

## DOCUMENT RESUME

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Proposed Moves of Certain Agencies in the National Capital Region. B-164031(2); LCD-77-309. June 27, 1977. Released March 7, 1977. 2 pp. + appendices (17 pp.).

Report to Gilbert Gude; J. Glenn Beall, Jr.; Rep. Henry A. Waxman; by Elmer B. Staats, Comptroller General.

Issue Area: Facilities and Material Management: New Versus Existing Federal Facilities (705).

Contact: Logistics and Communications Div.

Budget Function: General Government: General Property and Records Management (804).

Organization Concerned: Department of the Navy; Department of Health, Education, and Welfare; Health Resources Administration.

Congressional Relevance: Rep. Henry A. Waxman.

The proposed relocation of the Health Resources Administration (HRA) of the Department of Health, Education, and Welfare (HEW) and certain agencies in the Department of the Navy was reviewed. Officials of both the Navy and HRA believe they will increase program effectiveness and managerial efficiency by consolidating presently separated components.

Findings/Conclusions: HEW did not make a cost-effectiveness study of the proposed move because their regulations do not require such a study when the space is already under lease and available. The HRA estimated that its nonrecurring cost to move will be \$2,965,000 and its recurring cost will be \$5,056,000, an increase of \$167,000 annually over the cost at the present three locations. As of October 6, 1976, the funds needed for renovation had not been identified. There were practically no discrepancies on factual matters between the Department and the employees' concerns; the differences were on matters of judgment. It cannot be determined whether the benefits will outweigh the cost and any inconvenience incurred by the move. Recommendations: Moves of this magnitude warrant a cost-effectiveness study before decisions are made. (RRS)

01144

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**REPORT OF THE  
COMPTROLLER GENERAL  
OF THE UNITED STATES**

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**RELEASED**

3/7/77

**Proposed Moves Of  
Certain Agencies In The  
National Capital Region**

**Health Resources Administration  
Department of Health, Education, and Welfare**

**Department of the Navy**

Agency officials believe the Health Resources Administration's move will increase program effectiveness and managerial efficiency by consolidating three locations with 1,700 people into space being vacated by the Navy. The move will cost the Department of Health, Education, and Welfare about \$2.9 million, and the expected benefits have not been measured.



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-164031(2)

The Honorable Henry A. Waxman  
House of Representatives

The Honorable J. Glenn Beall, Jr.  
The Honorable Gilbert Guze

This is our report on proposed moves by certain agencies in the National Capital Region. In line with your requests of June 25, June 22, and July 19, 1976, respectively, and discussions with your offices, we concentrated on the relocation of the Health Resources Administration, Department of Health, Education, and Welfare. We reviewed the requirements for a cost-effectiveness study; the cost of the move and source of its funding; and any factual differences between the employees' concerns and the Department's replies. We presented the results of our review in a briefing on October 27, 1976.

Appendix I contains the detailed information we obtained and cost estimates revised by the Health Resources Administration as of October 29, 1976. We obtained the information from agency regulations and records and from agency and employee representatives. We have not verified the information and, as requested by Senator Beall, have not obtained written comments.

Officials of both the Navy and the Health Resources Administration believe they will increase program effectiveness and managerial efficiency by consolidating presently separated components. An additional objective of the move is to make space available to other Public Health Service components for new or expanding programs.

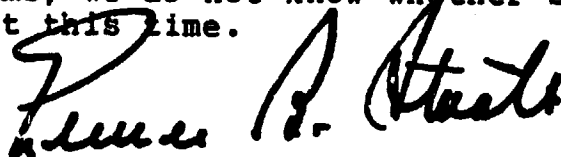
The Department of Health, Education, and Welfare and the General Services Administration did not make a cost-effectiveness study of the proposed move because their regulations do not require such a study when the space requested is already under lease and available. The Health Resources Administration estimated that at October 29, 1976, (1) its nonrecurring cost to move will be \$2,965,000, mainly for renovating the Prince George's Center space the Navy is vacating, and (2) its recurring cost will be \$5,056,000, an increase of \$167,000 a year over the cost at its three present locations. The estimates may be further revised as better data becomes available.

