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5/21/71

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GSA

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RELEASED

MAY 21 1971

Dear Mr. Dingell

Further reference is made to your letter dated March 31, 1971, requesting a report that would include information on the cost to the Government of supplying a new armored vehicle, each year during the last 10 years or so, for the use of the Director of the Federal Bureau of Investigation. We have obtained the following information from discussions with officials of the General Services Administration and the Federal Bureau of Investigation and from appropriation documents and General Services Administration procurement records.

In each of the last 7 fiscal years--the period for which records were available--the General Services Administration has contracted with the Hess and Eisenhardt Co., Cincinnati, Ohio, for the purchase of a specially modified vehicle for the Bureau. The dates of the contract awards and the contract costs of the seven vehicles follow

<u>Date of award</u>	<u>Cost</u>
December 28, 1964	\$ 17,336
December 7, 1965	18,533
December 29, 1966	19,377
February 28, 1968	21,114
January 6, 1969	23,241
February 6, 1970	27,665
January 11, 1971	<u>29,875</u>
	<u>\$157,141</u>

The contractor, which specializes in customizing vehicles, furnished vehicles built by the Cadillac Division, General Motors Corporation. The principal modifications made by the contractor to each vehicle have been the installation of armor plating and bullet-resistant glass. To carry the additional weight, each vehicle has had a heavy-duty frame, a heavy-duty suspension system, and heavy-duty tires. The January 1971 contract specified that the delivered vehicle also have individually controlled front and rear heating and air-conditioning systems, an automatic transmission, automatic

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door locks, power brakes and power steering, a standard broadcast band radio receiver installed in the passenger compartment, a siren, a spare battery, a mobile telephone, and various dimensional requirements

General Services Administration procurement officials told us that they had attempted to interest other contractors in these procurements and that each of the procurements, except the latest one, had been formally advertised. After procuring the 1970 model, it was determined a necessity from a security standpoint to avoid publicly disclosing the location of the armor and other details set forth in the specifications. Consequently, the procurement of the 1971 model was negotiated rather than advertised. Proposals were solicited from nine companies, but only Hess and Eisenhardt responded.

A new armored vehicle is purchased each year and is usually retained about 4-1/2 years, after which the armor and other law enforcement features are removed and the vehicle is sold to the highest bidder. The proceeds are applied to the purchase of a new vehicle. Normally, two vehicles are located in Washington, D C , to ensure that one vehicle will always be available, since the vehicles require frequent maintenance and repair service. Also one vehicle is kept in New York, N Y , and one is kept in Los Angeles, California. The vehicles are used by the Bureau Director, the Attorney General, and, occasionally, by the Bureau for investigation purposes and by the Secret Service.

Bureau officials told us that the need for the armored vehicles was evidenced by the fact that there were 42 threats on the Director's life during the 15-month period ended March 1971. They told us also that an alternative to the use of armored vehicles by the Director would be the use of a minimum of four agents for a security detail at an annual cost of about \$110,000.

Bureau officials pointed out that, since the vehicles were customized to the Bureau's requirements, a leasing arrangement appeared to offer no opportunities for savings to

the Government. They also commented that a comparison, which has appeared in newspapers, of the cost of purchasing these vehicles with the cost of leasing vehicles for the President is not meaningful, because manufacturers are inclined to make price concessions to encourage the use of their products by the President.

Since 1936 the Congress has specifically authorized the purchase of an armored vehicle in the Bureau's annual appropriation acts. Discussions concerning these vehicles appeared in the printed appropriation hearings for the years 1937 and 1939-42. Bureau officials told us further that, because of the public interest in the vehicles, the vehicles were discussed in some detail when the Director testified on March 5, 1971, before the Subcommittee on Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies, of the House Committee on Appropriations.

The foregoing information has been confirmed by officials of the Bureau and the General Services Administration.

We found no indication of legal impropriety concerning the acquisition of these vehicles.

We trust that this information will serve the purpose of your inquiry.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Peets". The signature is written in a cursive style with a large initial "J".

Comptroller General
of the United States

The Honorable John D. Dingell
House of Representatives

✓ COST TO THE FEDERAL GOVERNMENT FOR SUPPLYING THE
DIRECTOR, FEDERAL BUREAU OF INVESTIGATION, WITH A
NEW CAR EVERY YEAR--FEDERAL SUPPLY SERVICE
GENERAL SERVICES ADMINISTRATION

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Report to Congressman John D. Dingell pursuant to his request.

We furnished information for each of the last seven fiscal years--
the period for which records were available--of the cost to the Govern-
ment of supplying a new armored vehicle to the Director of the Federal
Bureau of Investigation. The dates of the contract awards and the
contract costs of the seven vehicles follow.

<u>Date of award</u>	<u>Cost</u>
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