

DOCUMENT RESUME

06645 - [B1926954]

[Federal Agency Participation in the National Supply System].
LCD-78-229; B-161319. July 7, 1978. 7 pp.

Report to Joel W. Solowon, Administrator, General Services Administration; by Richard W. Gutman, Director, Logistics and Communications Div.

Issue Area: Single Logistics Managers: Government-wide, for Discrete Functions. (716).

Contact: Logistics and Communications Div.

Budget Function: General Government (800).

The Federal Catalog System was established to provide Government agencies with common identification for repetitively used supply items and to help manage logistical operations. The catalog system provides a standard reference language or terminology that can be used by all activities engaged in the process of supply. Approximately 125 civil activities carry out supply operations to some degree. Only 10 of the 125 activities are full participants--4 independent agencies and 6 offices within the executive departments. Some agencies are not familiar with the Federal Catalog System, and others do not care to participate. Supply activity reports which are supposed to reflect the level of participation in the catalog system are often either not submitted or are incomplete and inaccurate. The General Services Administration (GSA) recognizes the need to increase agency participation in the National Supply System, but its efforts have not been very successful. GSA needs to increase its efforts to develop a systematic plan for achieving orderly integration of civil agency supply activities into the Federal Catalog System. GSA should assist the agencies in identifying their supply items, developing the capacity to participate in the National Supply System, and preparing or improving supply activity reports. (RRS)

6954



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

LOGISTICS AND COMMUNICATIONS
DIVISION

B-161319

JULY 7, 1978

The Honorable Joel W. Solomon
Administrator of General Services

Dear Mr. Solomon:

We have been studying civil agency efforts to participate in the National Supply System. Specifically, we looked into the extent civil agencies are active in the Federal Catalog System and efforts of the General Services Administration (GSA) to assist these agencies and encourage their participation.

Participation in the Federal Catalog System is small compared to the number of civil agencies. GSA efforts to assist agencies and encourage participation have been limited.

After initiating the study, we learned that the President's Reorganization Project on Administrative Services and the National Supply System Advisory Board had established task groups to study aspects of the National Supply System. So their efforts would not be duplicated, we canceled our survey before its completion. However, we believe you might benefit from our observations on some of the problems we noted before terminating the survey.

EXTENT OF PARTICIPATION

The Federal Catalog System was established to provide Government agencies with common identification for repetitively used supply items and to help manage logistical operations. The catalog system provides a standard reference language or terminology that can be used by all activities engaged in the process of supply. To participate in the National Supply System, agencies must first be able to identify their supply items by national stock number.

LCD-78-229
(943047)

We categorized the agencies as either full participants or partial participants in the Federal Catalog System. Full participation indicates an agency is involved in cataloging for supply management purposes, has been assigned cataloging activity codes, actively submits requests for cataloging of supply items, and participates in a program to keep item registration current. Partial participation indicates an agency has been assigned cataloging activity codes and submits requests for cataloging but does not take part in the program to keep registration current.

Approximately 125 civil activities carry out supply operations to some degree. Of these, 68 are major activities within the 11 civil executive departments and 57 are independent agencies.

Only 10 of the 125 activities are full participants-- 4 independent agencies and 6 individual offices within the executive departments. These agencies are listed below.

- Federal Aviation Administration, Department of Transportation.
- U.S. Coast Guard, Department of Transportation.
- National Oceanic and Atmospheric Administration, Department of Commerce.
- Bureau of Printing and Engraving, Department of the Treasury.
- Bureau of the Mint, Department of the Treasury.
- Federal Prison Industries, Department of Justice.
- Veterans Administration.
- National Aeronautics and Space Administration.
- Central Intelligence Agency.
- Interstate Commerce Commission.

The Bureau of the Mint and the Interstate Commerce Commission are the only recent additions.

Partial participants include 30 individual offices within the executive departments and 6 independent agencies.

DISCUSSIONS WITH CIVIL AGENCIES

Some agencies are not aware of the Federal Catalog System. We contacted representatives from the following two executive departments and six independent agencies to determine their familiarity with the system.

- Department of Agriculture.
- Department of the Interior.
- Civil Aeronautics Board.
- Federal Home Loan Bank Board.
- International Boundary Commission.
- National Science Foundation.
- Securities and Exchange Commission.
- U.S. Information Agency.

The Department of Agriculture has a significant ongoing effort to identify by national stock number all inventory items costing \$200 or more. Our discussions indicated, however, that this is strictly for personal property inventory management and is not a typical cataloging effort. The Department of the Interior representatives told us that they had not initiated a cataloging system but had made inquiries about other agencies' systems and methodology. Five of the independent agencies we contacted were not familiar with the Federal Catalog System. The National Science Foundation representatives were familiar with the system but stated that they did not want to take part because the benefits were not worth the investment.

SUPPLY ACTIVITY REPORTS DO NOT
SHOW TRUE PARTICIPATION

GSA supply activity reports do not provide a comprehensive picture of all civil agency activities nor do they reflect the level of participation in the Federal Catalog

System. Many agencies did not submit supply activity reports, and other agencies submitted incomplete and inaccurate reports.