Agency officials said that as of October 6, 1976, they had not identified the funds needed for the renovation. On January 10, 1977, an agency official said that other Public Health Service components will pay about \$852,000 of the renovation cost because these components will benefit through use of the space that the Health Resources Administration will vacate. Our General Counsel will review this matter and we will inform you of our findings.

We found practically no discrepancies on factual matters between the Department's replies and the employees' concerns. Differences existed in matters of judgment. For example, the employees were concerned that management decided to move without sufficient study and without estimating overall costs. The Department replied that the move was justifiable, the decision was not made hastily, a cost-effectiveness study was not required, and any estimate of savings could not be made at that time.

We agree with agency officials that consolidating agency components having the same function is generally desirable and theoretically beneficial. The agency believes that its consolidation will increase program effectiveness and managerial efficiency. Because such predicted benefits are intangible, we cannot determine whether they will outweigh the cost and any inconvenience that may be incurred from the move.

We believe that moves of the magnitude planned by the Health Resources Administration and other Public Health Service components warrant a preliminary cost-effectiveness study. Such a study would have enabled the decisionmaker to assess the alternatives and the costs he is willing to pay for the benefits he expects. Since we cannot predict how much time the Department would need to make a cost-effectiveness study or what the results would show in terms of cost or effects on the agencies' programs, we do not know whether such a study would be beneficial at this time.



Comptroller General  
of the United States

PROPOSED MOVES OF CERTAIN AGENCIES  
IN THE NATIONAL CAPITAL REGION

The proposed moves of certain agencies of the Public Health Service, Department of Health, Education, and Welfare (HEW), and the Department of the Navy affect approximately 4,600 employees in the National Capital Region, as follows:

- 1,800 Naval Ship Engineering Center employees will move from Hyattsville, Maryland (Prince George's Center), to Arlington, Virginia (Crystal City).
- 1,700 Health Resources Administration, HEW, employees will move from Rockville, Maryland (Parklawn Building) (1,200), and two sites in Bethesda, Maryland (500), to Prince George's Center.
- 1,100 other Public Health Service employees will move mainly from other Rockville and Bethesda sites to the Parklawn Building space vacated by the Health Resources Administration. (See app. II.)

Both the Navy and the Health Resources Administration expect to increase managerial efficiency and program effectiveness by consolidating separated components. The Navy move, approved by the Congress and the General Services Administration, will bring the Naval Ship Engineering Center together with the Naval Sea Systems Command, which is presently at Crystal City. The Navy estimates that the move, which began in October 1976 and will be completed by March 1977, will save \$700,000 in the first year and \$3.3 million each year thereafter.

Another objective of the Health Resources Administration move is to make space available for other Public Health Service agencies that are increasing their staffs due to new or expanded programs.

The Public Health Service moved to the Parklawn Building from Washington, D.C., in 1970. On July 1, 1973, the Health Resources Administration was established as a Service component incorporating parts of the National Institutes of Health and the Health Services and Mental Health Administration. The Service needed more space in the National Capital Region, where its employment increased from 23,500 in June 1974 to 26,500 in June 1976 (about 13 percent).

In August 1975 the Administrator, Health Resources Administration, notified his bureau and center directors that he was renewing a request to the Office of the Assistant Secretary for Health for space to enable the agency to consolidate. The Director, Office of Administrative Management, Public Health Service, informed the agency in November 1975 that it could consolidate only by a major move out of the Rockville area; that the Navy would be vacating 300,000 square feet in Prince George's Center; and that the agency should submit its comments on the possibility of moving to the Center.

