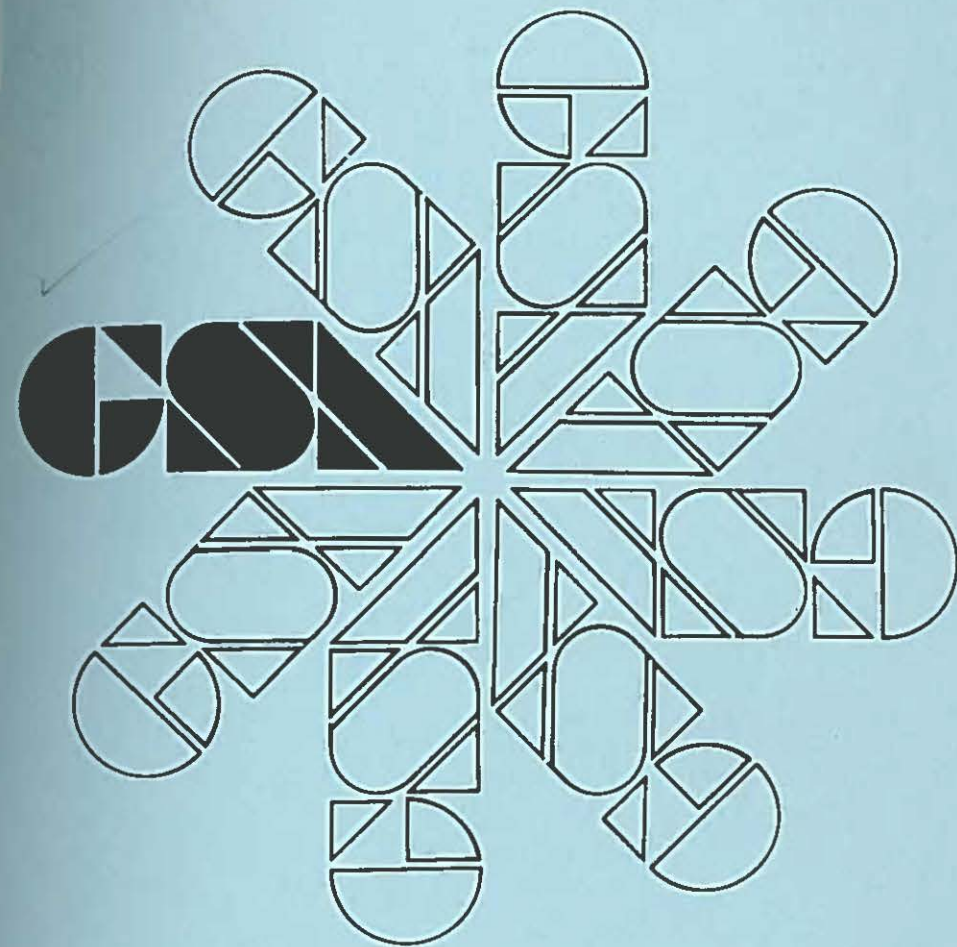


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Report for '74

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General
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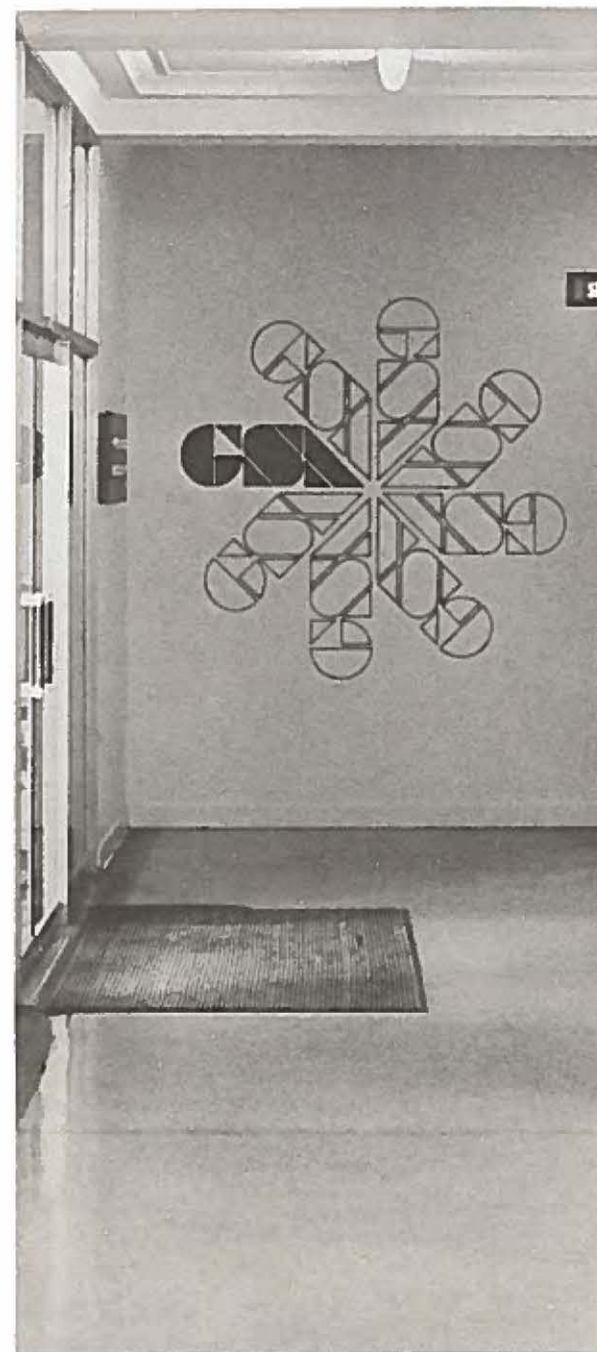
Foreword

