



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

092752

CIVIL DIVISION

March 31, 1970



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Dear Dr. McElroy:

The General Accounting Office has made a review of selected aspects of the National Science Foundation's (NSF) administration of the cost-reimbursable contract with Associated Universities, Incorporated, for the operation of the National Radio Astronomy Observatory (NRAO), Green Bank, West Virginia. While our review indicated that NRAO administrative procedures were generally satisfactory, we noted several weaknesses in such procedures which we believe should be brought to your attention. These matters have been discussed with NRAO officials who agreed in general with our findings and, where applicable, took or promised to take corrective action.

Other matters noted in our review relating to the management of NRAO are being considered for separate reporting.

SAVINGS AVAILABLE THROUGH INCREASED
USE OF GENERAL SERVICES ADMINISTRATION (GSA)
SOURCES OF SUPPLY

The contract between NSF and Associated Universities provides that the contractor, in all procurements, shall utilize Government sources of supply insofar as is consistent with the Government's interest. While NRAO has purchased many items through GSA, we noted several procurement transactions where NRAO used commercial sources of supply although savings could have been realized by using GSA supply sources.

By illustration, we found that NRAO had purchased the following supplies and equipment at commercial prices substantially higher than those available from GSA stocks or under GSA negotiated contracts.

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<u>Item</u>	<u>Number of units purchased</u>	<u>Unit price</u>		
		<u>Paid by NRAO</u>	<u>Available through GSA</u>	<u>Potential saving</u>
Office supplies:				
Dictionaries	12	\$ 5.06	\$ 4.20	\$.86
White ruled pads	200	.26	.14	.12
Typewriter ribbons	24	1.28	.23	1.05
Paper perforators	3	20.48	4.40	16.08
Equipment for employees' housing:				
Automatic dryer	2	166.56	58.00	108.56
Automatic washer	4	220.50	86.70	133.80

Some of the reasons cited by NRAO for buying from commercial sources, rather than GSA, were lack of awareness that the items were available through GSA, the need for immediate procurement, or preference for the quality of items available from commercial sources.

In view of the savings available through the use of GSA supply sources, we believe that NRAO should use such sources for its procurement transactions whenever they are available and their use would be in the best interest of the Government. NRAO officials informed us that they would look into this matter and take appropriate action.

RECOMMENDATION

We recommend that NSF in connection with its periodic review and audit of NRAO operations ascertain that NRAO is making maximum use of GSA supply sources as provided in NSF's contract with Associated Universities.

NEED FOR MAINTAINING ADEQUATE MOTOR VEHICLE RECORDS

NRAO did not maintain adequate utilization records for Government-owned vehicles. For most vehicles, the records did not show mileage or hours of operation. Also, no studies had been conducted by NRAO with regard to the utilization of its fleet of motor vehicles and the need for the vehicles included in the fleet.

According to its inventory records, NRAO had the following automotive equipment on hand at June 30, 1969.

<u>Type</u>	<u>Number</u>	<u>Capitalized value</u>
Passenger cars	6	\$ 22,277
Pickup trucks	12	5,339
Other trucks	25	29,888
Maintenance vehicles	12	35,370
Miscellaneous equipment	<u>8</u>	<u>9,719</u>
Total	<u>63</u>	<u>\$102,593</u>

In December 1967, NSF issued instructions for the management of Government-owned motor vehicles by NSF contractors. These instructions require that contractors establish and maintain suitable records needed for management, maintenance, and control of motor vehicles as a part of an integrated system for providing information needed for management purposes by the contractor and NSF.

As generally recommended in GSA guidelines for adequate management of Government-owned vehicles, utilization records should show mileage or hours of operation for each vehicle in order to identify excess vehicles, measure operating efficiency against predetermined standards, and provide data necessary to reduce maintenance costs by rotating like vehicles with high and low mileage.

The NRAO Assistant Director for Administration told us that many of the vehicles were for special purposes and, in his opinion, none of the vehicles were in excess of needs. He agreed, however, that adequate utilization records had not been maintained and stated that greater effort would be devoted to this area of management.

RECOMMENDATION

We recommend that NSF follow up the actions taken by NRAO to establish and maintain adequate records of the utilization of Government-owned motor vehicles which would serve as a basis for proper management of the fleet and for determining the number and types of vehicles needed.

REFUNDS OF STATE FUEL TAX TO BE CLAIMED

Prior to 1969, NRAO had not taken advantage of its entitlement under West Virginia law to obtain refunds of West Virginia excise tax paid on diesel fuel used in NRAO equipment. The applicable provision of West Virginia law provides that any purchaser of diesel fuel in quantities of twenty-five gallons or more, at any one time, is entitled to a refund equal to the

amount of such tax paid, provided that the diesel fuel is not used in vehicles operated on public highways and streets. We estimated that for fiscal year 1969 NRAO was eligible for a tax refund of about \$1,000.

We brought this matter to the attention of NRAO officials who informed us in September 1969 that refunds are being obtained starting with 1969. They expressed the belief that, prior to fiscal year 1969, such refunds would not have been significant because some NRAO vehicles were operated on a public road which was located within the Green Bank site. This road was recently acquired by NRAO and is no longer a public road.

NEED FOR STRENGTHENING
TIMEKEEPING PRACTICES

We found that timekeeping practices for hourly and weekly employees were not satisfactory. At the time of our review, NRAO had on its rolls 117 hourly and weekly employees who were using manually prepared time cards which served as the primary source of information for determining the amount of pay for these employees. The NRAO instructions require that time cards show when an employee starts and ends his daily work period. During May 1969, we made a test of the time cards of 29 employees in the NRAO maintenance shop and found that about one third of the time cards did not show the time the employee reported for or departed from work.

After we brought our finding to the attention of NRAO officials, we were told that discussions had been held with division heads regarding the improvement of timekeeping practices. These officials informed us that there would be increased surveillance of the maintenance of time cards and, if necessary, consideration would be given to alternative timekeeping procedures.

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We wish to acknowledge the courtesies and cooperation extended to our representatives during our review. We would appreciate being informed of any further action that will be taken regarding the matters discussed in this report.

Sincerely yours,

Frederick K. Rabel
Frederick K. Rabel
Assistant Director

The Honorable William D. McElroy
Director, National Science Foundation