The Administrator toured the building at Prince George's Center and concluded that it met space needs, provided that a similar building closer to Parklawn was not available in the foreseeable future. (General Services Administration officials told us that, based on market surveys of and their familiarity with the Rockville area, they believed no suitable space to accommodate the Health Resources Administration would be available in Rockville in the near future.)

#### REQUIREMENTS FOR A COST-EFFECTIVENESS STUDY

HEW and the General Services Administration did not make a cost-effectiveness study of the proposed move because their regulations do not require such a study when the space requested is already under lease and available.

A cost-effectiveness study is an analytical approach to solving problems of choice--in this instance, the Health Resources Administration's choice between remaining in its three present locations or consolidating its three components at Prince George's Center. Such a study requires the decisionmaker to define and quantify benefits as much as possible and to measure all costs for each available choice. Analysis of the information then enables the decisionmaker to assess the alternatives and the costs he is willing to pay for the benefits he expects--in this instance, greater program effectiveness and management efficiency.

General Services Administration officials said that decisions to move are made by agencies based on needs and that the General Services Administration tries to meet these needs most cost-effectively for the Government as a whole. The officials said they will approve a space request if an agency can justify its need and explain what will happen to the vacated space.

General Services Administration regulations on space planning and assignment require consideration of

- the objective of consolidating agencies and constituent parts in common or adjacent space to improve management and administration,
- the availability of adequate low- and moderate-income housing on a nondiscriminatory basis for employees,
- nondiscrimination in the sale and rental of housing,
- accessibility from other areas of the urban center, and
- adequacy of parking facilities.

According to General Services Administration officials, adequate low- and moderate-income housing is more available in the Prince George's Center area than the Parklawn area. Public buses service Prince George's Plaza next to the Center and parking is available at the Center for \$15 a month. At Parklawn employees could park free.

General Services Administration policy in fulfilling agency space needs is to use Government-controlled space before leasing additional space. The space in Federal Center Building No. 2 (Prince George's Center) being vacated by the Navy is under lease to the General Services Administration. The lease expires in 1979 and contains two 5-year renewal options. General Services Administration officials said they expect to renew the lease in 1979 because the cost will be considerably less than the current asking price of about \$7 a square foot for office space in the Washington suburbs. The formal request to the General Services Administration for space calls for (1) a certification of availability of funds for rent and services and (2) a description of such items as terms of occupancy, type of space desired, and amount of space required.

On February 20, 1976, HEW submitted its formal request for the 300,000 square feet of space at Prince George's Center and the Public Health Service housing plan for its relocation at the Center and for using the Parklawn and Bethesda sites.

According to General Services Administration officials, they were satisfied that the net 61,000 square feet being

released by HEW in buildings other than Parklawn will be used by other Federal agencies. They said they study a move request more intensely if new space has to be acquired.

To obtain space leased by the General Services Administration, HEW requires (1) a checklist for facility or site location and evaluation and (2) a statement of program and employee needs. The checklist, to be prepared and certified by the operating agency, serves as HEW's site evaluation report for federally leased space. In this instance the final checklist, signed by the Associate Administrator for Operations and Management, Health Resources Administration, and sent to the HEW Office of Facilities Engineering and Property Management on April 20, 1976, indicated that

- adequate housing, transportation, community services, and shopping facilities were available on a nondiscriminatory basis;
- the location was compatible with the agency's programmatic requirements; and
- the move was discussed with employees. (Employee consultation meetings were held on March 8 and 11, 1976.)

The required statement of program and employee needs is intended to present the agency requirements which affect facility or site location and evaluation and documentation of reasons for the requirements. HEW officials said that, since HEW's formal request specified the Prince George's space, a detailed statement of program needs for the General Services Administration to consider in assigning space was not necessary. They said that a Public Health Service letter to HEW showing the Service's housing plan for the Health Resources Administration's present and future space served as the statement of program needs. Detailed analysis of the impact of proposed relocation on employees is not required for replacement space--that is, space acquired to substitute for existing space in the same immediate geographic area. HEW officials said the Health Resources Administration move was a replacement and, therefore, the analysis of the impact on employees was not required.

