



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

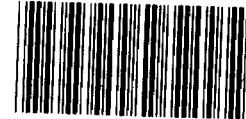
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PROCUREMENT, LOGISTICS,  
AND READINESS DIVISION

B-207767

JULY 20, 1982

The Honorable Gerald P. Carmen  
Administrator of General Services



119079

Dear Mr. Carmen:

Subject: Improvements Needed in GSA's Role  
in the Real Property Utilization  
Survey Program (GAO/PLRD-82-93)

We have reviewed how the General Services Administration (GSA) has fulfilled its responsibility for carrying out the real property utilization survey program, established by Executive Order 11954 (recently replaced by Executive Order 12348) and implemented by the Federal Property Management Regulation 101-47.8. The survey program was created to ensure that unneeded Federal real property is identified, reported, and disposed of in a manner that provides the greatest benefit to the United States.

We reviewed GSA's survey reports and files, supporting documents, and correspondence. We also reviewed the Executive orders which established the survey program and the implementing regulation. We performed work at GSA's central office and two regional offices, and discussed GSA's operations with responsible GSA personnel. We did similar work at several Federal agencies which have real property that was surveyed by GSA. The results of our review are discussed in detail in the enclosure. Our conclusions on the effectiveness of the survey program and our recommendations for improving the program are summarized below.

The survey program has not changed much since 1970, when it was initiated, but it has not been as effective in causing Federal agencies to report real property in excess to their needs. We believe the reduced effectiveness of the program can be attributed, in part, to the termination of the Federal Property Council in December 1977. The Council provided policy guidance and settled disputes between GSA and agencies on whether real property was excess to agencies' needs. These responsibilities were transferred to the Office of Management and Budget (OMB) when the Council was terminated.

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However, we identified the following weaknesses in GSA's management of the survey program:

- Lack of analysis of prior survey results to aid in selecting properties that have the most potential for being excess to agencies' needs.
- Establishment of an arbitrary number of surveys to be performed each year leads GSA staff to perform cursory surveys which are unproductive and a waste of resources.
- Inadequate and incomplete data base of properties subject to survey could result in some properties not being included in the survey program.
- Failure to follow up on survey recommendations and actions taken and planned by Federal agencies.

The Administration, in its fiscal year 1983 budget, has proposed a revised program to improve Federal asset management and to dispose of unneeded Federal property. To encourage this, on February 25, 1982, the President signed Executive Order 12348, which established the Real Property Review Board. The Board will have many of the responsibilities formerly assigned to OMB and is to (1) develop policies for the acquisition, utilization, and disposal of Federal assets, (2) arbitrate disputes on whether real property is excess to an agency's needs, and (3) add high-level support and emphasis to the survey program. We believe this revived interest in identifying and disposing of unneeded real property should help GSA do a better job in its survey program. But even with the increased emphasis created by the new order, GSA's management weaknesses in carrying out the survey program require attention.

Accordingly, we recommend that you direct GSA survey program managers, in planning real property surveys, to:

- Analyze the results of previous surveys to determine the types of properties that have the greatest potential for being excess to agencies' needs.
- Concentrate on those properties for survey where evidence indicates good potential for finding excess property.
- Establish a more realistic number of surveys to be performed each year based on available resources and a systematic scheduling of properties never surveyed, as well as properties where experience indicates a potential for excess.

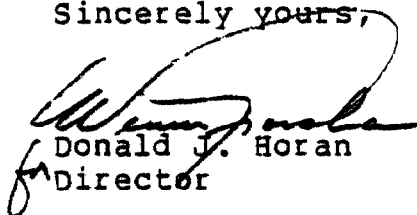
--Improve, through cooperative efforts with holding agencies, the inventory of Federal real property used to select properties for survey.

Because GSA has recently improved its follow-up procedures, we are not making a recommendation on this matter.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report. We would appreciate receiving copies of those statements.