This year's annual report is a departure in format and intent from past GSA reports. It is more concise, concentrating only on new and on the major, continuing programs of the agency. It was produced on word processing machines at GSA using videotype and a mini-computer. That makes it less expensive to produce. Rather than telling a single "story" about GSA, an attempt has been made to separate and summarize the diverse programs of the agency. Thus separated, and stored on tape, these items can be updated to continue to inform the Congress and the public over time.

In addition, as elements of this "Report for '74" are refined and supplemented they can be used independently. Individually mailed they will replace other outdated GSA publications, answering the many questions we regularly receive about the agency and its programs.



Arthur F. Sampson
Administrator of General Services





Gerald R. Ford
President of the United States



Arthur F. Sampson, Administrator, General Services Administration



2



GSA Leadership

5



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6



1 Dwight A. Ink, Deputy Administrator

2 Donald P. Young, Acting Assistant Administrator

3 Theodore D. Puckorius, Commissioner, Automated Data and Telecommunications Service

4 James B. Rhoads, Archivist of the United States

5 Michael J. Timbers, Commissioner, Federal Supply Service

6 Walter A. Nelsen, Acting Commissioner, Public Buildings Service

Regional Administrators



- 7
Mary T. Foster, *Special Assistant to the Administrator*
- 8
Richard L. Fanske, *Acting Executive Assistant to the Administrator*
- 9
Robert B. James, Jr., *Chief Administrative Judge, GSA Board of Contract Appeals*
- 10
G. C. Gardner, *Assistant Administrator for Administration*
- 11
E. E. Mitchell, *Director of Civil Rights*
- 12
Harold S. Trimmer, Jr., *General Counsel*
- 13
William W. Thybony, *Acting Associate Administrator*
- 14
Leslie W. Bray, Jr., *Director, Office of Preparedness*



- | | | | |
|-----------------|---|------------------|---|
| Region 1 | Albert A. Gammal, Jr.
Post Office Square
Boston, Massachusetts 02109 | Region 6 | H. D. Harvell
1500 E. Bannister Road
Kansas City, Missouri 64131 |
| Region 2 | Gerald J. Turetsky
26 Federal Plaza
New York, New York 10007 | Region 7 | Jay H. Bolton
819 Taylor Street
Fort Worth, Texas 76102 |
| Region 3 | John F. Galuardi
7th and D Streets, SW
Washington, DC 20407 | Region 8 | Michael J. Norton
Building 41—Denver Federal Center
Denver, Colorado 80225 |
| Region 4 | Lewis D. Strom
1176 Peachtree Street, NW
Atlanta, Georgia 30309 | Region 9 | Thomas E. Hannon
49 4th Street
San Francisco, California 94103 |
| Region 5 | Frank Resnik
219 South Dearborn Street
Chicago, Illinois 60604 | Region 10 | David L. Head
GSA Center
Auburn, Washington 98002 |



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History

We are so accustomed to the size and complexity of government today it is difficult to remember a time less hectic -- a time, for example, when the Commander-in-Chief of our military operations could have carried on voluminous correspondence amid the Revolutionary War, most of it dwelling on food, clothing, blankets, horses... in a word, supplies.