#### COSTS OF HEALTH RESOURCES ADMINISTRATION MOVE

The Health Resources Administration estimated at October 29, 1976, that the nonrecurring costs to move to Prince



George's Center would be \$2,965,000 and that the annual recurring costs would be \$5,056,000, or \$167,000 more than the annual costs at its present locations. The estimated costs, which we did not verify, are itemized in the following tables, and additional information obtained on certain costs is summarized in the following sections. The agency was revising its estimates during the time of our fieldwork and may revise them further as better data becomes available.

Estimated Costs of Health Resources  
Administration Move to Prince  
George's Center as of October 29, 1976

	<u>Estimated costs</u>	
	<u>Non-</u>	<u>Annual</u>
	<u>recurring</u>	<u>Annual</u>
	(thousands)	
<b>Costs at Prince George's Center:</b>		
Renovation	\$2,359	\$ -
Physical move	200	-
General Services Administration occupancy charges	-	2,208
Support services to be initiated (see following schedule for details)	406	1,062
Continued support services by Public Health Service	-	1,313
Services formerly provided by: Public Health Service	-	121
National Institutes of Health	-	352
<b>Total costs at Prince George's Center</b>	<u>a/2,965</u>	<u>5,056</u>
<b>Less: Cost at present locations:</b>		
General Services Administration occupancy charges	-	1,939
Support services provided by: Public Health Service	-	2,012
National Institutes of Health	-	702
Other	-	236
<b>Total costs at present locations</b>	<u>-</u>	<u>4,889</u>
<b>Net relocation costs</b>	<u>\$2,965</u>	<u>\$ 167</u>

a/Potential employee relocation cost is not included.

Estimated Costs of Support Services for Health  
Resources Administration at Prince George's  
Center as of October 29, 1976

<u>Service and explanation</u>	<u>Estimated costs</u>	
	<u>Nonrecurring</u>	<u>Annual</u>
	(thousands)	
Employee health care	\$ 10	\$ 60
Employee services	28	-
Finance and accounting service	5	114
Data processing equipment	10	77
Printing:		
Personnel	-	99
Equipment (press, sorter, drill, camera, etc.)	59	-
Supplies	-	3
Library:		
Personnel	-	71
Startup	170	-
Equipment, services, supplies, and books	-	45
Education and training	18	15
Logistics:		
Personnel	-	255
Shipping/receiving equipment	30	-
Security guards/equipment	-	190
Shuttle service	-	72
Other	5	17
Central conference rooms:		
Furniture	46	-
Equipment	14	-
Day care	11	25
Telecommunications	-	19
	\$406	\$1,062

Renovation costs--\$2,359,000

Because of a lack of manpower and pressing time constraints, the Health Resources Administration requested the General Services Administration to contract with a qualified interior design firm to plan the space layout and estimate the renovation cost for Prince George's Center as quickly as possible. The renovation costs include \$88,000 for the contract awarded to Urban Pathfinders, Inc., in August 1976 for

space planning and design. The Health Resources Administrator informed the Assistant Secretary for Health that the contract was awarded because the space was not in suitable condition to house his agency. The agency and the contractor agreed that the "open space" concept--open areas occupied by employees and supervisors--was really the only way to adequately use the space available at the Center. The concept will require removing interior walls and fixtures and installing new walls, carpeting, and acoustical screens.

Senior agency officials insisted that, if the agency moved to the Center, an adequate open space concept renovation was absolutely necessary. The employees now have separate offices in the Parklawn building. The officials believed that the lack of adequate space would have an adverse impact on employee efficiency and morale. A senior official said that although the agency was convinced that an open space arrangement was the most efficient way to use the Prince George's space, management also recognized that the open space conversion must be carefully planned and executed to achieve its advantages.