Our observations in this report have been discussed with officials responsible for the survey program within GSA and OMB and their comments have been incorporated where appropriate. We are sending copies of this report to the Chairmen, House Committee on Government Operations, Senate Committee on Governmental Affairs, and House and Senate Committees on Appropriations, and the Director, Office of Management and Budget. We will also make copies available to other parties who have an interest in this matter.

Sincerely yours,



Donald J. Horan  
for Director

Enclosure

IMPROVEMENTS NEEDED IN IDENTIFYING  
AND REPORTING REAL PROPERTY EXCESS  
TO FEDERAL AGENCIES' NEEDS

BACKGROUND

The Federal Property and Administrative Services Act of 1949 requires that most Federal real property holdings, excess to agencies' needs, be reported to the General Services Administration (GSA). GSA (1) prescribes policies and methods to promote maximum use of excess real property, (2) transfers such property among Federal agencies, and (3) disposes of surplus real property.

In February 1970, the President issued Executive Order 11508 because he believed that proper management and use of the Nation's resources required a continuing and critical review of agencies' needs for real property. This order (1) outlined a program for promptly identifying real property no longer needed and (2) established the Property Review Board. The order required:

- Each executive agency to immediately survey all of its land and to report to GSA any unused, underused, or not optimally used land.
- GSA to establish uniform standards and procedures to identify such land.
- GSA to survey executive agencies' land to identify land not needed or not optimally used and to report to the President land not declared excess.
- The Property Review Board to consider conflicts between GSA and landholding agencies and to recommend solutions.

By Executive Order 11724, dated June 25, 1973, the President abolished the Property Review Board and established the Federal Property Council to review Federal real property policies and to resolve conflicting claims on Federal property reported by GSA as not being efficiently used.

Executive Order 11954, dated January 7, 1977, revised the prior order. It required all executive agencies to periodically survey their real property holdings in accordance with GSA standards and procedures. GSA is to oversee the executive agencies' surveys, conduct its own surveys, and assure that excess real property is identified and made available for the most beneficial use under the laws of the United States. The Administrator of General Services is to report to the Director of OMB any real property considered to be excess but not reported as excess by the holding agency. The Director of OMB submits the reports, along with his

recommendations, to the President. The Administrator of General Services or the Director of OMB can request the Federal Property Council to review reports of conflicting claims regarding real property, and the Council is required to report its recommendations to the President.

Executive Order 12030, dated December 15, 1977, revised Executive Order 11954 by terminating the Federal Property Council. It also provided that the Director of OMB shall (1) review real property policies and objectives of the executive agencies, (2) review reports made by GSA to resolve conflicting claims on, and alternative uses for, any real property described in the reports, and (3) submit his recommendations, along with reports, to the President.

On February 25, 1982, the President signed Executive Order 12348. The order requires agencies to identify and report real property they no longer need. Significantly, this order established the Real Property Review Board, which is to:

- Develop and review Federal real property acquisition, utilization, and disposal policies.
- Review and examine prior public benefit discount conveyances to ensure that property is being used and maintained for the purpose for which it was conveyed.
- Mediate disputes that may arise regarding property identified for disposal or conditions applying to the property to be conveyed.
- Establish annually, for each agency, a target amount of real property to be identified as excess.

The order provides that the head of each executive agency shall:

- Periodically survey agency real property holdings in accordance with GSA standards and procedures.
- Report, within 60 days to GSA and the Board, agency real property which is not being used, is underused, or is not being optimally used.
- Identify and report to the Board properties which can be considered for disposition in response to the targets established by the Board.

The order also provides that the Administrator of General Services shall:

- Oversee the agencies' surveys, conduct its own surveys, and assure that excess property is identified and made

available for the most beneficial use under the laws of the United States.

- Report to the Board any property or portion thereof which has not been reported excess to the requirements of the holding agency and which, in the judgment of the Administrator, is not used, is underused, or is not being optimally used, and which he recommends should be reported as excess property.

