governments for training purposes. A total of 2,762 OCD/DOD chemical warfare defense protective equipment sets were assembled and distributed to the States.

GSA responded to 13 declarations of major natural disasters by the President. Assistance was furnished to stricken areas, as directed by OEP, including supplies of cots, blankets, bedding, and miscellaneous engineering stockpile equipment in various quantities to stricken areas.

Table 8.—CIVIL DEFENSE MOBILIZATION DEPOTS OPERATED BY GSA, FISCAL YEARS 1956-62

Fiscal year	Number of depots	Inventory value (in millions)
1962.....	21	\$117.5
1961.....	22	100.8
1960.....	22	99.3
1959.....	23	99.5
1958.....	24	96.2
1957.....	21	85.0
1956.....	18	78.3

SUPPLY MANAGEMENT

Four significant Supply Management programs were emphasized in fiscal year 1962: Military Supply Support Coordination; Civil Agency Assistance; Government-wide Supply Policies, Procedures, and Training; Operations Research.

Supply Support Agreements with the Defense Supply Agency were

reached on an additional 13,300 items this year. More than 20,000 commercial-type items are now supplied to military activities. Under review by the joint DOD/GSA item reduction and catalog cleanup program are 84,000 general and industrial items. Of 56,000 items already reviewed, 33 percent will be eliminated from DOD

and GSA supply systems. Current planning with DOD will enable similar review of construction, automotive, and electronics items in the military supply system. These actions reduce the costs of inventory and storage, eliminate duplication in supply items and enable greater efficiency and economy in procurement and distribution practices.

Supply Management teams assisted Federal agencies in establishing improved supply systems to better support agency primary tasks. These teams, working with NASA and FAA, and Departments of HEW, Interior, and State, identified permanent annual savings of \$1.7 million in supply operating costs and \$13 million reduction in inventory investments.

A pilot study was conducted to determine the need for a centralized depot system for agency and standard forms. Preliminary evaluations indicated that a centralized depot system would benefit civil agencies in the management and distribution of agency and standard forms with significant savings in facilities, manpower and transportation.

Inventory Management Seminars were conducted for 23 agencies and for 14 AEC contractor representatives. These seminars promote the latest scientific techniques in inventory management. Additional seminars were scheduled for fiscal year 1963.

STANDARDIZATION

Standardization encompasses Federal Specifications, Standards, and the Federal Catalog System. Collectively, these programs lead to lower inventories, consolidated buying, improved stock turnover, effective supply control, improved utilization of assets, and higher monetary return on surplus.

In the Federal Catalog System, 63,153 items were uniformly identified by GSA for civil agencies bringing the total to 353,153. This is an increase of 36 percent. Wire transmission is

Related procurement and distribution training courses are being added for key managerial and supervisory personnel of Federal agencies to provide complete background training in management of supply systems.

Two publications particularly well received by the business community were updated for distribution to businessmen through the GSA Business Service Centers, field offices of the Department of Commerce, and the Small Business Administration. These booklets, *Guide to Specifications and Standards of the Federal Government* and *Doing Business with the Federal Government* provide the businessman with readily understood and useful information on Government procurements, including who buys what among major purchasing offices. General Services Procurement Regulations were published and codified in the Federal Register (Chapter 5, Title 41 CFR) for public information. These issuances will guide Federal agencies in preparing uniform internal procurement regulations and in their relations with the public.

An Operations Research capability was added to assure the application of scientific method to supply management in the Federal Government. The first major project scheduled for completion in fiscal year 1963 is design of an optimum distribution system for a particular commodity.

now being used to provide the required speed in processing item identification data and the assignment of stock numbers for use in civil agency supply operations.

GSA continues to provide technical assistance to civil agencies in progressively changing from multiple systems of item identification to the Federal Catalog System. Eighteen bureaus have completed the changeover and 51 others have achieved varying stages of completion. After conversion is

completed all identical items will have the same identification and stock number regardless of the using agency. In order to accelerate item identification in defense related agencies (NASA, FAA), contracts were awarded for the services of three commercial concerns specializing in this field.

Table 9.—ITEMS CATALOGUED, FISCAL YEARS 1956-62

Fiscal year	Total items
1956.....	28,200
1957.....	54,000
1958.....	53,000
1959.....	56,000
1960.....	53,000
1961.....	46,000
1962.....	63,000

Table 10.—SPECIFICATIONS AND STANDARDS, NEW—REVISED—AMENDED, FISCAL YEARS 1956-62

Fiscal year	Number of cases
1956.....	615
1957.....	649
1958.....	790
1959.....	771
1960.....	782
1961.....	876
1962.....	960

Participation with DOD to reduce the number of sizes, types, and varieties of items in the Federal agency supply systems continues. Under this program, 56,274 items have been jointly reviewed and 19,314 or one-third of the items reviewed have been recommended for discontinuance. Reconciliation between agencies of minor differences in item descriptions is increasing item commonality, thereby expanding the potential for economical supply support by GSA.

There were 335 Federal specifications and 590 revisions and amendments issued covering a wide range of commodities procured by the Federal

Government. Also, 18 standards and 17 revisions and amendments were issued limiting the range of items authorized for procurement and establishing test methods and other uniform requirements. The standards actions represent a 13 percent increase over last year. The following are examples of standards and specifications issued:

(1) Federal Standard No. 406 prescribes 76 methods for testing the mechanical, thermal, optical, chemical, electrical, physical and performance properties and characteristics of plastics. Such standards provide assurance that the level of quality required by the Government is supplied; (2) Federal Standard No. 00161 limits procurement of automobile batteries to 25 out of the 60 sizes and types available commercially. Such standards facilitate procurement, stocking, issuance, and maintenance of items in Federal agency supply systems; (3) Federal Specification PPP-C-186

establishes requirements for containers, closures, and seals used for the protection of drugs and pharmaceuticals. This specification will be referenced in many individual commodity specifications providing uniform requirements which will extend the shelf-life of packaged commodities with attendant savings; (4) Federal Specification AA-O-00200a covers a line of modern executive furniture compatible with the architectural design of contemporary office buildings. The standardization program is coordinated with all interested civil and military agencies.

Nationally recognized industry standards are used wherever applicable to assure that items procured are consistent with current manufacturing practices. In addition, the interests of small business are fully considered in the development of specifications and standards.

A total of 303 new or improved products were offered by manufacturers or vendors for sale to the Government. These products were evaluated, including laboratory testing, where appropriate, to substantiate per-

formance claims and to determine suitability for Government use. In

actual workload, this was an increase of 160 percent.

PROCUREMENT POLICY

Progress was made in expanding the Federal Procurement Regulations (FPR), which prescribe in Title 41, Public Contracts, Code of Federal Regulations, uniform policies and procedures having Government-wide applicability in the procurement of personal property and nonpersonal services, including construction. Significant regulations issued were:

1. Policies and procedures for aiding persistent or substantial labor surplus areas through placement of contracts with firms which will perform a substantial portion of the contracts in such areas.
2. Revised comprehensive policies and procedures for aiding small business concerns, including specific policies which supplement the general statement of small business policy, unilateral set-asides, small business size standards, simplified form of notice of Partial Small Business Set-Aside, determinations regarding the status of concerns as small business concerns, and the processing of certificates of competency.
3. Policies and procedures implementing the small business subcontracting program cooperatively developed by GSA, DOD, and SBA pursuant to the Small Business Act Amendments of 1961.
4. Revised Standard Form 32, General Provisions (Supply Contract), which included the new nondiscrimination in employment clause.
5. Revised requirements for publicizing proposed procurement actions in the Department of Commerce publication "Commerce Business Daily."
6. Revised policies and procedures

limiting and clarifying the use of brand name or equal purchase descriptions in the procurement of supplies.

7. Procedures regarding the use of excess personal property by agencies as the first source of supply.
 8. Authority and procedures for the administrative handling of mistakes in negotiated proposals alleged after award of contract.
- Technical assistance was provided Federal agencies regarding the codification and publication in Title 41, CFR, of their purchasing and contracting regulations, which implement or supplement the FPR, in order to unify and strengthen the procurement system of the Government.

Social and economic factors continued to have an increasing impact on Government procurement. Consequently, considerable efforts were directed to the programs of the President's Committee on Equal Employment Opportunity, the President's Commission on Equal Status of Women, the White House Committee on Small Business, and the Secretary of Labor's Committee studying labor management relations problems and Government procurement.