A General Services Administration guide for space planning and layout says that large open areas permit flexibility and effective use of space, enable better flow of work, simplify supervision, and eliminate partition costs. Health Resources Administration officials said open space arrangements also reduce energy consumption. The contractor estimated total renovation costs to be \$2,359,000. According to Health Resources Administration officials, actual renovation costs could vary considerably from the contractor's estimate after they review the design proposal with the General Services Administration and determine the renovation funds available.

General Services Administration  
charges--\$2,208,000

The \$2,208,000 is the charge estimated by the Health Resources Administration for occupancy of the 300,000 square feet of space in Prince George's Center at \$7.36 a square foot. This amount could change after the General Services Administration reviews the Health Resources Administration's use of the space because different uses (office, storage, etc.) are priced at different rates. A charge of \$2,208,000 would represent an increase of \$269,000 over the \$1,939,000 that the agency estimated as its share of General Services Administration charges for space and services at Parklawn. (The agency is not charged for its space in the two National Institutes of Health sites in Bethesda.)

### Support services

The Health Resources Administration established 16 study groups of managers and employees to plan the move. The groups estimated nonrecurring costs of \$406,000 and annual costs of \$1,062,000 for support services at Prince George's Center. Many services, such as printing, library, logistics, conference rooms, and health care unit, are handled centrally at Parklawn and the agency is billed for its share of the services. When the agency moves, it will have to assume responsibility for many of these services.

The study groups determined that 45 more full-time permanent positions will be required to provide administrative services. Agency officials believe that personnel ceilings will not be increased and, consequently, that present personnel will have to perform the additional support functions. As of September 1976, the officials have been able to identify 14 filled positions which could be reassigned to help meet this need. Therefore, 31 additional people will have to be reassigned to handle these administrative functions if no spaces are reallocated from other Public Health Service components.

### Continued support services by Public Health Service--\$1,313,000

The Health Resources Administration will continue to be assessed \$1,313,000 for services provided by the Public Health Service at the Parklawn building. These services consist of fiscal (\$672,000), printing (\$196,000), procurement (\$136,000), computer (\$130,000), and other services (\$179,000). Among the services that will be discontinued by the Public Health Service after the agency's move to Prince George's Center are guard and other building services, communications, and mail.

### Potential employee relocation cost

An employee whose commuting distance to a new work site is increased by more than 10 miles is eligible, with agency approval, for a change of residence allowance of up to \$7,500. The Health Resources Administration was accepting applications from eligible employees. Agency officials believed that the potential relocation cost would be small because they felt that relatively few employees would move their residence closer to Prince George's Center. However, the agency's total moving cost will increase to the extent of the relocation allowances that may be paid.

SOURCE OF FUNDING

Health Resources Administration officials said that as of October 6, 1976, funds needed to renovate Prince George's Center had not been identified. The agency's review of its fiscal year 1977 program management funds indicated that only about \$200,000 for the physical move will be available from that source. According to the officials, discussions were going on within the Public Health Service and at the Assistant Secretary for Health level to identify the necessary renovation funds. The officials believed that the move obviously benefited many Public Health Service components (through the opportunity to occupy the vacated space) and, therefore, the agency should look to those components to help it fund the Center's renovation.

A senior official said the problem in funding the renovation was caused by Office of Management and Budget reductions in the agency's program management funding request. When the decision to relocate was made in December 1975, agency management expected that sufficient funds would be available in the fiscal year 1977 program management appropriation to finance the move. However, budget reductions made it impossible to take the required \$2 million from that appropriation.

COMPARISON OF EMPLOYEE CONCERNS  
WITH HEW REPLIES

A comparison of the employees' concerns about the relocation contained in an April 15, 1976, letter to the Secretary of HEW and the HEW reply to Congressman Gude on May 6, 1976, indicates practically no discrepancies on factual matters. However, the employees and HEW management have fundamentally different judgments about the need for the move and the adequacy of related studies. Consequently, we could consider few of the apparent conflicts in the limited time available.