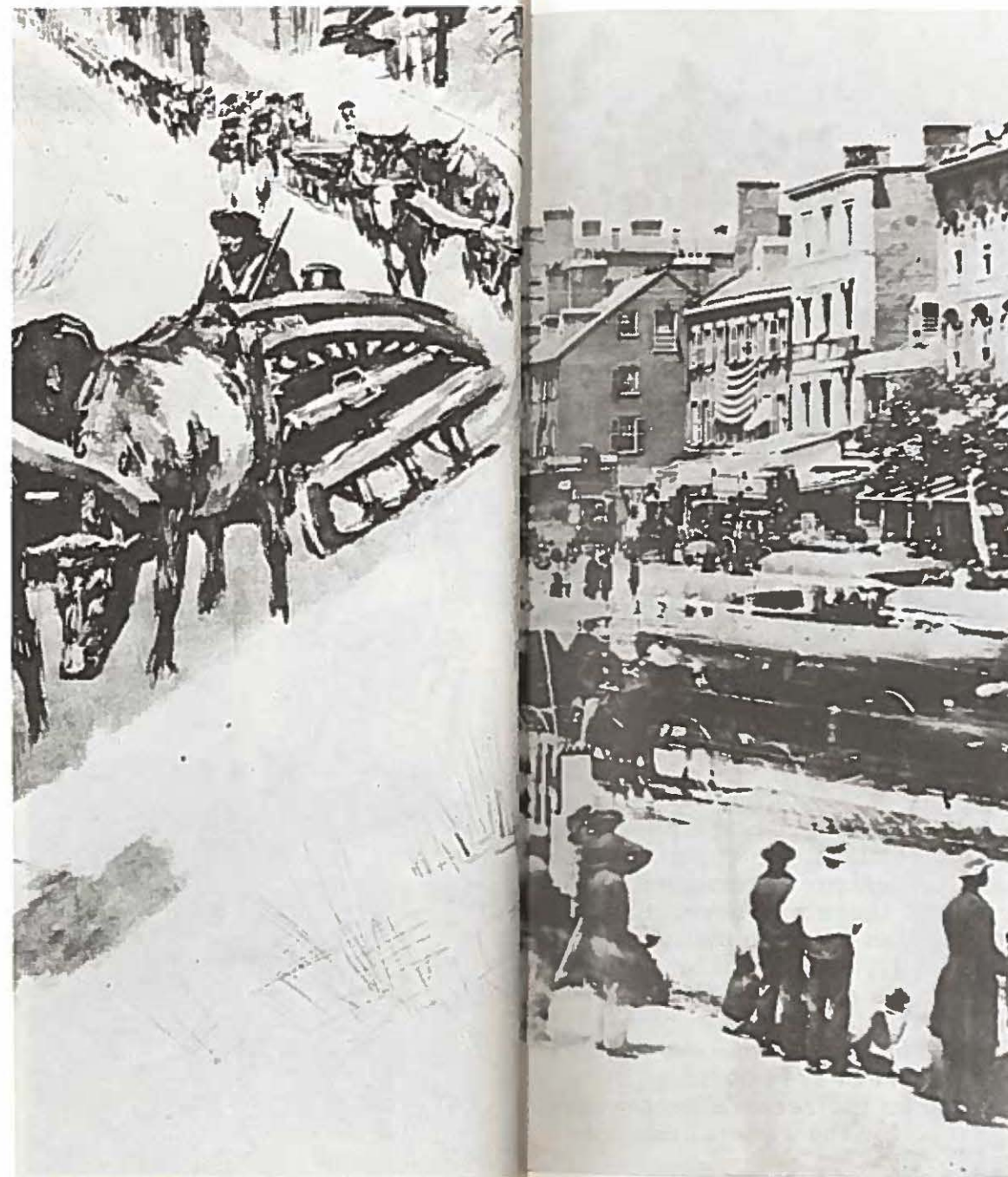
Once the war was won and national independence secured, our founding fathers sought to define a new kind of government and to find ways to make it work. Matters such as supply, records keeping and com-

munications were given little consideration. They were usually handled by each office. The scale of most civilian government operations was so modest that some measure of inefficiency, confusion, even duplication was no serious threat to the function of the federal government.

Supplies to Work With

Only when Alexander Hamilton became the first Secretary of the Treasury in 1789 was any concept of centralized purchase and supply initiated. After three years of personally approving every item needed by federal employees, Hamilton set up the Office of Purveyor of Public Supplies in the Treasury Department. The head of this office was given two clerks, a messenger, and a salary of \$2000 a year.

During the War of 1812, each individual agency again set up its own supply operations. By the turn of the century, agencies were purchasing hundreds of varieties of papers, pens and inks --all at different prices. This duplication continued until 1949 when civilian procurement and supply were consolidated in GSA.



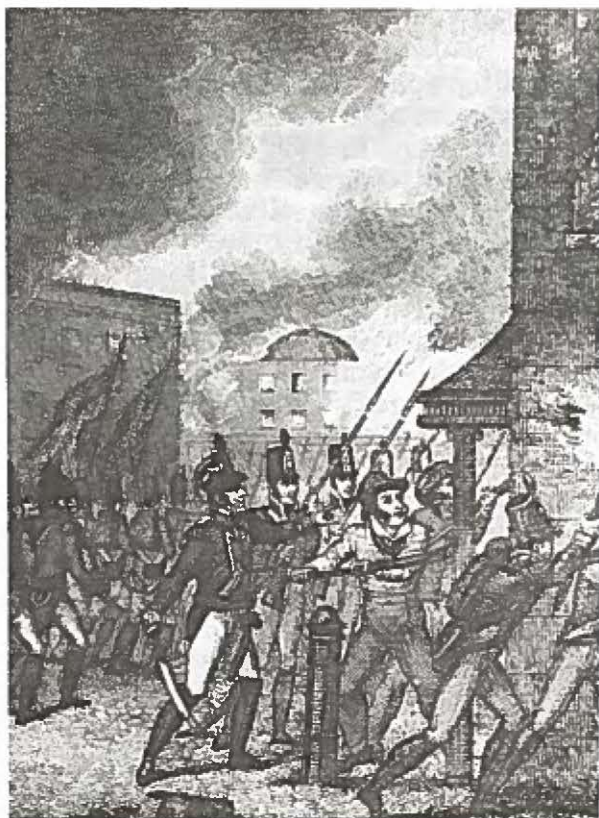
Space to Work In

Providing space for government quarters created difficulties from the beginning. In 1790, control of public buildings rested with three commissioners who financed operations by selling lots in the new Federal city. In the 19th century public buildings became the responsibility of the Treasury Department. Outside Washington, however, government operations were conducted in makeshift quarters, or single-purpose structures like customs houses or post offices.