Regulations being prepared to be included in the FPR are: Uniform contract clause, with applicable regulations and procedures; for providing termination for the convenience of the Government; revised cost principles to bring about complete uniformity in their use by all Government agencies; procedures for inspection and acceptance under contracts for supplies and services, excluding construction; and revised synopsis reporting requirements to provide for the publication of proposed procurement actions in the *Commerce Business Daily* by categories of items.

Part 5. Transportation, Telecommunications, and Other Utilities

General Services Administration provides specialized services for improving the management of transportation, communications, and utility services to all Government civilian agencies; protecting the Government's interest in proceedings before Federal and State regulatory bodies; and planning and operating an integrated civilian agency telecommunications system, encompassing national defense uses, compatible with Defense Department networks.

Arrangements and contracts are effected for the timely and economical movement of Government cargo and personnel via all modes of transportation. Motor fleet management assistance is furnished to Federal agencies; and Interagency Motor Equipment Advisory Committees are sponsored in major cities or areas to further a closer relationship between fleet operators, manufacturers, and service and maintenance experts. The establishment and operation of interagency motor pools provide

Federal agencies with passenger-carrying and general purpose motor vehicle services on a reimbursable basis. Pools are located throughout the continental United States, Puerto Rico, and Hawaii, in 66 cities having high Government vehicle density. Additional pools are being established in cities or areas where economies can be effected.

Contracts are negotiated for electricity, gas, water, sewage, steam, and telecommunications services for Federal agencies, often on a long-term basis and for area-wide application.

Legal representation, technical advice, and expert testimony are furnished on behalf of the Government as a user or consumer in proceedings before regulatory bodies involving transportation, public utilities, and telecommunications rates and services. Communications proceedings include cases involving the semiautomatic ground environment (SAGE) system on behalf of the Department of the Air Force.

TRANSPORTATION

The agency assistance program, which was established in fiscal year 1960, was extended in fiscal year 1962 to 16 agencies, adding the following to those with central offices in Washington, D.C.: Agency for International Development; Department of Justice; Department of State; Department of Labor; Post Office Depart-

ment; and National Aeronautics and Space Administration.

Under this program, GSA traffic management specialists are assigned as liaison representatives to assist civilian executive agencies in economically expediting their transportation operations and in the solution of major traffic management problems. In the

regions, GSA regional staff specialists made over 1,450 visits during the year to various civilian agency field installations to render varying types of transportation and traffic management assistance. Through such assistance efforts, agencies having insufficient transportation personnel may benefit from the traffic management facilities of GSA.

Specific assistance has been rendered to civilian agencies on the use of more economical shipping services, freight classification descriptions, freight rate routing and transit time guides, and transportation terms and conditions involving procurement actions. Such assistance included the publication of a pamphlet, *Shipping Your Household Goods*, for use by civilian executive agencies. This pamphlet provides civilian agency employees and their families a handy reference guide when employees' household goods and personal effects are shipped at Government expense. Demand for copies of this pamphlet exceeded 14,500.

During the year, GSA assumed responsibility for the development and promulgation of the Commuted Rate System previously published in Bureau of the Budget Circular No. A-37. This system prescribes the allowance (reimbursement) for civilian employees for the shipment of household goods and personal effects when moving as individuals, for the convenience of the Government, in those instances where the criteria for mass movement are not met.

GSA assisted the Bureau of the Budget in developing regulations covering the shipment of employees' household goods and Government property on Government bills of lading when agencies or offices are relocated. Since the total combined weight of household goods or office equipment and supplies is an important factor in the negotiation of economical rates and charges, the criteria for the

shipment of household goods and Government property on Government bills of lading have been included in the regulations. When the total weight does not meet the criteria, the shipments are made by the employees and are subject to reimbursement under the Commuted Rate System.

GSA conducted a total of 69 seminars attended by 1,281 employees of various civilian agency offices located throughout the country. These seminars, designed to provide agency personnel with a working knowledge of transportation management problems, covered a wide variety of traffic subjects, such as proper preparation of Government bills of lading, elimination of common shipping faults, and efficient selection of carriers and routes.

Automatic preparation of Government bills of lading became effective in all 10 GSA regional offices by the end of the year. In lieu of manual methods, GBL's are prepared automatically, utilizing IBM 1401 or 1410 computer systems. Machine preparation permits the automatic consolidation of shipments to each consignee. All consignments are programed into the machine with applicable carrier routes in order to provide automated routing. In addition to greater consolidation of shipments and elimination of clerical man-hours required for manual preparation, other advantages are: (1) reduction of the number of GBL's required; (2) lower freight rates on increased volume; (3) reduction of terminal delay by loading vehicles in discharge sequence; (4) increased utilization of warehouse assembly-area space; and (5) compilation of traffic management data which can be used to establish more economical transportation rates and services.

Working groups of the GSA Inter-agency Transportation and Traffic Management Committee were formed to consider specific agency problems. Areas considered were the develop-

ment of a standard Government claims procedure and the development of a simplified freight rate system for Government shipments.

Major effort was directed to advise and counsel procurement officers relative to the consideration of transportation cost factors as related to overall procurement costs. As a result, procurement officers now insert transportation costs and delivery charges into the program planning stage or at the beginning of the procurement cycle. This has effected significant reductions in the cost of transportation and delivery of freight by providing procurement officers with a selection of transport routings, rates, and modes prior to final procurement action, thus permitting the comparison, evaluation, and selection of the most economical mode and route consistent with other elements that may affect overall costs.

Transportation factors are receiving greater consideration in the construction, purchase, or leasing of warehouses for the storage and distribution of Government property. A joint GSA-VA study was initiated to determine appropriate locations for the storage and distribution of nonperishable items on a nationwide basis. Another study was initiated to determine the most economical distribution points for Government forms.

GSA appeared before congressional committees on behalf of legislation to implement the President's Message on Transportation, particularly emphasizing the simplified rate sections therein. Enactment will permit the programing of rates into automatic data processing equipment, thereby reducing the many man-hours now spent in determining the rates at which Government shipments should move.

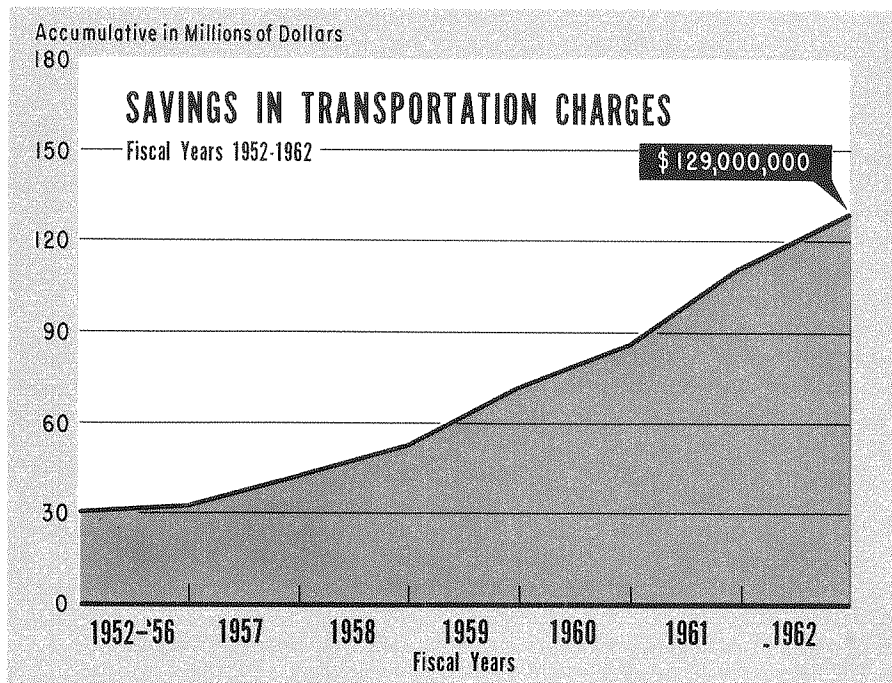
Responsibility has been assumed for the traffic management of all GSA-procured supplies destined for Department of State foreign service offices and Peace Corps' overseas posts.

An agency assistance program to provide advice and guidance to Federal agencies regarding management of passenger traffic was initiated early in 1962. Presently under study is the establishment of a central railroad reservation bureau for official Government travel. Also being considered are the development of a standard-operating-procedure manual for Government travel sections, feasibility study of a bulk-ticket purchase plan, and development of a system for obtaining data and statistics on civilian Government travel requirements.