#### SCOPE OF REVIEW

We reviewed GSA's implementation of its survey program at GSA's Headquarters and its National Capital Region in Washington, D.C., and its Region 7 in Fort Worth, Texas. We also interviewed officials at selected holding agencies and reviewed files, correspondence, and reports relating to real property utilization and management. Facts contained in this report were discussed with OMB and GSA officials responsible for the survey program. We made our review in accordance with GAO's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

#### HISTORY OF SURVEY PROGRAM SHOWS A RECENT DECLINE IN RESULTS

Although results were relatively high in the early years of the program, a decline began in 1978. The effectiveness of the survey program from its inception to 1981 is illustrated by the amount and value of the property Federal agencies have declared excess. Most of this property is unimproved land.

<u>Fiscal year</u>	<u>Surveys conducted (note a)</u>	<u>Acres exceeded (note a)</u>	<u>Value (note a)</u> (000 omitted)
1970	16	-	\$ -
1971	124	6,633	40,587
1972	306	9,533	24,349
1973	294	58,851	59,327
1974	268	15,812	24,004
1975	227	4,524	32,212
1976	110	66,489	52,438
Transition quarter	21	247	10,426
1977	134	19,988	17,805
1978	197	552	1,562
1979	194	1,976	6,291
1980	237	2,035	16,878
1981	<u>194</u>	<u>1,186</u>	<u>8,706</u>
Total	<u>2,322</u>	<u>187,826</u>	<u>\$294,585</u>

a/Figures shown for years prior to 1978 are taken from GSA summary records. We could not verify the accuracy of the reported totals for those years because detailed records were not available.

As shown in the chart above, the survey program caused over 187,000 acres valued at about \$295 million to be reported to GSA as excess. Starting in 1978, the amount of property declared excess began to decline. Factors which we believe contributed to the decline are discussed in the sections that follow.

#### Management of the survey program

The Federal Property Council and its predecessor, the Property Review Board, were responsible for program management and guidance when the survey program began in 1970. With the termination of the Federal Property Council by Executive Order 12030, these responsibilities were transferred to OMB. OMB has been less effective in providing policy guidance to GSA and has taken a less active part in the survey program than the Council or the Board. The Executive order provided that:

"The Director of the Office of Management and Budget shall review Federal real property policies and the objectives of the executive branch of the Government; and shall review the reports made by the Administrator of General Services pursuant to Section 3 of this order, as well as other reports relating to resolving conflicting claims on, and alternate uses for, any property described in those reports, consistent with laws governing Federal real property. The Director shall submit such recommendations and cause reports to be submitted to the President, as may be appropriate."

GSA officials described to us one effort they made to clarify an issue of property utilization policy that would have provided needed guidance. In late 1977 GSA sent to OMB for arbitration a survey report on the Savannah Depot, Illinois, in which GSA found the depot excess to the Department of Defense's requirements. Defense justified retaining the depot on the basis of wartime mobilization requirements. In its request to OMB, GSA noted that Savannah was one of a number of Defense depots around the country being retained for mobilization requirements. GSA suggested one study be made to cover all depots and determine their need for mobilization. Also, GSA asked for a clarification of the Federal Government's policy toward the retention of real property for wartime mobilization requirements.

GSA officials advised us that OMB has not made a decision on the policy or on the Savannah Depot case. Thus, GSA's attempt to define and clarify the Federal Government's policy with respect to retaining real property for mobilization requirements failed. OMB's decisions on cases such as the Savannah Depot would have provided GSA with real property policy guidance in managing the survey program.

Executive Order 12030 also provides that OMB will act as an arbitrator in disputes between Federal agencies and GSA as to whether real property is excess to agencies' needs. In those instances where a GSA survey has identified unneeded real property but the holding agency will not agree to declare the property excess, GSA is to refer the matter to OMB for resolution. OMB is to advise the holding agency and GSA of its decision within 60 days of receipt of a survey report from GSA.