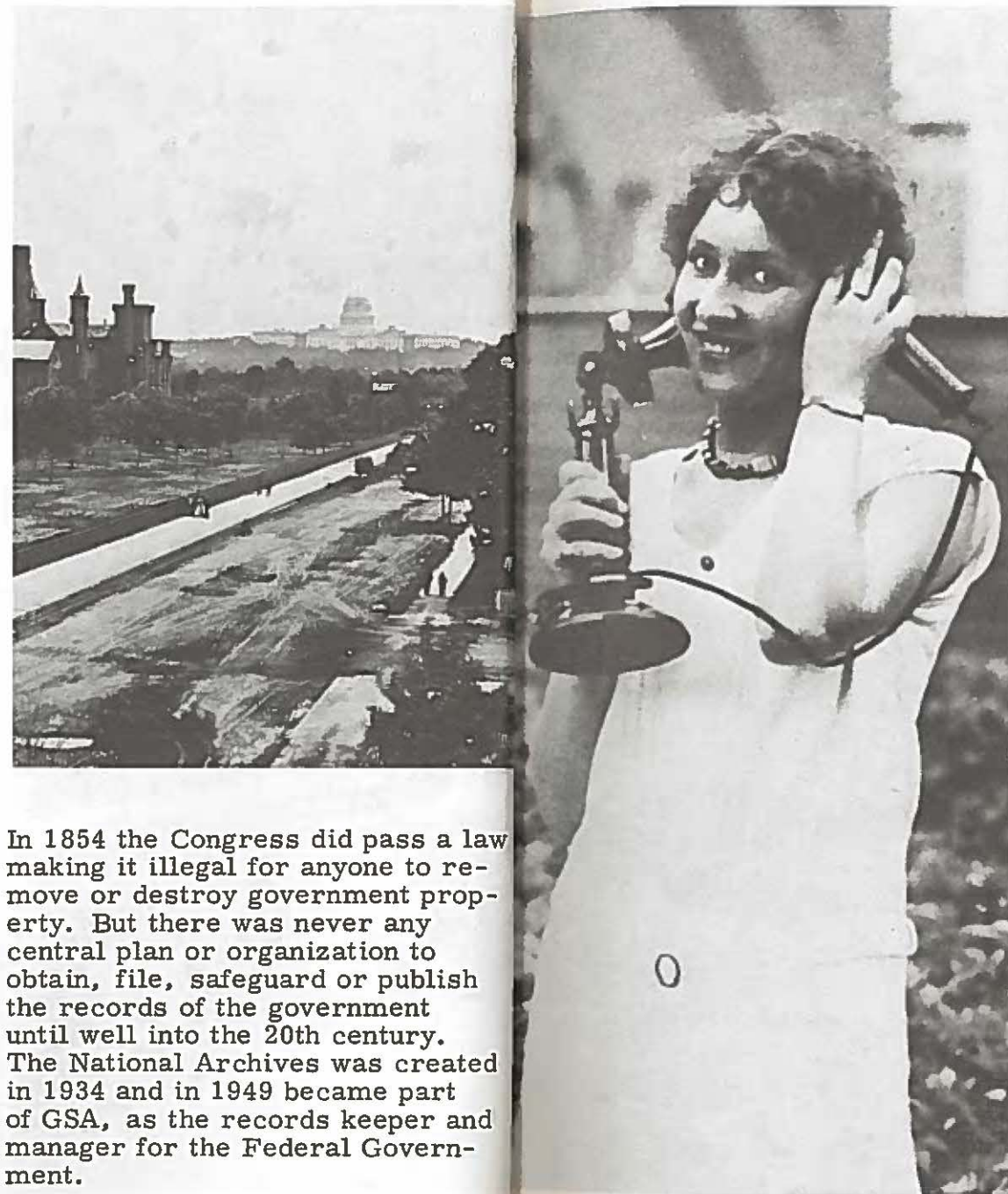
Early in the 20th century a public buildings commission was created to study the government's space and building needs, but no real program was begun until 1926. Ultimately, providing space for civilian federal operations became a job for GSA.

Keeping Records

Records were practically ignored by the U.S. Government in the beginning except for documents such as the Declaration of Independence and the Constitution. And even they had a hazardous early existence. When the British burned Washington in 1814, these early records were bundled in linen bags and taken to a farmhouse in Leesburg, Va.



In 1854 the Congress did pass a law making it illegal for anyone to remove or destroy government property. But there was never any central plan or organization to obtain, file, safeguard or publish the records of the government until well into the 20th century. The National Archives was created in 1934 and in 1949 became part of GSA, as the records keeper and manager for the Federal Government.