In essence, the employees complained that the issue of whether the move should take place was not examined. HEW replied that the proposed move was justifiable, that the agency did study the ramifications of the relocation, and that the decision was not made hastily without due consideration of employee concerns.

The employees felt that making the decision without an estimate of the overall relocation costs constituted a management failure. HEW replied that (1) a cost-effectiveness analysis was not required and (2) an estimate of any annual savings

resulting from the move and consolidation could not be made at that time.

GAO OPINIONS ON THE MOVE

We agree with agency officials that consolidating agency components having the same function is generally desirable and theoretically beneficial. The Health Resources Administration believes that its consolidation will increase program effectiveness and managerial efficiency. Because such predicted benefits are intangible, we cannot determine whether they will outweigh the cost and any inconvenience that may be incurred from the move.

We believe that moves of the magnitude planned by the Health Resources Administration and other Public Health Service components warrant a preliminary cost-effectiveness study. Such a study would have enabled the decisionmaker to assess the alternatives and the costs he is willing to pay for the benefits he expects. Since we cannot predict how much time HEW would need to make a cost-effectiveness study or what the results would show in terms of cost or effects on the agencies' programs, we do not know whether such a study would be beneficial at this time.

CHANGE IN OCCUPANCY BEFORE AND AFTER MOVESAS OF OCTOBER 21, 1976 (note a)

	<u>Prince George's Center, Hyattsville</u>	<u>Crystal City National Center, Arlington</u>	<u>Parklawn building, Rockville</u>	<u>National Institutes of Health campus and Federal building, Bethesda</u>
Naval Ship Engineering Center	(1,800)	1,800		
Public Health Service:				
Health Resour- ces Adminis- tration	<u>b/1,725</u>		(1,217)	(508)
Alcohol, Drug Abuse, and Mental Health Administration			346	
Center for Disease Control, National Institute for Occupational Safety and Health			227	
Food and Drug Ad- ministration			405	
Health Services Administration			130	
National Institutes of Health				620

a/Figures in parentheses indicate occupancy before moves.

b/The Health Resources Administration expects to hire 84 employees at Prince George's Center.

J. GLENN BEALL, JR.  
MARYLAND

**United States Senate**  
WASHINGTON, D.C. 20510

COMMITTEE  
SUBJECT  
COMMERCE  
LABOR AND PUBLIC WELFARE  
SENATE SELECT COMMITTEE  
ON SMALL BUSINESS  
SPECIAL COMMITTEE ON AGING

22 June 1976

The Honorable Elmer B. Staats  
Comptroller General of the United States  
General Accounting Office Building  
441 G Street  
Washington, D. C. 20548

Dear Mr. Staats:

The General Services Administration is presently working with the Department of Health, Education & Welfare, and the Department of the Navy to initiate office relocations which will impact approximately 300 federal employees in the National Capital region. It is my understanding that the primary relocations are as follows:

1. The Naval Ship Engineering Center (1500 people) would be moved from Prince George's Plaza and relocated in Crystal City, Virginia;
2. The vacated space at Prince George's Plaza would then be filled by some 1800 Health Resources Administration employees (300 from the NIH campus in Bethesda and 1500 from the Parklawn Building in Rockville)'
3. Approximately 1000 HEW, Food and Drug Administration employees would be moved from Washington to the NIH campus.

Although the various federal agencies involved have responded in varying degrees to the concerns raised as to the advisability of these moves, serious questions remain with respect to the economics, the programmatic benefits and the sufficiency of planning which went into the moves.