In August 1974, GSA revised the annual supply activity report to require agencies to identify the number of inventory items having national stock numbers. They rationalized that since each Government agency is required to submit this report annually to GSA, the data could be used to monitor individual civil agency participation in the Federal Catalog System.

Not all civil agencies submit the supply activity reports required by the Federal Property Management Regulations. In fiscal year 1976 all of the executive departments submitted reports, but only 16 of the 57 independent agencies submitted them.

Several reports were incomplete. The agencies provided information on some sections of the activity report but did not complete the cataloging portion of the report. A GSA analysis indicates that 3 of Agriculture's 24 reporting activities did not provide the cataloging information. The same was true for four of Treasury's eight reporting activities and two of Justice's four.

The analysis also showed significant discrepancies between the number of supply items agencies reported having national stock numbers and the number of supply items formally recorded in the Federal Catalog System. An agency gets recorded as a registered user of a supply item by notifying the catalog system manager that it actively uses the item in their supply operations.

As an example of the discrepancies, Justice's supply activity reports indicated that 8,286 inventory items were identified by national stock numbers but the Federal Catalog System records indicated that it was a registered user on only 4,097 national stock numbers. Similarly, Health, Education, and Welfare supply activity reports indicated that 61 percent of their inventory items were identified by national stock numbers, but catalog system records indicated that it was a registered user on only 24 percent of their items.

Supply activity reports of some of the other agencies, such as the Department of Housing and Urban Development, Nuclear Regulatory Commission, Federal Power Commission, and Federal Communications Commission, indicated that 75 to 100 percent of their inventory items were identified by national stock number but Federal Catalog System records did not show them as a registered user on any items. Apparently the agencies never went through the formal procedure of requesting assignment of activity codes, which would allow them to obtain cataloging of their supply items.

GSA EFFORTS

GSA recognizes the need to increase civil agency participation in the National Supply System but its efforts have not been very successful. As stated earlier, the amount of participation in the Federal Catalog System is small compared to the number of civil agencies.

In 1975 GSA established a Federal Catalog System task force to broaden civil agency understanding of the system and to increase participation. Periodic progress reports since July 1976 indicate that some contacts have been made with civil agencies.

Our review of GSA files showed, however, that not all of these contacts were pursued. Although meetings between GSA and civil agency officials were documented, they left the impression that additional meetings would be desirable to make higher level agency officials aware of the need for cataloging or to follow up on interest expressed by an agency.

In some cases the followup action did not take place. The Nuclear Regulatory Commission and the Public Health Service are two examples of agencies that expressed an interest but did not receive the follow-on assistance. A GSA official told us that most contacts were initiated by the civil agency rather than by GSA.

We also found little evidence that GSA was attempting to assist the agencies in making their supply activity reports more complete and accurate. Nor did we find GSA attempting to get the agencies that did not submit reports at all to do so. GSA officials stated that they did not know which agencies should be furnishing reports.

EXECUTIVE WORK GROUPS

The ongoing efforts of two executive groups caused us to limit the extent of our work.

The first group--National Supply System Advisory Board--was established to advise and assist the Administrator for Federal Procurement Policy in developing and carrying out a National Supply System. A January 1978 meeting resulted in the formulation of four task groups to study the following areas:

- A more precise definition of the National Supply System.
- Consolidation of depots.
- Controlling the entry and deletion of items in the National Supply System.
- Participation of civil agencies in the Federal Catalog System.

The second executive group--the President's Administrative Services Reorganization Project--was established to develop recommendations to improve the management and delivery of administrative services within the Federal Government. The project set up five task forces, one of which was to study supply and support services issues.

Some of the issues to be considered were

- National Supply System,
- centralized versus decentralized supply operations,
- methods and sources of supply, and
- consolidation of distribution facilities.

The task forces were instructed to maintain close and continuous coordination with other study groups. This coordination was particularly evident with respect to the National Supply System and depot consolidation, wherein both the National Supply System Advisory Board and the Reorganization Project task force on supply and support services have jointly sponsored task groups in those areas. Their work is still in progress.

CONCLUSIONS

With only 10 of 125 civil activities participating fully in the Federal Catalog System, and consequently the National Supply System, there is much room for increased participation. Some agencies are not familiar with the Federal Catalog System, others do not care to participate. Supply activity reports which are supposed to reflect the level of participation in the catalog system often are either not submitted or are incomplete and inaccurate.

GSA needs to increase its efforts to bring about improvements in these areas. It must develop a systematic plan for achieving orderly integration of civil agency supply activities into the Federal Catalog System. GSA should assist the agencies in identifying their supply items, developing the capacity to participate in the National Supply System, and preparing or improving supply activity reports. GSA officials told us that funding for additional cataloging efforts will be recognized in the 1980 budget plan.

We trust that you will consider our observations in your efforts to increase civil agency participation in the National Supply System and in initiating corrective action. We recognize that our observations may be affected to some extent by the ongoing work of the National Supply System Advisory Board and the President's Reorganization Project.

Your thoughts on the matters discussed in this letter and any actions taken in response to our observations would be appreciated. We will also follow with interest the recommendations of the task groups and the future direction taken by agencies to implement a truly integrated supply system.

Copies of this report are being sent to the Director, Office of Management and Budget.

Sincerely yours,



R. W. Gutmann
Director