The extent of customer agencies' reliance upon this service for transportation and traffic management guidance and assistance is evidenced by the

Table 11.—ESTIMATED REDUCTIONS IN TRANSPORTATION CHARGES (ECONOMIES) BY CATEGORY, FISCAL YEAR 1962

Category	Amount	Percent
Freight rates or charges.....	\$15,041,830	88.7
Transit arrangements.....	327,028	1.9
Accessorial service charge.....	119,197	.7
Consolidation of small lots.....	408,267	2.4
Direct-to-consumer deliveries.....	225,702	1.3
Improved shipping patterns and methods, and modes of transportation.....	800,012	4.8
Miscellaneous.....	29,698	.2
Total.....	\$16,951,734	100.0



many areas in which assistance was requested. A 10-year pattern of economies effected by this service provides an indication that changing carrier

capabilities and agencies' needs require constant attention to ensure maximum benefits from every taxpayer's dollar spent for Government transportation.

MOTOR EQUIPMENT

Management

Motor equipment management assistance was provided to Federal agencies to improve the overall efficiency and economy of the operation and management of the motor vehicle fleet. Onsite motor equipment management studies were completed in fiscal year 1962 for the Internal Revenue Service and the District of Columbia Government. The studies included examination and evaluation of maintenance practices, methods of operation, cost and record-keeping systems, and the assignment and utilization of vehicles. Assistance was provided the National Aeronautics and

Space Administration for the development of motor vehicle management policies designed to promote economical fleet operations.

With the cooperation of industry representatives, GSA sponsored Interagency Motor Equipment Management conferences at Atlanta, Ga.; Dallas, Tex.; Chicago, Ill.; Columbus, Ohio; Huron, S. Dak.; Oklahoma City, Okla.; Denver, Colo.; Salt Lake City, Utah; Albuquerque, N. Mex.; Reno-Carson City, Nev.; Portland, Oreg.; Billings, Mont.; Omaha, Nebr.; St. Louis, Mo.; St. Paul, Minn.; and Sacramento, Calif. These meetings were held for the purpose of exchanging information on fleet management

problems and methods and practices of industry and Government. Application of the information obtained at these meetings will improve the management and operation of the Federal fleet. Increasing interest in the free exchange of motor fleet management information between Government and industry has resulted in GSA sponsoring the establishment of six new Interagency Motor Equipment Advisory Committees, bringing the total active committees throughout the country to 21.

To promote Government-wide motor vehicle safety programs and to improve motor fleet management methods and procedures, GSA issued three publications: *The Driver; Guide for the Selection of Motor Vehicles*; and *Chassis Lubrication of Certain Government Motor Vehicles*. A total of 125,000 copies of "The Driver", a booklet primarily concerned with the principles of safe driving and traffic safety, were distributed to Federal agencies in 1962. Requests for 250,000 copies of the 1963 edition of this publication have been received from various Federal agencies, including the Department of Defense.

Operations—Motor Equipment

During fiscal year 1962, 6 pools and 3,350 vehicles were added to the interagency motor pool system resulting in an increase in workload (miles traveled) of 12 percent. In addition to the normal expansion, service was extended on a nationwide basis to three agencies which had not previously participated in the system.

Despite increased labor costs and gasoline prices, a savings of \$223,000 was generated over comparative costs for fiscal year 1961. When compared with adjusted agencies' costs prior to pooling, the motor pools effected a savings of 3.3 cents per mile traveled or a total savings of \$8,200,000 to the Federal Government in fiscal year 1962. To further reduce operating costs, a simplified and more efficient preventive maintenance program has been formulated for use early in fiscal year 1963.

Improved vehicle utilization is accomplishing the present travel with 5,556 fewer vehicles than would be required by the several agencies without pooling.

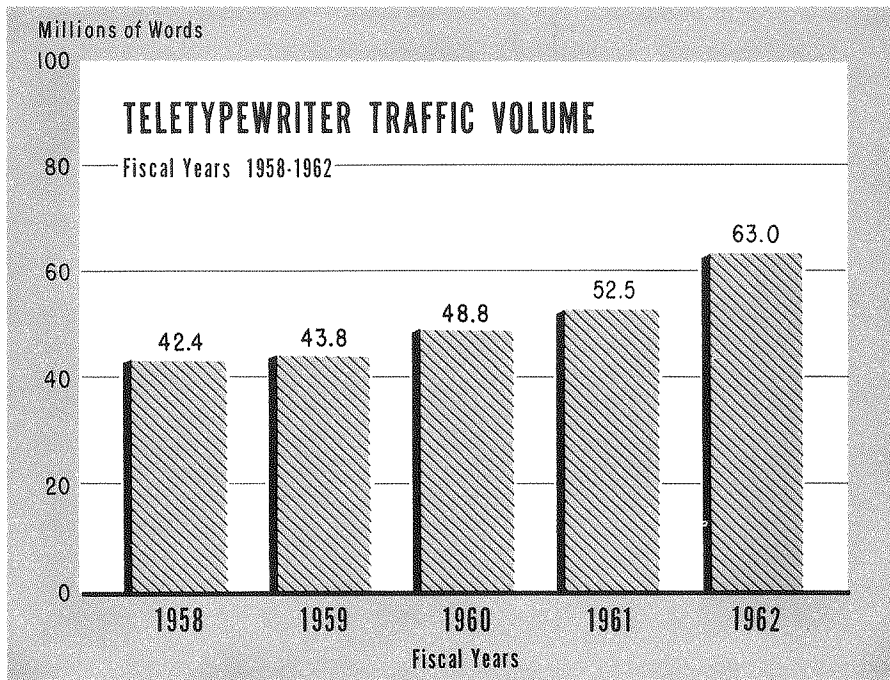
Table 12.—INTERAGENCY MOTOR POOL SYSTEMS, FISCAL YEARS 1956-62

Fiscal year	Number of pools established (cumulative)	Number of vehicles in pools	Total miles traveled	Miles per vehicle year (average)	Cost per mile
1962.....	66	24,359	249,570,964	11,684	\$0.076
1961.....	60	21,009	222,952,981	11,844	.077
1960.....	56	18,115	171,487,918	11,691	.075
1959.....	44	13,847	131,378,518	11,266	.074
1958.....	33	10,865	87,943,026	10,948	.077
1957.....	22	6,531	40,272,389	9,519	.081
1956.....	12	1,926	11,298,863	7,907	.117

TELECOMMUNICATIONS

Telecommunications service for the Federal civil agencies is provided by GSA through the Federal Telecommunications System established in Oc-

tober 1961. The objective of FTS is to provide a unified system of day-to-day and emergency communications services for all Federal civilian agen-



cies, compatible with military systems. The scope of the system encompasses all civilian agency telecommunications system planning, engineering, management, and operation of facilities and services. Telephone, teletypewriter, data transmission, facsimile, and all forms of communications services necessary for Federal civilian agencies will be provided largely through utilization of the facilities of common carriers. Centralized procurement of facilities and consolidation of services are prime considerations in realizing requirements of the system.

Teletypewriter facilities of the FTS handled 63.0 million words during fiscal year 1962. This represents a 20 percent increase over the volume handled in fiscal year 1961. The cost of this service was \$3.4 million. Comparable commercial service would have cost \$5.2 million, an annual savings of \$1.8 million.

Direct distance telephone dialing service was established for Federal agency users in Washington, Boston,

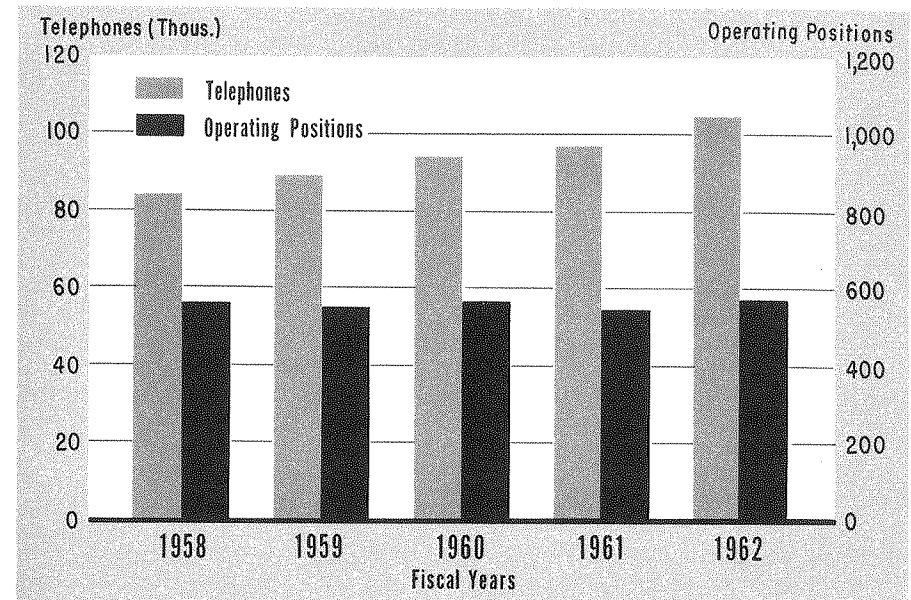
New York, Philadelphia, and Chicago. This service has reduced operator duties and actions in placing long distance calls by 66 percent. Operator-dialed, station-to-station service was placed into effect for users of the Washington, D.C., Intercity Exchange. This service has increased the number of calls handled from 2,000 to 4,000 per day without an increase in operating personnel.