Accordingly, I hereby request that the General Accounting Office conduct a comprehensive study of these proposed moves to:

1. determine the cost-effectiveness of the proposals - both individually and in relation to one another;
2. negative and positive programmatic factors of the proposals - both individually and in relation to one another;

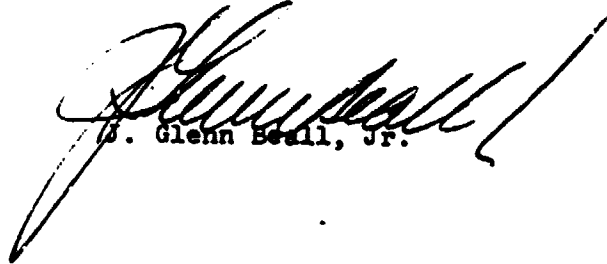


3. the adequacy of short and long-range agency planning included in the decision-making process by each of the responsible agencies.

Such a study should, of course, be completed at the earliest possible date.

Thanking you for your assistance and with best wishes, I am

Sincerely yours,



G. Glenn Beall, Jr.

JGB/dsr

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**Congress of the United States**  
**House of Representatives**  
Washington, D.C. 20515  
**HENRY A. WAXMAN**  
24TH DISTRICT, CALIFORNIA

COMMITTEE:  
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ADMINISTRATIVE ASSISTANT  
BRUCE WOLFE  
LEGISLATIVE ASSISTANT

June 25, 1975

Mr. Elmer B. Staats  
Comptroller General of the United States  
General Accounting Office  
441 G Street  
Washington, D.C. 20548

Dear Mr. Staats:

It has come to my attention that the Health Resources Administration of the Public Health Service, DHEW has received the approvals necessary to move its operations and approximately 1,800 employees from the Parklawn Building in Rockville, Maryland, and Building 31 on the National Institutes of Health campus and two smaller facilities in Bethesda, Maryland to Federal Center Building No. 2, Prince Georges Center, Hyattsville, Maryland. It is my understanding that the large majority of all Washington-area HRA employees are currently quartered at the Parklawn facility. The remainder are now within easy reach of the headquarters facility. The apparent objective of the impending move is to locate all HRA programs and personnel at a single site. There are, however, a number of considerations which call into question the advisability and desirability of this move.

The relocation of the Public Health Service to the Parklawn Building in the late 1960's was approved because it offered the opportunity to consolidate the activities of the Public Health Service which, at the time, were widely dispersed over the Washington metropolitan area. This objective and its attendant benefits, expressed in terms of improved performance and managerial efficiency were accepted as justification for the disruption and dislocation such large-scale moves inevitably inflict upon organizations and their personnel. It is my understanding that at that time assurances were given that no further large-scale relocations would be necessary. Apparently these commitments are no longer considered binding.

The move of the Health Resources Administration to a location other than that which houses the major components of the Public Health Service is a matter of particular concern. Because of the nature of the substantive programs and responsibilities of the Bureaus and Centers which comprise the Health Resources Administration, daily meetings and consultations between the staffs of the affected Bureaus and Centers and other PHS agencies are routine occurrences, essential to the proper and coordinated performance of their duties. The impending relocation will disrupt and complicate existing channels of communication by requiring Bureau and Center personnel to allocate significant portions

of the working day to commuting between facilities. The material benefits accruing from centralization and attendant coordination ascribed to the relocation of the late 1960's will be severely diminished, if not entirely lost.

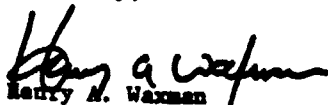
The intended relocation of the Health Resources Administration will be a costly undertaking in other respects as well. At its current location, HRA relies heavily upon a variety of shared services adequately provided within the Parklawn Building and the National Institutes of Health. Relocation will require HRA to recreate these services and provide them on an independent basis. Most notable among these are data processing and library services. In the case of the former, a new computer facility will be required at the Prince Georges County facility. As you will know, developing, equipping and maintaining such an installation will involve a significant expenditure of funds.