Government Communications

Communications responsibilities in the past were as diffused as space and supply programs. In 1928, individual agencies purchased their own telephones, replacing couriers.

In 1941, government war preparation overloaded private communications facilities. The first major teletypewriter network was established under the Office of Emergency Management.

After World War II that service was extended to all federal agencies, and responsibility for its operation transferred to the Public Buildings Administration. In 1949, communications responsibilities were transferred to the Administrator of GSA. The year 1963 saw further progress with the establishment of the GSA Federal Telecommunications

Service. FTS, in 1972, was combined with federal data processing needs to form a major new service for the agency: Automated Data and Telecommunications Service.

Business Manager for the Government

Procurement and supply, space and real property operations, records management, communications and data processing management--these are the basic functions of GSA today.

To achieve these functions, the agency has four major services: Public Buildings, Federal Supply, Automated Data and Telecommunications and National Archives and Records. The policymaking and general direction for these divisions comes from the Central Office in Washington, D. C. Implementation basically is through 10 regional offices.

Additionally, there are several staff offices directly responsible to the Administrator, carrying out various policymaking and administrative functions.

These responsibilities put GSA in the role of the business manager for the civilian Federal Government.



1974 — A Renewal

In 1974, the General Services Administration reached a milestone: a quarter - century of service to the Federal Government and the American public.

The agency has met its traditional responsibilities: fulfilling the administrative and logistical needs of the civilian agencies of the executive branch. Today it has added management and policy-making responsibilities.

Nearly a million federal employees work in more than 10,000 buildings controlled by the agency. This adds up to 225 million square feet of work space.

The National Archives and Records Service holds 1.2 million cubic feet of valuable permanent records--the equivalent of three billion pages of paper.

The Federal Supply Service procures more than \$2 billion in common use items annually.

GSA's Automated Data Telecommunication Service manages a telephone system that is larger than that of many countries--nine million miles of circuits to over one million telephones in the United States.

A New Motto

In 1974, the General Services Administration adopted a motto: "Serving Government. Serving People." The motto, chosen after a national employee contest, reflects GSA's basic mission -- providing goods and services to the executive branch of government. And it represents other programs which benefit citizens more directly.

A Fresh Image

The agency is engaged in a program to update its graphics, an important element in unifying the functions of GSA. The first stage of this was adoption in 1974 of a new symbol. This design, which will appear on all stationery, news releases, publications and forms, will serve to convey the solidity, continuity and vitality of the agency.



Facts and Figures

GSA

- houses 800,000 federal employees
- employs more than 38,000
- has assets worth \$11 billion
- assisted 6.3 million people last year through the Federal Information Center program
- filled six million requests for consumer information.

PBS

- controls 225 million square feet of space in 10,000 buildings controlled by the agency
- has 46 new construction projects underway valued at over \$1 billion
- through conservation has reduced its energy use in buildings by 28.5 percent over two years.
- leases 77 million square feet of space in 6,600 buildings throughout the country at an annual cost of \$364 million.



FSS

- purchases over \$2 billion in goods and services each year
- operates 22 supply depots and 67 self service stores
- maintains a fleet of 73,500 vehicles
- stocks 32,000 different commercial items
- supplies civilian agencies with 700,000 commodities
- supplied 748 million paper clips, 552,440 dozen pencils, and 337,000 tons of paper last year.

NARS

- stores 13.4 million cubic feet of records
- holds 104 million manuscript pages in six Presidential libraries
- has 4.9 million still pictures, 84,198 reels of motion pictures and 70,700 sound recordings.

ADTS

- controls one million telephones on nine million miles of circuits.
- handled 130 million long distance calls and transmitted over eight billion words of data and records during fiscal 1974.
- oversees the management and procurement of 3,500 computers.
- avoided over \$315 million in telecommunications costs last year through discounted rates, improved management and negotiated rates and tariffs.