By consolidating 142 switchboards in 85 cities, GSA is now providing service to 105,435 main and extension lines, an increase of 9 percent over fiscal year 1961, with 568 operating positions, an increase of 3½ percent over fiscal year 1961.

Centrex services, the latest innovation in mechanized switchboard service, is being furnished to Federal agencies as facilities become available. The first application of this service in the executive branch of the Federal Government was at Indianapolis, in March 1962, where two conventional dial switchboards were replaced. Use

TELEPHONES SERVED/NUMBER OF OPERATING POSITIONS

Fiscal Years 1958-1962



of this service results not only in improved service to customer agencies, but in a reduction of approximately \$5,000 annually in service costs per facility.

A circuit switching network has been designed which will provide greater flexibility of service in the various means of communications made available by the FTS. This network will provide ready access to more locations where Government business is transacted. The order to implement the first phase of this network, affecting Federal agencies in 42 cities, has been placed with the common carrier.

A store and forward program has been activated to plan and implement a nationwide record communications circuit network to secure greater economies in circuit usage. Studies of existing Federal civil agency teletypewriter requirements and traffic have indicated that the network will include approximately 1,600 terminations in 400 cities. Equipment requirements have been prepared; equipment proposals from approximately 40 com-

panies reviewed; and preliminary engineering has been completed. Surveys of available buildings across the country are being made to determine adequacy for use as switching centers.

Fiscal studies are being conducted to determine operation costs, revenue, service costs to customers, and to estimate savings over present methods of operation. Substantial savings should accrue to the Government when all Federal civil agencies are utilizing the store and forward system network.

A circuit management program was initiated to obtain major rate reductions through centralized procurement at bulk rates of leased intercity trunklines for all civil agencies. Estimated savings to the Government, through full application of this technique, exceed \$7 million annually for civilian agencies.

A communications equipment and inventory control program was initiated to establish the current status of all civil agency communications equipment, both leased and acquired, as a

supporting factor in the centralized procurement effort.

Concurrent programs for the study of agency communications rates and

tariffs, communications security, consulting services, and the development of emergency communications are proceeding.

PUBLIC UTILITIES

The public utilities management program in fiscal year 1962, continued to emphasize Government-wide technical advice and assistance to Federal agencies in their procurement and utilization of electric, gas, steam, water, and sewage services.

Continuing reviews of the policies and practices in the procurement and utilization of utilities services were made. As a result of these reviews, an Interagency Utilities Committee was formally organized by GSA to provide a Government-wide forum for the exchange of information and ideas for the solution of common utility problems and to recommend areas where uniform and coordinated policies and procedures should be adopted or formulated.

One area-wide utility contract was negotiated and three more are in the negotiation stage. GSA expects to continue and expand the use of area-wide contracts wherever they will be in the best interests of the Government. Of the cities with a population of

100,000 or more, GSA has electric contracts in 35, gas contracts in 24, steam contracts in 10, and water contracts in 4.

Seven long-term or special-purpose utilities contracts were negotiated on behalf of various Government agencies.

GSA furnished technical advice and assistance on request by Government agencies in their procurement and utilization of utility services under individual contracts.

GSA participated, as a user or consumer of service, in five new major public cases in fiscal year 1962, involving electric and gas rates. As of the end of the fiscal year, there were nine public utility rate cases pending.

A GSA circular was reissued to heads of Federal agencies advising of the availability of public utility schedules for use in electric, gas, steam, water, telephone, and teletypewriter services. Manpower will be conserved through eliminating the need for each agency to contract for such services.

Part 6. Federal Records

General Services Administration is continuing its program for improving current records management and paperwork practices in Federal agencies and for selecting, preserving, and making available to the Government and the public the permanently valuable noncurrent records of the Federal Government. Significant steps are

also being taken in connection with other Federal records activities, which include administration of historical materials in Presidential libraries and the publication of laws, constitutional amendments, Presidential documents, and administrative regulations having general applicability and legal effect.

RECORDS MANAGEMENT ASSISTANCE

The Federal Records Act of 1950 prescribes that each Federal agency shall have an active, continuing records management program and that GSA shall have certain responsibilities for records management throughout the Government. In meeting these responsibilities GSA furnishes agencies with records management and paperwork standards, conducts workshops to promote the use of economical techniques, and recommends and installs improved procedures in individual agencies.

Agency Surveys

The largest effort goes into collaborating with agencies, at their request, in studying specific paperwork problems. GSA analysts help agency staffs in developing improved procedures and in putting them into operation. Records management analysts in the central office engaged in 25 surveys during the year, 10 of which were completed, while the regional analysts worked on 67 surveys, 34 of which were completed.

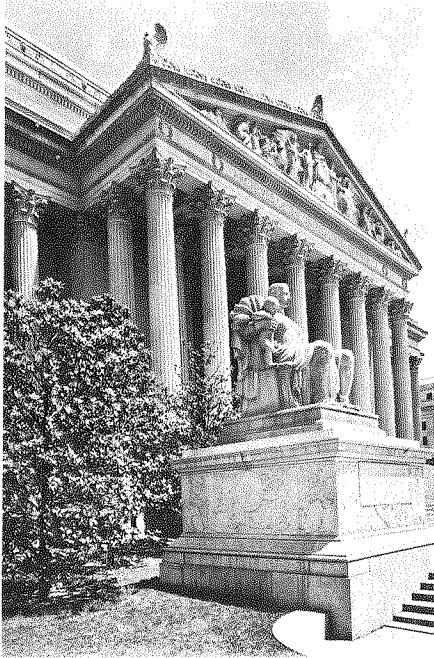
A department-wide evaluation of paperwork in the Department of Com-

merce was completed, and recommendations for long and short range improvements were made. In the Bureau of the Census, a follow-up survey covered recordkeeping and correspondence.

Considerable attention was given to the needs of the regulatory agencies. Simplified paperwork methods were installed in the Interstate Commerce Commission, chiefly in mail handling, recordkeeping, correspondence, and retrieval of data relating to waybills and other papers. Methods for automating inspection paperwork at district offices were developed in cooperation with the Food and Drug Administration and are now being installed.

Following a survey of mail and messenger services for the Federal Trade Commission, a more comprehensive review has been undertaken of the Commission's docketing, case control, and case reporting methods.

The international area also received attention during the year. Surveys for the Department of State largely grew out of assistance given in the previous fiscal year. One survey developed automated procedures for



National Archives Building, View From Constitution Avenue.

making, controlling, and reporting assignments of personnel to overseas posts, thereby eliminating delays and much clerical effort. Another study, covering the mail system, resulted in proposals for drastically reducing the time required to deliver mail. Survey assistance was given to the Agency for International Development in record-keeping, personnel processing, and internal regulations. Technical advice in drafting proposals for simplifying international shipping paperwork was provided to agencies comprising the Water Transportation Facilitation Committee. These proposals were presented at meetings of the Economic Commission for Europe, the Intergovernmental Maritime Consultative Organization, and the Organization of American States.

Outside the executive branch, assistance was given to Congress and the United States courts. A special study of mail control and related paperwork

was made for the House Select Committee on Small Business, and eight senatorial offices were given assistance in filing systems and record disposition. For the courts, recommendations were made to simplify paperwork connected with bankruptcy proceedings and probation activities.

Standards and Training

GSA moved into several new areas in the development of paperwork standards and their dissemination through publication and training. By agreement with the Bureau of the Budget it assumed the responsibility for stationery specifications and use, and for paper conservation heretofore exercised by the Bureau. Also at the Bureau's request, GSA directed a project to develop more Government-wide standard forms and forms for optional use. Five such forms were issued in fiscal year 1962 and four more were prepared for release.

In another area, source data automation, two publications were prepared, one describing source data equipment now on the market, and the other showing through 50 case studies how data can be put into machine language and processed at lower cost than if done manually. These publications and other training materials were incorporated into the source data automation workshop, which was instituted in Washington and will be extended to the regions in 1963.