With respect to library services, it is my understanding that the Bureaus and Centers which make up the Health Resources Administration depend heavily upon the resources of the National Library of Medicine and the PHS Library in the Parklawn Building. Neither collection can be duplicated and, as a result of the planned relocation, neither would be readily accessible to the large number of HRA personnel who rely heavily upon these facilities. It is obvious that the attempted creation of a new library will be costly and the product inevitably inadequate.

In addition to the foregoing, other essential services such as transportation, security, and procurement, heretofore available to HRA on a shared basis at its current site, would have to be established and independently supported at the Agency's new base of operations. Here again, it is clear that the proposed relocation would result in increased costs and the unnecessary duplication of services. These added costs become increasingly burdensome during a time of shrinking budgets, especially when one considers the critical responsibilities assigned to the operating components of the Health Resources Administration.

It seems to me that the proposed move of the Health Resources Administration would deflect scarce resources from their most productive application. I am not aware that the financial and personnel implications of the decision to relocate this Agency were properly or adequately explored prior to making the commitment to move. In view of the fact that the move is scheduled to commence within the next two months, I feel it is imperative that action be taken at once to ascertain whether the concerns I have expressed in this letter are justified.

Sincerely,

  
Henry M. Waxman  
Member of Congress

HAW:bak

GILBERT GUDK  
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GORDON L. HAWK  
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KETH H. SCHNEIK  
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**Congress of the United States**  
**House of Representatives**  
**Washington, D.C. 20515**

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MRS. MARY E. BROWN  
DIRECTOR

DAVID S. O'BRYEN  
FIELD REPRESENTATIVE

July 19, 1976

Honorable Elmer B. Staats  
Comptroller General of the United States  
General Accounting Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Staats:

Earlier this year, I was contacted by a large number of constituents who work for the Health Resources Administration of the Department of Health, Education, and Welfare concerning the proposed move of their agency from the Parklawn Building in Rockville to space being vacated by the Navy in Prince George's Plaza. I contacted HEW at that time concerning the wisdom of such a massive uprooting of people and programs and, as the enclosed response from HEW indicates, learned that no cost-benefit study was conducted prior to a decision to move was made. The entire rationale of the move is that HEW "feels" that the move would be beneficial.

Such events have, over the years, caused me a great deal of concern for it has become apparent that many of these musical chairs moves in the Washington area are undertaken solely on the theory that "to consolidate is better" and little or no regard is given to the true needs of programs and employees nor is there any analysis done relative to the long-term effects of these shuffles. As I stated in my letter to Secretary Mathews, I can understand that changes in programs often call for changes in space needs - but I firmly believe that each agency should have an affirmative duty to truly test the costs and benefits of each of their moves before committing themselves to such moves. If it can be shown that the effects are positive in relation to the costs, by all means let the move take place.

In light of the fact that HEW does not feel that any sort of costing out should be done in this case, I would like to join Senator Reall in his recent request to you asking that GAO undertake such a study.

It seems that, in addition to the "base move" of Navy from Prince George's Plaza to Crystal City, I think that the entire effect should be analyzed in one package, for the first move will be the precursor for others and the effects will ripple throughout the entire metropolitan area. The enclosed chart, which I compiled based on information provided by HEW and GSA several months ago, visually and quite graphically demonstrates the true scope of this move. Once Navy moves from Prince George's Plaza, an additional 2800 employees presently working in 10 buildings in Montgomery County will be "reorganized" and "relocated" ostensibly to allow them to function more efficiently.

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Although the results of your audit may show all of these moves to be very appropriate and cost-beneficial, I hope that you as one of the prime watchdogs of the federal treasury, will agree that this sort of analysis should be done far more often than it presently is being done to insure that money is not being wasted because of a general theory that "consolidation brings efficiency".

Thank you for your attention to this matter. If you have any questions, or would like to review some of the materials which my staff and I have gathered, please feel free to contact me or Keith Schiszi of my staff.

I look forward to receiving your report.

Sincerely,

  
Gilbert Gude

Enclosures