GSA's Four Services

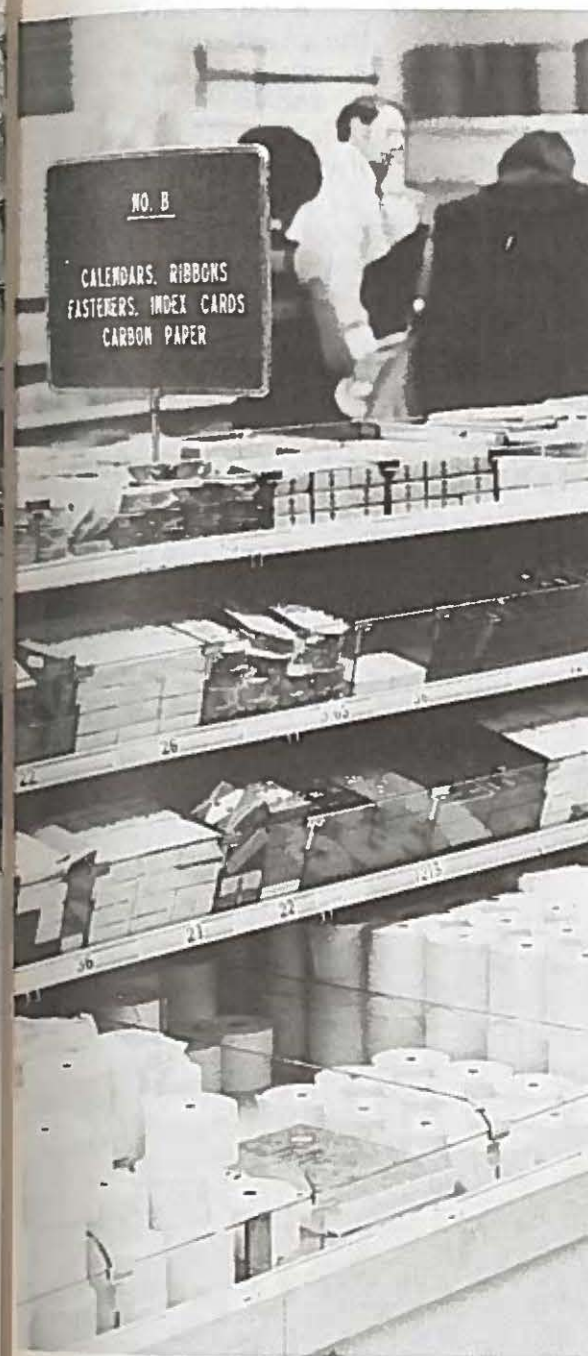
Public Buildings Service

Providing work space for the government is the heart of the Public Buildings Service. From a museum in Washington, D.C., to a high-rise federal prison in California or a revolutionary energy-saving office building in New Hampshire -- PBS blends new technology, sophisticated design and effective management to keep pace with the needs of federal agencies.

PBS is the largest branch of the agency. It has 22,000 employees and a billion dollar program. It is the largest landlord in America, with an inventory of 225 million square feet of space. At any one time, 1,500 construction projects are in progress.



Besides constructing new buildings, PBS leases and manages office, warehouse and other kinds of space, and sets rigid standards of performance for that space so the taxpayer gets his money's worth. In recent years, PBS has set the pace for industry in construction management, fire safety, energy conservation, value management and systems building, contributing to the natural, social and cultural environments of communities around the country.



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Federal Supply Service

The federal government is the world's largest consumer of goods and services. Responsibility for purchasing these goods and services rests principally with GSA's Federal Supply Service. Besides being the civilian government's buyer, it is in charge of transportation and public utilities management, personal property disposal and strategic stockpile depot management.

FSS purchases \$2 billion worth of goods and services each year. It sets standards of quality and performance through testing and deter-

mines fair and efficient methods of procurement. It distributes its materials to other government agencies through its 22 supply depots and 67 self-service stores. It manages an inventory of more than \$200 million and maintains and operates a 73,500-vehicle interagency motor pool system.



Federal Supply insures that the government gets the most out of personal property through re-use, rehabilitation, donation and surplus sales programs. It assists minorities and other disadvantaged to enter the marketplace. It places priorities buying products manufactured with recycled products.



National Archives and Records Service

For many Americans, the National Archives means a high-ceilinged hall in Washington where the Declaration of Independence, the Constitution and the Bill of Rights are on permanent display. It is that-- and more.

The National Archives is part of the federal archival system administered by the GSA National Archives and Records Service. Besides the National Archives building in Washington, D.C., NARS operates 15 federal archives and records centers throughout the country and six presidential libraries to house the papers of presidents from Herbert Hoover through Lyndon Johnson.

The 21-stack levels in the National Archives Building are home for most of the 1.2 million cubic feet of permanently valuable records of the Federal Government, beginning with the nation's formative years. There are millions of textual documents, photographs, motion pictures, sound recordings and maps. Federal agencies use them, and so does the public, historians, genealogists, students.

A small body of records known as "National Archives" is in the archives branches of the regional federal archives and records centers. But most of the holdings of the latter—some 12.1 million cubic feet—are more current records. They are still in sporadic use by federal agencies, but not so necessary for day-to-day operations to be stored in high-cost office space. In-

stead, they are kept in the low-cost record centers where easy retrieval is assured.

The presidential libraries are other important centers for research, holding not only the papers and memorabilia of a president, but also the papers of other men and women associated with his administration.

The National Archives and Records Service, also operates a governmentwide records management system aimed at controlling the vast amount of federal paperwork. And it publishes the daily Federal Register, the Weekly Compilation of White House Documents, the Public Papers of the Presidents, the United States Statutes at Large, the Code of Federal Regulations, and the United States Government Manual.



Automated Data and Telecommunications Service

The mission of economically providing government agencies with the data processing and telecommunications resources critical to efficient operations management belongs to GSA's newest major service --the Automated Data and Telecommunications Service.

The ADTS-operated Federal Telecommunications System provides the government with voice as well as facsimile, data and teletypewriter communications services. During fiscal 1974, approximately 130 million long distance calls were placed by federal agencies, and over eight billion words of data and records were transmitted.

The Federal Data Processing Centers operated by ADTS offer nation-



wide systems and programming, data conversions, and computer support services. In fiscal 1974, these divisions provided nearly \$20 million in services to GSA and other government users.