GSA paperwork management workshops on such techniques as forms analysis and design, directives management, records disposal, source data automation, and records management are now available to Federal agencies on a nationwide basis. GSA conducted 542 such workshops during fiscal year 1962, with a total attendance of 12,571. An even larger number of participants were reached by workshops conducted by the agencies themselves, using GSA materials.

RECORDS CENTERS

GSA operated 14 regional records centers and 2 national personnel records centers for the low-cost storage, processing, and servicing of noncurrent records. The combined holdings of these centers increased by about 215,000 cubic feet to a total of 6,949,500 cubic feet on June 30, 1962, an alltime high.

The regional records centers alone received 740,800 cubic feet of records, while disposing of 537,400 cubic feet. In addition to the usual annual transfers from nearly every Federal agency, the centers received larger transfers of redeemed bonds from the Bureau of the Public Debt and files from the General Accounting Office, which vacated 150,000 square feet of space near Washington urgently needed by the Defense Supply Agency. Also received were the first large transfers of magnetic tapes, a form of record being used increasingly for keeping data, and non-current files for a number of Members of Congress.

Since their establishment in 1950, the regional centers have taken in nearly 9 million cubic feet of records, which they have constantly reviewed for disposable material. As a result, records in the centers for which no disposal authority exists have been reduced from 18 percent to 4 percent. Counting the 1962 disposals, the centers have disposed of 3.5 million cubic feet since 1950. Thus the Government now retains only 61 percent of all records that have been transferred to the centers.

Records transferred to the centers are noncurrent but by no means inactive. The regional centers handled 3,110,400 inquiries for information and records in fiscal year 1962, chiefly from Federal agencies, and the national centers another 1,763,800, mostly from the Veterans Administration and the veterans themselves. Over 3,800,000 documents or folders were received and interfiled by the National Centers.

One of the advantages to the Government made possible by the regional



Interior View of a Federal Records Center.

centers is the clearing of space and equipment for reuse. During the year, 286,900 square feet of office space, plus 246,900 square feet of storage space, were cleared. Transfers of records to the centers likewise cleared 48,700 file cabinets, 8,600 transfer cases, and 611,200 linear feet of shelving.

Center personnel are increasingly called upon by Federal agencies to help with records transfer and disposal

ARCHIVES AND PRESIDENTIAL LIBRARIES

In spite of the disposal of 7,896 cubic feet of records in the National Archives judged not to be worthy of further retention, its holdings, continued to grow. At the end of the year they reached an alltime high of 914,102 cubic feet.

How to provide suitable housing for all of these valuable records is a major problem. The National Archives Building, which provides humidity and temperature controls and security against fire and theft as well as adequate facilities for using records, houses about 795,000 cubic feet of records and is filled nearly to capacity. The permanently valuable records created by the Armed Forces and the Defense Department during World War II and the Korean War, amounting to nearly 120,000 cubic feet, are kept in inadequate and unsafe space in a warehouse in Alexandria, Va. In addition, 180,000 cubic feet of permanently valuable nonmilitary records in the custody of the National Archives and Records Service are housed in inadequate warehouse space awaiting transfer to the National Archives. These records are subject to almost certain deterioration if they are kept for long without proper temperature and humidity controls.

The use of microfilming on a large scale to reduce the bulk of permanently valuable records could supply a partial remedy, but additional space

problems. An outstanding example this year was a "housecleaning" undertaken by the Post Office Department. The results of this nationwide campaign were 65,500 cubic feet of records destroyed, 3,100 cubic feet transferred to centers, 32,000 square feet of space cleared, and 1,400 file cabinets emptied. Similar campaigns were carried out in the Department of Labor and the Interstate Commerce Commission.

for the proper housing of historically valuable records is necessary.

Through the systematic appraisal of records in Federal agencies GSA is trying to identify the minimum core of records now being created that will deserve permanent preservation in the National Archives. The following steps are being taken: Simplifying procedures for handling requests from Federal agencies for records disposal authorizations; developing retention plans in which permanently valuable records are identified in functional terms; preparing analyses and evaluations of particular classes of records; and auditing records disposition programs of Federal agencies.

Among the 11,555 cubic feet of records transferred to the National Archives were the records of two international bodies concerned with the surrender and occupation of Japan: the Far Eastern Commission, 1945-51, and the Allied Council for Japan, 1946-52. Other accessions include the general correspondence of the Interstate Commerce Commission, 1887-1906, and of the Office of the Secretary of the Interior, 1937-53; about 42,000 plats of mineral surveys made by or under the direction of the Surveyors General, 1872-1908; and more than 450,000 photographs made or collected by the Navy Photographic Center relating to the Navy chiefly during the years 1920-45.

About 17,000 rolls of aerial survey film made for the Agricultural Adjustment Administration, 1935-42, to provide information on its commodity programs, were threatened with destruction because the film was on a nitrate base. Leading geographers urged that the film should be preserved because it provided an irreplaceable record of physical features and land use for most of the agricultural areas of the country at the time it was made. The National Archives consequently accessioned the film and made plans to copy it on stable acetate film.

The long-range program started in 1956 to preserve the informational content of records in the National Archives by microfilming them advanced to a new high this year when 2,167,000 sheets were microfilmed as compared with 1,815,000 sheets in 1961. Not all records are suitable for microfilming, however, and the more expensive process of laminating is used when appropriate. About 114,000 sheets were laminated, as compared with 100,000 in 1961, and about 859,000 sheets were flattened, as compared with 886,000 in 1961. Since the start of the program in 1956 more than 14 million sheets have been preserved through flattening, lamination, and microfilming.

The total number of reference services on records increased slightly. The table gives a breakdown of reference services in 1961 and 1962. Sales of microfilm publications, which are series of documents of a high research value published on microfilm, increased by 49 percent.

The first inter-American seminar on archival problems, sponsored by the National Archives in cooperation with the Rockefeller Foundation, the Pan American Union, and the Department of State, was held in Washington from October 9 to 27, 1961. The seminar, attended by 42 leading archivists from 18 Latin American countries, provided the archivists with an opportunity to discuss their professional prob-

lems and to exchange information on archival principles and techniques used in the United States and in Latin American countries. The archivists developed standards on such phases of their work as the preservation, arrangement, and description of archives; microfilming; the publication of documents; and the training of archivists.

Table 13.—REFERENCE AND MICROFILM PUBLICATION SERVICES, FISCAL YEARS 1961-62

[In thousands]

Services	1962	1961
Record units furnished....	427.1	411.6
Answers to written requests.....	52.1	48.7
Answers to oral requests....	39.3	38.9
Microfilm publication rolls sold.....	27.9	18.8

Among the publications issued during the year were the first volume of the *Guide to Materials on Latin America in the National Archives*, and the final Florida volume (vol. XXVI) of the *Territorial Papers of the United States*. *The Guide to Federal Archives Relating to the Civil War* was in press at the end of the year.

President Kennedy opened an exhibit at the National Archives on June 27, 1962, of U.S. Navy prints and watercolors collected by Franklin D. Roosevelt. Entitled "The Old Navy, 1776-1860," the exhibit consists of 88 items selected from the former President's large naval collection in the Roosevelt Library at Hyde Park, N.Y. An illustrated catalog of the exhibit was issued. After the exhibit has been on display for 6 months, the Traveling Exhibition Service of the Smithsonian Institution will circulate it for a year among other institutions throughout the country.

The Civil War exhibit, installed in 1961, continued to attract large numbers of visitors. The exhibit, probably

the largest Civil War exhibit in the United States, won an award from the Civil War Centennial Commission, which called it a "distinguished and extraordinary contribution to the observance of the 100th anniversary of the Civil War."

The documents on permanent display in the Exhibition Hall—the Declaration of Independence, the Constitution, and the Bill of Rights—came more and more to be a center of interest for school children and other visitors to Washington. For the first time in its history more than a million people visited the Exhibition Hall during the year.

Presidential Libraries

President Kennedy announced plans in November 1961 for a library for the deposit of his papers and other materials relating to his administration. The library, to be established in accordance with the Federal Records Act of 1950, as amended, will be at Cambridge, Mass. It will be operated as a Presidential library by GSA, in close association with Harvard University and in cooperation with other institutions in the area.

A small staff was appointed for the Herbert Hoover Library at West Branch, Iowa, and papers of former President Hoover were moved to the library. At the end of the year arrangements were being made for the transfer of the building and grounds from the Herbert Hoover Birthplace Foundation, Inc., to the Government and for the dedication of the library.