From December 1977 through September 1981, GSA sent six cases to OMB for resolution. As of September 1981, two cases were resolved and the remaining four cases had been at OMB from less than 1 month to 47 months. Subsequent to the issuance of Executive Order 12348 the Director of OMB directed his staff to resolve, as soon as possible, all pending excess real property cases sent to OMB by GSA for arbitration. On May 25, 1982, OMB officials advised us that all cases have been resolved, except one. The unresolved case has been at OMB for about 8 months. GSA officials



said they sent few cases to OMB for arbitration because they perceived a lack of support from OMB. Therefore, GSA officials sent only those cases where they believed they had an excellent chance of being successful. OMB officials advised that this perception was probably true; however, the few cases sent to OMB for arbitration covered sensitive/controversial properties or dealt with such small pieces of property that it was not worth assigning resources to resolve the cases. We believe that OMB was remiss in not resolving its differences with GSA as to the type and significance of cases that should be sent to OMB for arbitration.

Subsequent to the completion of our review, responsibility for the survey program was transferred from OMB to the Real Property Review Board by Executive Order 12348.

#### GSA MANAGEMENT OF THE SURVEY PROGRAM

Although part of the reason for the reduced effectiveness of the program can be related to OMB's role, we also found that GSA was not as effective in managing the program.

#### No analysis of survey results

GSA's Office of Real Property has not analyzed past survey results to aid in selecting properties to be surveyed. Analysis can most effectively be accomplished at the Office of Real Property. This office is the repository of survey reports done by all GSA regional offices, and thus, is the only location that can obtain a national view of each agency's property utilization procedures. We believe that by analyzing results, GSA would have gained information on the relationship between the types of property it was surveying and its success.

The following examples provide an indication of how much more complex property utilization decisions have become. These examples indicate that, in most cases, neither the Veterans Administration (VA) nor the Army agree with GSA as to what constitutes excess real property. Also, the declining figures in both examples show that GSA is finding less property that it considers excess.

Between 1970 and 1975, GSA surveyed about 14,580 acres of property held by VA. GSA recommended that VA dispose of 4,015 acres of land as excess to its needs. VA concurred and reported for disposal 1,067 acres, or about 26.6 percent of that GSA recommended as excess. However, from 1976 to 1980, GSA surveyed 6,385 acres of VA's real property and recommended 470 acres be declared excess. VA disagreed and did not report any of the 470 acres to GSA as excess to its needs.

GSA's experience surveying Army property provides a similar example. The following table shows GSA surveys of Army installations from 1978 to 1980.

<u>Year</u>	<u>Surveys by GSA</u>	<u>Reports with excess recommendations (%)</u>	<u>Acres recommended by GSA for excess</u>	<u>Acres Army agreed to excess (%)</u>
1978	34	14 (41.2)	2,350	1,409 (60.0)
1979	40	19 (47.5)	27,876	1,542 ( 5.5)
1980	27	6 (22.2)	3,127	1,197 (38.3)

The Office of Real Property communicates with the various agencies concerning survey report recommendations of excess. Often, communications at this level disclose reasons justifying agency retention of real property that were not evident to the regional realty specialist doing the survey. We found that the Office of Real Property has not systematically analyzed survey reports to learn if there may be better ways of selecting properties and performing surveys.

We believe that such analysis would help the Office to focus on doing surveys of real property utilization where its recommendations could have an effect. This analysis could then be used to develop guidance for the regional offices to use in selecting properties to be surveyed.

Arbitrary number of surveys established

The total number of surveys during fiscal years 1978, 1979, and 1980 was arbitrary and unrealistically high. Consequently, many surveys were unproductive and resulted in regional staffs selecting properties and performing cursory surveys to meet the quota rather than selecting properties with the greatest potential of being excess. The following chart shows the surveys performed by GSA during fiscal years 1978, 1979, and 1980.