In order to provide the federal community with the latest in telecommunications equipment, ADTS provides the services from its own resources, finds other sources within the government, or acquires the services from commercial contracts.



Staff Offices

Two of GSA's staff offices carry out the expanded managerial roles delegated to the agency in 1973. These are the Office of Federal Management Policy and the Office of Preparedness.

Office of Federal Management Policy: Through OFMP, GSA has instituted sound management practices that will add up to government-wide productivity improvement, efficient buying regulations and streamlined federal grant assistance to state and local governments. Better organized energy-saving criteria are another concern of this new office.

The office has other goals: to enhance government computer utilization; to develop real and personal property policies; to improve accounting systems and cash management practices within the federal sector.



Office of Preparedness: OP has a mission to develop plans and operating programs so the civilian sector will be able to respond to a wide range of potential national emergencies.

OP brings to GSA many of the same charges it held in the Executive Office of the President-- national readiness in the areas of civil defense, emergency preparedness planning, continuity of civil governments at all levels, resources

planning and analysis, and strategic materials stockpile planning.

In times of crisis--ranging from a truck strike to an attack on this country--OP moves into action, planning federal response to emergencies affecting the nation.

At all times, it can speedily assess the economic impact of any emergency situation and immediately respond to contain civil or conflict emergencies.



- The Office of the Administrator contains the major coordinating offices, oversees regional affairs, and maintains relations with other agencies, the Congress, the media and the public.

Within the realm of its responsibilities lies the management of the newest offices--the Office of Federal Management Policy, the Office of Preparedness and the Office of Stockpile Disposal, the Office of Civil Rights, the Board of Contract Appeals, the Federal Information Centers and the Consumer Information Center.

- The Office of Administration provides management and financial expertise essential to the daily operations of the agency, including central staff support and assistance

in areas of budget, finance, investigations, personnel, document security programs and administrative programs and services.

It also provides, on a contract basis, expert administrative support for more than 30 independent commissions, committees, study groups and special offices created by the President or the Congress.

- The Office of General Counsel is responsible for all legal services

for GSA's operating and staff units. More than 100 attorneys are involved in the full range of GSA's complex and varied activities, ranging from litigation to labor relations, from contracts to civil rights and from administrative law to property law. Legal services also are provided for 40 presidential and other special commissions, committees and small agencies. In addition, the office represents the consumer interest of the Federal Government in utility ratemaking proceedings.

Highlights of 1974





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GSA Reduces Energy Consumption

One year following the beginning of a strict conservation program under guidelines laid down by President Ford, GSA was able to announce a 21 percent reduction in energy use. That savings represents a reduction in energy consumption in GSA-owned and operated buildings and in gasoline used by more than 73,500 government-owned vehicles during fiscal 1974. Savings in build-

ing operations, resulting from the removal of 2.2 million fluorescent tubes and the raising or lowering of summer and winter thermostats, equaled 2.5 million barrels of crude oil. A 15 percent reduction in mileage and strict adherence to a 55 m.p.h. speed limit meant the agency used 8.4 million gallons less gasoline. Data from GSA's computerized carpool service, in opera-



tion since summer 1974, showed a 70 percent increase in carpools using federal parking spaces.

The Public Buildings Service of GSA is conducting a \$10 million energy conservation renovation effort. Forty-six projects have been activated for fiscal 1974 and 1975 to improve the energy efficiency of GSA buildings.

Help From All Quarters

All GSA is participating in the energy saving effort. Last year, the Office of Preparedness conducted resource analyses and used the authority of the Defense Production Act to assist in the construction of the Trans-Alaskan pipeline. The Office of Federal Management Policy developed policies pertaining to carpooling, and the heating, cooling and lighting of buildings. The Federal Supply Service bought all compact cars for the inter-agency motor pool, reduced the number of limousines in use, and contributed to federal mileage reduction and speed limit programs. The Automated Data and Telecommunications Service ran a "Travel by Phone" campaign designed to reduce federal travel by increased use of long distance government communications services. The National Archives and Records Service sponsored an energy conservation exhibit.



A Continuing Effort

The energy conservation effort is continuing and its future is exciting. Among the innovations that can be expected are the development of more solar collectors for buildings and the use of electric vehicles.

In the fourth quarter of fiscal 1974, GSA cut back more than 28 percent on energy use--making the agency a leader in the government-wide effort.



A Model of Fire Safety

The cost of destructive fire is high. In a single year more than 12,000 people die, 300,000 are injured, \$12 billion is lost in property damage and other costs.

Recent tragedies have taught us that even our most modern buildings are not totally safe from fire. But the Seattle federal building, dedicated in 1974, may be the safest of its kind in the country. It's a building planned

around the realities of fire and the reactions of people. It uses the most modern technical tools of fire prevention to assist in firefighting. And it's a building with brains -- computer controlled.

Today's high-rises are built of newer, lighter materials -- full of shafts and passages for mechanical systems. They contain large populations -- in numbers which make total rapid evacuation impractical. And they soar beyond the reach of conventional firefighting equipment.

In short, the possibility exists of facing a major fire in a modern high-rise and fighting it from the inside -- with the building occupants still inside.