While the Eisenhower Presidential Library Commission, an agency of the State of Kansas, completed the building for the Eisenhower Library and landscaped the grounds, the staff of the library continued to process the papers and other historical materials

received from General Eisenhower. The library was dedicated on May 1, 1962. During the remaining 2 months of the year more than 30,000 people visited its exhibit areas. Steps were taken to encourage officials of the Eisenhower administration to give their papers to the library.

Among gifts received by the Franklin D. Roosevelt Library were the papers on Nathan Straus, U.S. Housing Administrator, 1937-42, and of William H. McReynolds, White House liaison officer for personnel management, 1939-46; papers relating to the legal affairs of the Roosevelt family, 1921-51, from the late Henry Hackett, for many years lawyer for the family; and a collection of over 3,000 books and pamphlets of Rooseveltiana from Mrs. Jerome K. Wilcox. Twenty books published during the year were based in part on research done in the library. Almost 140,000 persons visited the museum. A humidity and temperature control system was installed to protect the library's holdings.

The Harry S. Truman Library received as gifts papers of Federal officials who had served in the Truman administration, including Raymond Foley, Herschel V. Johnson, Fred J. Lawton, Charles S. Murphy, Dillon S. Myer, Sumner Pike, John W. Snyder, and Mon C. Wallgren. It also received the papers of Tom L. Evans and N. T. Veatch, both associated with Mr. Truman in Kansas City. The Harry S. Truman Library Institute awarded seven grants-in-aid for study at the library. As part of the oral history program, also sponsored by the Institute, interviews were held with persons familiar with the local political background of Mr. Truman's national career. About 150,000 persons visited the museum of the library.

FEDERAL REGISTER AND OTHER PUBLICATION ACTIVITY

The Office of the Federal Register continued to make improvements in its publications and in the quality of Federal regulations generally. Expanded use of photographic techniques has speeded up printing and increased accuracy. It has also lowered costs, thereby enabling the Superintendent of Documents to cut the subscription service rate on the *Code of Federal Regulations* by 10 percent. Government-wide instruction programs have helped agencies to produce better public rules and orders. Specific guidance given to many agencies led to the installation of reprinting methods that both saved money and gave the public faster service. Improved find-

ing aids such as the cumulative tables of laws affected by acts passed in 1956-60 have made Federal Register publications easier to use.

In addition, changes in format have improved the appearance of the *Government Organization Manual* and the Truman and Kennedy volumes of the *Public Papers of the Presidents*. The 1945 Truman volume and the first Kennedy volume were published during the year.

These improvements account in part for the sharp rise in public sales of Federal Register publications shown in the table. Tens of thousands of additional copies were ordered by Government agencies for their own use.

Table 14.—SALES OF PRINCIPAL FEDERAL REGISTER PUBLICATIONS, FISCAL YEARS 1961-62

Publication	1962	1961	Percent of increase
Daily Federal Register	\$105, 496	\$100, 693	5
Code of Federal Regulations	151, 127	128, 369	18
U.S. Government Organization Manual	56, 753	39, 756	43
Slip laws	5, 700	4, 512	26
U.S. Statutes at Large	8, 183	3, 109	163
Public Papers of the Presidents	16, 546	7, 091	133
Guide to Record Retention Requirements	2, 739	1, 219	124
Total sales	\$346, 544	\$284, 749	22

National Historical Publications Commission

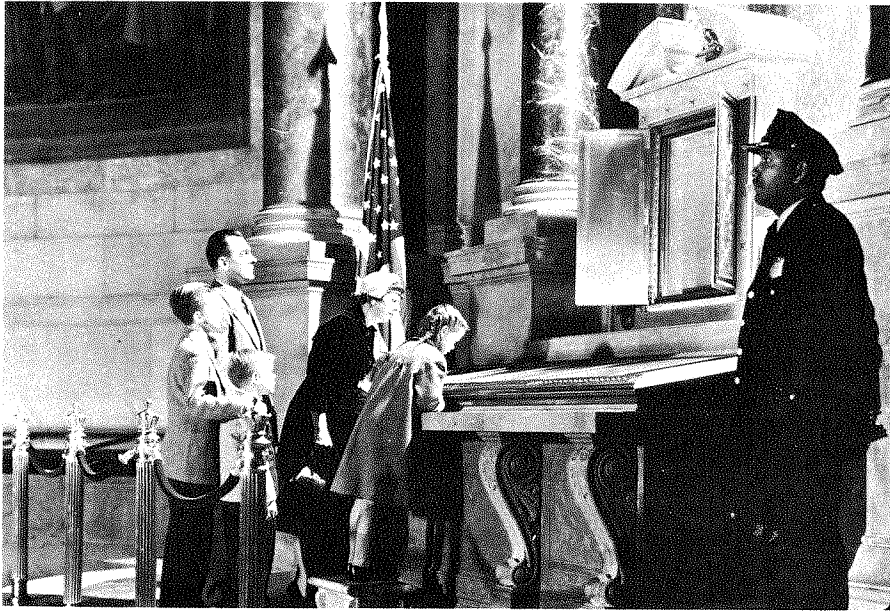
Documentary historical publication enterprises which the Commission has encouraged and assisted published a number of important volumes this year, notably two additional volumes of *The Papers of Benjamin Franklin*, the first four volumes of *The Papers of Alexander Hamilton*, the first two volumes of *The Papers of James Madison*, and *The Diary and Autobiography of John Adams* (4 volumes). President Kennedy spoke briefly but memorably at

a luncheon in Washington celebrating the appearance of the *Diary* as the first of the Adams Family Papers, intended ultimately to comprise 80 to 100 volumes. At its March 6, 1962 meeting, the Commission endorsed a plan for editing and publishing the papers of John Marshall.

Another volume of the annual bibliography, *Writings in American History*, was published, two others are in press, and copy for a third was compiled. The *Guide to Archives and Manuscripts in the United States*, compiled by the Commission and published

last year, was named by the American Library Association one of the outstanding reference books of 1961. Substantial progress was made on the documentary history of the Constitu-

tion and First Ten Amendments and on the papers of Henry Laurens, two documentary publication projects being carried out under the immediate sponsorship of the Commission.



SHRINE OF LIBERTY.—GSA offers Americans chance to see the charters of freedom at the National Archives Building. Every possible scientific and human safeguard assures the preservation of the three great documents of the Nation's birth—Declaration of Independence, Constitution, and Bill of Rights.

Part 7. Finance and Administration

Central coordination of the financial, administrative management, and manpower activities of General Services Administration was provided through the establishment of the Office of Finance and Administration. The establishment of this Office also provided for a coordinated approach to the continuous improvement of GSA program planning and evaluation through formulation of GSA-wide policies for planning, establishment of program objectives, development of annual program goals, and the evaluation of performance against program plans.

Financial Management

The existing GSA financial management system has achieved the basic objectives of the Joint Financial Management Improvement Program and related laws pertaining to accounting and budgetary practices in the Federal Government. Accordingly, GSA's efforts continue to be directed toward further refinement and improvement of operating procedures with particular emphasis on automation.

During fiscal year 1962, the accounting and reports activities were merged into one organization to provide an integrated and more responsive approach to the data requirements of GSA's program managers. Realignment of the budget, accounting and reports, and audit organizations on an operating program basis now provides each program manager with specialized financial management assistance tailored to his specific area of responsibility. A nationwide program was

initiated to provide timely reports of a financial and operating nature which would enable program managers to compare performance against program plans, continuously evaluate program progress, and make needed day-to-day decisions.

A Government-wide study into motor vehicle cost and operations data was initiated to determine what type of data should be reported to management in order to improve the economy of the Federal fleet. Preliminary conclusions indicate substantial savings if motor vehicles could be systematically replaced at age of optimum economic return.

Many refinements were made in GSA's accounting and reporting systems resulting in tangible savings of approximately \$50,000. These included: streamlining procedures in connection with examination of vouchers; revising procedures for taking of physical inventories; improving budgetary accounting and reporting processes; and simplifying small purchase requirements by authorizing receipted invoices in lieu of purchase order method.

The audit organization was realigned to provide emphasis to management audits in operating program areas. This is in line with the expanded GSA audit program which provides for progressive extension of the audit service from emphasis on financial management activities to include appraisal and review of other GSA operations. During the year, internal audits were completed resulting in over 130 major recommendations. Audit of GSA contractors'

operations resulted in potential savings of over \$1 million.

In the financial analysis program, including insurance, a complete review of GSA's insurance requirements of contractors resulted in elimination of requirements no longer necessary to protect the Government's interest, elimination of GSA's servicing of unneeded policies, and improved contractual relations. The working capital position of the General Supply Fund was substantially strengthened by an agreement with the Department of Defense which now requires all military installations to pay their supply bills to GSA within 30 days of billing.