<u>Region</u>	<u>Surveys accomplished</u>		
	<u>1978</u>	<u>1979</u>	<u>1980</u>
1 (Boston)	16	15	22
2 (New York)	18	17	22
3 (National Capital)	20	18	25
4 (Atlanta)	21	22	32
5 (Chicago)	22	24	29
6 (Kansas City)	15	20	23
7 (Ft. Worth)	18	15	22
8 (Denver)	16	20	14
9 (San Francisco)	22	16	22
10 (Auburn)	<u>29</u>	<u>27</u>	<u>26</u>
Total	<u>197</u>	<u>194</u>	<u>237</u>

Several months before the start of a fiscal year, GSA Headquarters establishes a goal of surveys to be accomplished and assigns each region a specific number of surveys it is expected to accomplish during the coming fiscal year. This yearly total is determined primarily by the amount of resources--staff and funds--available and the number of surveys done in previous years.

The greatest single factor affecting the accomplishment of surveys is the workload of the regional realty specialist. In addition to performing surveys, the realty specialists are responsible for the administration, management, and disposition of excess/surplus property from the initial release of the property by a Federal agency through final disposition by lease, transfer, or sale. Further, GSA has established the disposal of real property currently in its inventory as the number one priority for its realty specialists, and as a result, the progress and success of the survey program in a given region are directly dependent on the realty specialists' workload associated with the current excess/surplus real property inventory. We believe the failure to consider such factors as the workload of realty specialists and the priority of disposal duties over survey duties results in an unrealistically high number of surveys being assigned to each GSA region.

Each region selects the specific properties to satisfy its survey quota and submits the list to GSA Headquarters for review

and approval. We visited two GSA regions to determine the basis for selecting properties for survey. The selection of properties was based on the following factors:

- Priorities are assigned on the basis of (1) property size (acreage), (2) whether the property has been previously surveyed, and (3) the time elapsed since a prior survey was completed.
- Knowledge of particular properties from previous surveys, inspections, disposal actions, and/or contacts with holding agencies.
- Availability of travel funds. An effort is made to select two or more properties in close proximity to each other to reduce travel costs.
- Efforts to spread surveys among all property-holding agencies within the region.
- Special requests from GSA Headquarters, congressional interest, or other agencies.

We found that GSA regions have been responsive in that they normally complete the number of surveys assigned to them each year. However, it appears to us that some surveys were performed to satisfy the quota, rather than to identify property which is excess to Federal agencies' needs. For example, responsible personnel in the National Capital Region advised us that most properties selected for survey in their region will not identify excess property because most properties have been previously surveyed. This comment indicates to us that the primary purpose of some surveys is to satisfy the quota.

#### Lack of detail in GSA's inventory of Federal real property owned

In selecting properties for surveys, GSA uses the inventory of Federal real property entitled "Summary Report of Real Property Owned by the United States Throughout the World." This summary report is backed up by two volumes providing detailed listings of Federal real property owned by all Federal agencies. The data is compiled by GSA based on property information provided by Federal agencies. The Office of Real Property uses the detailed listings as its primary source of information concerning size and locations of Federal real property holdings. The latest summary report was issued in May 1981 with information as of September 1979. The detailed listings were published later. Consequently, the Office of Real Property often used inventory data that is at least 2 years old in selecting real property for survey.

The real property listings in the detailed catalogues identify real property owned by agencies but do not provide a means of identifying Federal real property that is subject to or exempt from the survey program. In a recent report, 1/ we determined that in its review of five park areas, at least 6,331 acres of land that are outside national park boundaries are excess to National Park Service (NPS) needs and should be reported to GSA. We found that NPS did not know how much land it controlled outside approved park boundaries and its records were inaccurate and incomplete. While NPS legitimately acquired the lands outside the boundaries, it has not taken prompt action to dispose of unneeded land, and it has turned over very little land to GSA for disposal.

