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

74-0252

PROCUREMENT AND SYSTEMS  
ACQUISITION DIVISION

JAN 31 1974

B-160146

The Honorable Arthur F. Sampson  
Administrator, General Services  
Administration

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Dear Mr. Sampson:

We reviewed the practices followed and the prices paid by various Federal agencies in subscribing to commercial periodicals, such as popular magazines and newspapers. We made our review at 22 local, regional, and headquarters offices of 18 military and civilian agencies. (See enclosure.) These agencies' subscriptions totaled over \$3 million annually.

We found that prices paid for the same periodical varied substantially among Federal agencies. Agencies were not taking full advantage of savings available by consolidating subscriptions or by subscribing for multiyear periods although the Federal Property Management Regulations and the Armed Services Procurement Regulation encourage them to do so when it will be advantageous to the Government.

REDUCED PRICES OBTAINABLE THROUGH  
CONSOLIDATING SUBSCRIPTIONS

Agencies were not realizing the savings that were available to them by consolidating their subscriptions. Subscription prices for identical periodicals differed widely among agencies. For example, the agencies' prices for Time ranged from about 50 percent below to 12 percent above the retail list price. The following table shows the price ranges for seven periodicals. The agencies, collectively, purchased over 2,000 copies of each periodical listed.

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<u>Periodical</u>	<u>Price range</u>
Field and Stream	\$ 3.00 to \$ 5.00
Newsweek	10.00 to 15.68
Popular Mechanics	3.50 to 5.00
Readers Digest	2.32 to 4.97
Sports Illustrated	7.00 to 12.00
Time	7.00 to 15.68
U.S. News and World Report	7.00 to 14.00

When an agency consolidated its subscriptions, it usually was able to get a reduced price. Five of the agencies (the Veterans Administration, Air Force, Navy, Civil Service Commission, and Coast Guard) had consolidated their subscriptions to some degree, two of them on an agencywide basis, and thereby had gotten discounts below the publishers' retail list prices. For example, the Veterans Administration, by consolidating its 1973 periodicals subscriptions agencywide and awarding a contract to the low bidder, had been given a discount of more than \$83,000. Because two employees handled most of the program's administrative work, the administrative costs were nominal.

The 13 other agencies had not consolidated their subscriptions, and most of them paid either the publishers' retail list prices or the retail prices plus service charges.

#### SAVINGS THROUGH MULTIYEAR SUBSCRIPTIONS

Many publishers and distributors offer rates for multi-year subscriptions that are lower than those for 1-year subscriptions. Many agencies having multiyear requirements for periodicals are not taking advantage of the lower multiyear subscription rates. For example, one agency could have saved about \$26,000 (exclusive of possible savings in administrative costs) over a 3-year period by subscribing to 20 periodicals at multiyear rates.

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Agency employees responsible for subscribing for periodicals frequently did not know that multiyear subscription rates were lower than 1-year rates. The Deputy Comptroller of one agency said that 1-year subscriptions were traditional and that he had not considered multiyear subscriptions. Some agencies said that, because of funding limits, they could not use multiyear subscriptions.

RECOMMENDATION

We recommend that each agency not already realizing savings in periodical subscriptions consider (1) issuing agencywide instructions emphasizing the savings available through multiyear subscriptions and (2) consolidating agency subscriptions and providing the funds required for multiyear subscriptions.

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We shall appreciate being advised of any actions you may take in this matter. A copy of this report is being sent to the Chairmen of the Senate and House Committees on Government Operations and on Appropriations and to the head of each Federal department and agency.

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Sincerely yours,



R. W. Gutmann  
Director

Enclosure

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LIST OF AGENCIES AND LOCATIONS  
VISITED DURING SURVEY

- General Services Administration:  
Region I headquarters, Boston, Massachusetts
- U. S. Army:  
Fort Benjamin Harrison, Indianapolis, Indiana
- U. S. Air Force:  
2750th Air Base Wing, Wright-Patterson Air Force Base,  
Dayton, Ohio
- U. S. Navy:  
Chief of Naval Operations, Washington, D.C.  
Navy Finance Center, Cleveland, Ohio
- Veterans Administration (VA):  
VA Hospital, Indianapolis, Indiana  
VA Supply Depot, Somerville, New Jersey
- Department of Housing and Urban Development:  
Indiana area office, Indianapolis, Indiana  
General Service Division, Region V headquarters,  
Chicago, Illinois
- Federal Highway Administration:  
Indiana Division, Indianapolis, Indiana  
Region V headquarters, Chicago, Illinois
- U. S. Coast Guard:  
Ninth Coast Guard District, Cleveland, Ohio
- Environmental Protection Agency:  
National Environmental Research Center, Cincinnati, Ohio
- Food and Drug Administration:  
Cincinnati, Ohio
- Department of Health, Education, and Welfare:  
National Institute for Occupational Safety and Health,  
Cincinnati, Ohio
- Internal Revenue Service:  
Central regional office, Cincinnati, Ohio

ENCLOSURE

Defense Contract Administration Services:  
Regional headquarters, Cleveland, Ohio

National Aeronautics and Space Administration:  
Lewis Research Center, Cleveland, Ohio

U. S. Civil Service Commission:  
Region V headquarters, Chicago, Illinois

Small Business Administration:  
Region V headquarters, Chicago, Illinois

Atomic Energy Commission:  
Oak Ridge National Laboratories, Oak Ridge, Tennessee

Federal Bureau of Prisons:  
U. S. Penitentiary, Terre Haute, Indiana

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