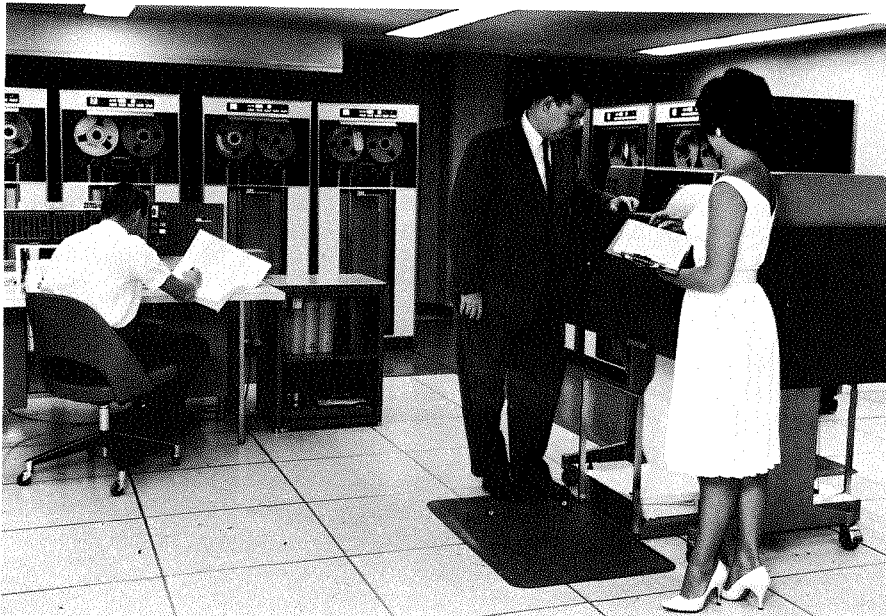
Management Services

Included in this organizational component are the automatic data processing, office services, compliance, and systems and procedures services of the agency.

In the automatic data processing program, compatible equipment was

installed in each of the 10 regional offices thereby permitting standardization of systems and programs. A standard GSA-wide FSS Stores Order Processing and Related Accounting System was successfully converted to the new computers. The uniform issue priority system and the Military Standard Requisitioning and Issue Procedure (MILSTRIP) of the Department of Defense were installed. Operation of this system will place GSA in a more responsive position to serve its largest customer, DOD. Furthermore, the internal advantages of a nationwide uniform requisitioning and issuing system are substantial. Many days of the overall supply distribution system complex pipelines are expected to be eliminated with resultant economies.

GSA, along with the Bureau of the Budget, is exploring various aspects of automatic data processing activities in Government with the objective of achieving better utilization of equipment, personnel, and know-how.



Nerve Center of GSA's Washington Automatic Data Processing System.

Significant features of this joint effort include:

- Broadening the coverage of the annual inventory of automatic data processing equipment;

- Designing procedures for transfer of equipment between agencies and for cross-utilization of equipment (free time) between agencies;

- Establishment of an automatic data processing information "clearing house"; and

- Possible establishment of an automatic data processing service center to service several agencies at a location to be selected.

Field printing and duplicating requirements for other Federal agencies, serviced by the six GSA Field Printing Plants, amounted to 4.3 percent of fiscal year 1961 sales and 21.1 percent of fiscal year 1962 sales; an increase of 16.9 percent for their second year's operation. These six plants, authorized by the Joint Committee on Printing, are located in Boston, Mass., Atlanta, Ga. (2), Kansas City, Mo. (2), and Dallas, Tex.

Compliance activities included the investigation of alleged violations of

Federal statutes and regulations affecting GSA, alleged violations of GSA standards for employee conduct, protection of property and detection of crimes in Federal buildings under GSA control. Such activities have resulted in recoveries to the Government of approximately \$81,000.

Manpower Resources

Establishment of the Office of Manpower Resources highlights the emphasis given by GSA to its total manpower program. Internal training and career development activities have been expanded within GSA to assure the future availability of qualified personnel in critical occupational groups, and training is being offered to employees of other agencies in areas of GSA's Government-wide responsibilities. Additional impetus is being given, also, to the improvement of work methods and the use of engineered and statistical standards to measure employee productivity as a basis for objective determination of manpower requirements.

General Services Administration

COMPARATIVE STATEMENT OF FINANCIAL CONDITION, FISCAL YEARS 1961-62

	June 30, 1962	June 30, 1961	Increase (— decrease)
ASSETS			
Cash.....	\$653, 897, 054	\$532, 766, 601	\$121, 130, 453
Accounts and notes receivable—private debtors.....	145, 729, 914	117, 526, 984	28, 202, 930
Accrued interest receivable—private debtors.....	1, 696, 676	1, 654, 246	42, 430
Advance payments—private contractors.....	5, 491, 593	9, 552, 191	—4, 060, 598
Bonds and securities.....	64, 122, 242	77, 423, 851	—13, 301, 609
Accounts receivable—Government agencies.....	104, 209, 259	65, 920, 893	38, 288, 366
Advance payments—Government agencies.....	493, 907	338, 467	155, 440
Prepayments and deferred items.....	1, 447, 818	1, 341, 558	106, 260
Inventories.....	8, 806, 110, 010	8, 628, 432, 355	177, 677, 655
Equipment (net).....	167, 904, 750	155, 935, 027	11, 969, 723
Land and land rights.....	216, 717, 447	207, 137, 761	9, 579, 686
Buildings and other structures and facilities.....	1, 028, 353, 488	1, 014, 467, 677	13, 885, 811
Construction in progress.....	505, 618, 268	421, 784, 215	83, 834, 053
Surplus personal property.....	10, 071, 877	13, 325, 603	—3, 253, 726
Surplus real property.....	125, 583, 108	122, 914, 325	2, 668, 783
Total assets.....	\$11, 837, 447, 411	\$11, 370, 521, 754	\$466, 925, 657
LIABILITIES			
Accounts payable.....	\$286, 836, 062	\$208, 256, 569	\$78, 579, 493
Advance payments to GSA.....	45, 211, 877	30, 411, 650	14, 800, 227
Trust and deposit liabilities.....	5, 838, 905	9, 059, 341	—3, 220, 436
Deferred credits.....	45, 655, 064	12, 770, 764	32, 884, 300
Liabilities for purchase-contract programs.....	35, 643, 731	37, 187, 508	—1, 543, 777
Employees' leave liability, funded.....	1, 411, 582	1, 256, 606	154, 976
Employees' leave liability, unfunded.....	16, 568, 224	15, 995, 489	572, 735
Total liabilities.....	437, 165, 445	314, 937, 927	122, 227, 518
INVESTMENT U.S. GOVERNMENT			
Investment U.S. Government.....	\$11, 400, 281, 966	\$11, 055, 583, 827	344, 698, 139
Total liabilities and investment U.S. Government.....	\$11, 837, 447, 411	\$11, 370, 521, 754	\$466, 925, 657

¹ Reflects the loss of \$68,294,335 sustained by nationalization of Nicaro Plant by Government of Cuba.

Part 8. Business Services and Small Business

Substantial improvements were made in General Services Administration's business services and small business program during the fiscal year.

In March, a Small Business Task Force was established to review GSA's small business program and its accomplishments during fiscal year 1962 and to make recommendations to increase the volume of contracts awarded to small business.

The Task Force reported that among actions taken by GSA to help small business participate in Government procurement were:

- Introduction of new procedures that will provide greater opportunities for small business to participate in subcontracts under Government prime contracts.
- More widespread use of unilateral set-aside contracts.
- Accelerated development of Federal specifications and standards.
- Improvement and simplification of the system for processing bidders' mailing list applications.
- Standardization of contract forms to simplify their use by the small businessman.
- Limitation and clarification of the use of "brand name or equal" purchase descriptions.
- Initiation of a study of the use of indefinite quantity, open end type contracts and the effect of such contracts on awards to small business.

The focal points for this program's contact with the public are GSA's Business Service Centers. The Business Service Centers, which have primary responsibility for providing

information, counseling and assistance to the businessman in dealing with the Government are located in Boston; New York; Washington, D.C.; Atlanta; Chicago; Kansas City, Mo.; Denver; Dallas; Fort Worth; San Francisco; Los Angeles; Seattle, Wash.; and Portland, Oreg.

Business Service Center operations have been improved to provide better servicing of business inquiries and increased participation in business opportunity meetings.