GSA did not survey NPS holdings because national parks are exempt from disposal, and GSA did not know about the land outside the parks. If GSA had attempted to obtain greater detail on NPS's land holdings through better contacts with agency personnel, it would have been able to identify lands, such as our example describes, which are subject to disposal and to survey.

It is this practice of retaining property in excess of mission requirements that the survey program was designed to overcome.

We believe that these lands outside congressionally approved park boundaries should be surveyed. Furthermore, we believe that the survey program can have the effect of forcing agencies to more carefully review their land holdings and report unneeded land. Because GSA has not surveyed NPS lands, it has failed to find land it would probably have recommended as excess and it has lost the opportunity of assisting NPS to improve its real property management procedures.

A GSA official described another example of lands subject to survey which GSA is unable to identify. National forests, controlled by the Department of Agriculture, are like national parks, exempt from the survey program. However, within national forests are Forest Service administrative areas that are surveyable properties. Except in GSA Regions 8 and 10, which found Forest Service administrative locations within national forests, GSA does not know the locations of the sites and therefore does not survey them.

As a result of bringing this matter to GSA's attention, GSA officials requested the Department of Agriculture to identify administrative locations that would be subject to survey. GSA also requested the Department of the Interior to furnish a listing

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1/"Federal Land Acquisition and Management Practices" (CED-81-135, Sept. 11, 1981).

of acreages not dedicated or reserved for national park purposes and subject to survey. On March 1, 1982, the Department of Agriculture advised GSA that it was currently inventorying all of its property and would provide the information when the process is completed. On March 16, 1982, the Department of the Interior furnished a list of acreages outside the boundaries of national parks.

We believe there may be other examples of land that is surveyable, that is, attached to land exempt from survey, but which GSA cannot identify using the inventory of Federal real property owned. As long as GSA does not attempt to identify real property in greater detail and continues to rely on the current inventory, it will continue to be unsuccessful in finding unneeded Federal real property and to fail in its goal of improving agency real property management procedures.

Untimely resolution of recommendations  
of excess property

To determine the success of the survey program, we concentrated on 3 years--fiscal years 1978, 1979, and 1980. We found numerous cases where survey reports, issued to agencies for comment, have been pending for more than 3 years. GSA has not followed up on its survey reports nor has it promptly resolved differences with the agencies. The following table shows the number of survey reports pending as of June 7, 1981.

<u>Fiscal year</u>	<u>Surveys conducted</u>	<u>Surveys pending</u>
1978	197	67
1979	194	63
1980	237	101

In those cases where GSA has completed its survey of an agency's properties and has determined that some portion is excess to the agency's needs, it prepares a report and includes a recommendation that the agency report the property as excess to its needs. The agency has 30 days to respond. If GSA and the agency cannot agree, GSA submits the case to OMB for arbitration. OMB is to make a final decision within 60 days.

We found that many times an agency does not respond to GSA survey reports within the 30 days. As a result, GSA often expends considerable time communicating with the agency to resolve differences. In other instances, these open survey reports remain in suspense while GSA personnel perform other functions, including performing new surveys and issuing survey reports on other facilities of the agency.

Delays are also caused by agency requests for retention of the property until completion of planned studies or for other reasons that will determine if the property might be needed in the future, even though it may not be currently used. In such cases, GSA has little option but to grant the agency's request and hold the case open. However, GSA generally has not promptly followed up on the status of these studies and has done a poor job of monitoring open cases.

Because of inadequate followup by GSA and delays by agencies, survey recommendations may lose validity and finally GSA may simply close the cases without resolving the problem. Since GSA is spending its resources to identify excess property, we believe it is incumbent upon GSA to promptly follow up and resolve all problems with agencies.

Since our review was completed, the Office of Real Property has advised us that procedures have been improved to assure that survey reports in the future will be followed up and differences with the agencies will be resolved quickly.