During the fiscal year, GSA Business Service Centers handled 474,340 business inquiries and contacts; provided significant counseling and assistance to 41,476 individual businessmen; participated in 78 local business opportunity meetings which were attended by approximately 218,806 businessmen; distributed 435,571 procurement specifications to firms participating in Government contracting; distributed 29,388 bidders mailing list applications to interested potential bidders; processed 525 new product applications; and handled 93,523 bids received in response to 10,066 bid invitations issued by GSA, a sharp increase in the ratio of bids received to bid invitations issued. These totals represent a substantial increase over those for the previous fiscal year, and are, in large measure, the direct result of GSA's effort to increase business competition for Government contracts.

The vast majority of businessmen serviced by GSA Business Service Centers during the year were representatives of small business concerns, many of them located in labor surplus

and redevelopment areas. This service—coupled with positive efforts by GSA contracting officials to provide small business with a fair share of Government contracting through set-

asides and other actions—resulted in small firms receiving more than \$325 million in contract awards, some 46 percent of GSA's total procurement during this period.



The 13 Business Service Centers of GSA provide "one-stop" service for businessmen interested in doing business with the Federal Government.

Part 9. Legislation

Statutory Requirement for the Administrator of General Services To Recommend to the Congress Amendments to the Federal Property and Administrative Services Act of 1949 and To Cite Also the Laws Becoming Obsolete

Section 212 of the Federal Property and Administrative Services Act of 1949, Public Law 152, 81st Congress (63 Stat. 377), includes the provision that the Administrator of General Services shall submit to the Congress "such recommendations for amendments to this act as he may deem appropriate as the result of the administration" of his functions under the act, and "shall also cite the laws becoming obsolete by reason of passage or operation of the provisions of this act."

At the present time the Administrator of General Services does not have occasion to cite any laws becoming obsolete by reason of passage or operation of the provisions of the 1949 act or to recommend any additional amendments to this act. However, certain proposed amendments to the Federal Property and Administrative Services Act of 1949, as amended, which are included as items in GSA's legislative program for the 88th Congress, 1st session, have been submitted to the Bureau of the Budget for coordination with other interested Federal departments and agencies and advice as to the relationship of the proposals to the program of the President. If approved by the Bureau of the Budget the proposed amendments will be transmitted by the Administrator to the President of the Senate and the Speaker of the House of Representatives subsequent to January 1, 1963, for referral to the appropriate committees of the Congress.

Amendments Recommended by the Administrator of General Services to the Congress Which Were Made to the Federal Property and Administrative Services Act of 1949 During the 87th Congress, 2d Session

The following three amendments to the 1949 act which the Administrator of General Services recommended to the Congress were enacted in 1962:

Public Law 87-600, approved August 24, 1962 (76 Stat. 401), amended section 109 of the Federal Property and Administrative Services Act of 1949, so as to provide authority for GSA to use the General Supply Fund to pay transportation costs of supplies for Federal agencies and to obtain reimbursement for those costs from customer agencies on a delivered price basis for the supplies distributed through such fund. In addition, this law expanded the authority of GSA to use the General Supply Fund to pay not only inbound, but also outbound transportation expenses, and recover such expenses from customer agencies on a delivered price basis.

Public Law 87-619, approved August 31, 1962 (76 Stat. 414), amended section 205 of the Federal Property and Administrative Services Act of 1949, so as to empower certain officers and employees of GSA engaged in investigative functions, when authorized by the Administrator of General Services, to administer oaths to any person while engaged in the performance of their duties in conducting investigations. This law enables GSA to improve its investigatory functions by administering oaths to persons prior to obtaining statements, or in other capacities which will be beneficial in the protection of the Government's interests.

Public Law 87-847, approved October 23, 1962 (76 Stat. 1117), amended Title I of the Federal Property and Administrative Services Act of 1949, by adding a new section 110 to authorize the establishment of a Federal telecommunications fund on the books of the Treasury. This law will enable the Administrator of General Services to manage in a business-like manner a modern, unified, automatic telecommunications system for the civilian agencies of the Federal Government, compatible with the military systems. The fund will be available, without fiscal year limitations, to pay the expenses of personal services, procurement by lease or purchase of equipment and operating facilities, as well as any other costs necessary for the operation of the telecommunications system to provide local and long distance voice, teletype, data, facsimile, and other communication services. The Congress will exercise control of the scope of the Government's communications by including amounts for the purpose in the appropriations of GSA and the using agencies. Such amounts will be paid to the Federal telecommunications fund for services rendered.

Other Legislative Proposals Recommended by the Administrator of General Services to the Congress Which Were Enacted During the 87th Congress, 2d Session

In addition to the above-mentioned enacted amendments to the Federal Property and Administrative Services Act of 1949, the following five other legislative proposals which the Administrator of General Services recommended to the Congress were enacted in 1962:

Public Law 87-466, approved May 31, 1962 (76 Stat. 87) repealed section 409 of the Public Buildings Act of 1949 (63 Stat. 200), which required the Administrator of General Services and the Postmaster General to submit to the Congress, promptly after the

convening of each new Congress, reports showing the location and the approximate accommodations of such public building projects throughout the United States, its territories, and possessions, as they found eligible to be constructed in accordance with applicable statutory provisions. The purpose of section 409 of the 1949 act is now accomplished by the Public Buildings Act of 1959 (73 Stat. 479), which provides for the submission of a similar report by the Administrator of General Services only. The 1959 act does not require the submission of a report by the Postmaster General, and such a report by him would merely duplicate the report of certain public buildings required on the part of the Administrator of General Services by the 1959 act.

Public Law 87-476, approved June 8, 1962 (76 Stat. 92), repealed section 8 of the Public Buildings Act of 1959 (73 Stat. 481, 40 U.S.C. 607(a)), which required the Administrator of General Services in carrying out his duties under this act to acquire real property within the District of Columbia exclusively within the area bounded by E Street, New York Avenue, and Pennsylvania Avenue Northwest, on the north; Delaware Avenue Southwest, on the east; Virginia Avenue and Maryland Avenue projected in a straight line to the Tidal Basin, Southwest, on the south; and the Potomac River on the west excluding, however, certain portions of land in such area; and including eight squares outside but near the defined area. It was necessary to enlarge this prescribed taking area in order to permit the timely selection and acquisition of suitable sites for proposed public buildings. This law does not limit or alter the authority of the Public Works Committees of the Senate and House of Representatives to approve proposed public building projects under the provisions of the Public Buildings Act of 1959, including those in the District of Columbia.

Public Law 87-585, approved August 14, 1962 (76 Stat. 385), authorizes the Administrator of General Services to use the public space over and under Tenth Street Southwest in the District of Columbia in connection with the construction and maintenance of a Federal office building, now designated as Federal Office Building No. 5. This law which permits the building bridge over Tenth Street Southwest, makes possible the best use of the two divided sites designated for a Federal office building and will make the building an aesthetic unit, which will enhance the Mall, Independence Avenue, and the Smithsonian building. To accommodate the same office space in two separate buildings would require two very massive, high buildings flanking Tenth Street Southwest with ends facing Independence Avenue and producing a long deep-chasm effect at the Mall entrance.

Public Law 87-764, approved October 9, 1962 (76 Stat. 762), amended section 142 of Title 28, United States Code, so as to enable the Administrator of General Services to provide, at the request of the Director of the Administrative Office of the United States Courts, such court quarters and accommodations for the U.S. courts as can appropriately be made available at those places where regular terms of court are authorized by law to be held, if such quarters and accommodations have been approved by the judicial council of the appropriate circuit as necessary. Section 142 had provided merely that "Court shall be held only at places where Federal

quarters and accommodations are available, or suitable quarters and accommodations are furnished without cost to the United States." This statutory provision had the effect of precluding the use of Federal funds for the purpose of providing facilities for the U.S. district courts by new construction, remodeling of existing Federal buildings, or otherwise, at locations where court facilities had not previously been provided in Federal buildings. This made it necessary to obtain a waiver of the provisions of section 142 by specific legislative action in each instance to permit the providing of court facilities at such locations.

Public Law 87-852, approved October 23, 1962 (76 Stat. 1131), authorizes the head of any executive agency having control over real property of the United States to grant, for a right-of-way or other purpose, to States, political subdivision or agencies thereof, such easements in, over, or upon such real property as the head of the executive agency determines will not be adverse to the interests of the United States, subject to such reservations, terms, or conditions as he deems necessary to protect the interests of the United States. The granting of such easements may be made without consideration, or with monetary or other consideration, including any interest in real property. This law also authorizes the relinquishment to the States in which the affected real property is located such legislative jurisdiction over such lands as is deemed necessary or desirable by the head of the executive agency having control over the lands.