The 37-story Seattle structure was designed and built to advance the art of fire safety. It was built with fire resistant and non-combustible materials, a two-way voice communications system, fire-safe exits, stairwells, and seven "security islands" to protect the 2,500 occupants. A computer that scans 1,000 critical checkpoints throughout the building is the mastermind of the fire safety system. In case of fire, it automatically alerts the fire department and pinpoints the emergency; returns all elevators to street level for use by the firemen; triggers recorded messages in elevators, endangered areas and security islands to instruct occupants; flushes smoke out of the emergency areas and blows fresh air into security islands.

The Systems Approach

Providing these fire safety features could be expensive. It doesn't have to be in new construction -- and it wasn't in the Seattle building. The reason is a systems approach. The building was planned comprehensively.

Older, more traditional standards were modified and the newer techniques integrated into one overall system. The result -- increased safety at no substantial increase in cost.

GSA has on the drawing board 20 to 25 other buildings with similar or equivalent fire safety features.

GSA's goal-oriented systems approach to building fire safety combines all fire prevention and control techniques into one system, considered to be the most important breakthrough in fire safety engineering in the last 30 to 40 years. This approach--though still under development -- has already shown itself to be consistent with the requirements of both safety and economy.

On a nationwide basis, GSA has set aside at least 10 percent of all funds earmarked for repair and alteration to reduce fire and accident hazards in existing buildings.



Assisting the Citizen

GSA's mandate to provide support services to the agencies of the executive branch of the federal government does not preclude direct service to the citizenry. Far from it. The programs that are created to serve government's space and supply needs often suggest or dictate spinoffs that have direct impact on the private citizen.

Providing Information

Would you like to know how to buy a buffalo or file a mining claim? The Federal Information Centers can tell you. Helping people help themselves is the goal of the FICs. Each center is designed to help the public answer their questions about a federal agency or program.

Citizens seeking information from the government are often frustrated trying to find the right federal department that can help. Employees of the FICs are experts on names and locations of federal programs: the where-to, what-to, and how-to of dealing with a bureaucracy. At 15 FICs there are Spanish-speaking employees; a staff member of the Honolulu FIC speaks both Chinese and Hawaiian, while German and Slovak-speaking specialists work in the Cincinnati center. The San Diego center has five-language capability.

In San Diego, the Government Information Center is an experiment in federal-state-local cooperation, with funding provided by all three. The GIC assists its inquirers with information on all levels of government.

The newest FIC opened in 1974 in Washington, D. C. with a staff specially trained to handle the more



complex questions about the federal establishment.

All FICs stock federal publications on social security, veterans' benefits, consumer information, minority involvement and various other programs which attract most questions.

Since 1966, FICs have been established in 37 cities. An additional 37 metropolitan areas have toll-free tielines linking them to the nearest center. In 1974, the centers responded to more than 6.3 million inquiries, a 17 percent increase over 1973.



Serving People

The small businessman, members of minority groups, and the consumer benefit from GSA programs.

Consumers

The problems of consumers are multiplied by inflation, and GSA's Consumer Information Center serves to use the experience of government programs to benefit them. Consumer information can deal with the quality or price of goods and services in the marketplace, the government's impact on the consumer through regulation, or programs that affect the price, quality, or availability of goods.

A prime purpose of the Consumer Information Center is to urge other

agencies to develop consumer information relating to their programs.

The Center monitors agencies for programs which touch consumers directly and suggests topics for new publications. It publishes a quarterly index of publications on the purchase, maintenance and use of products on nutrition, health, safety, housing, energy conservation and environmental and consumer protection.

More than 60 million copies of the index have been distributed.

Business Service Centers

The small business seeking to provide services or supplies to the government faces a massive logistics problem: making its product known, learning to bid, obtaining government specifications, and assessing chances of securing a bid in the face of longstanding competition.

Employees of GSA's 13 Business Service Centers are trained to help solve these problems. The centers provide detailed information on GSA supply and service programs and maintain data on the procurement programs of other agencies.

The Business Service Centers play an equally important role in advising GSA procurement officers about firms that can assist the government in supplying new products and services.

Through an innovative "circuit rider program", staffs of the Business Service Centers in 1974 visited 80 cities to counsel local entrepreneurs and to make their services known through the media and trade associations. A follow-up program is surveying why individual firms on GSA mailing lists fail to bid on contracts, and what actions would make it easier for small firms to do business with government.

Aid to Disadvantaged Businesses

Through a cooperative effort with the Small Business Administration, GSA is able to identify disadvantaged business firms which can meet contract requirements and contribute to government needs. Section 8(a) of the Small Business Act is designed to insure impartial treatment to minority-owned or disadvantaged businesses in securing contracts for both goods and services. Several contracts are, in fact, set aside to meet these needs.



Special Sales by GSA

Stockpile

The General Services Administration's stockpile sales in 1974 would fill a train stretching from Washington, D.C. to Omaha, Neb. In total, more than \$2 billion worth of unneeded materials was sold. The money returned to the United States Treasury surpassed the combined revenue of stockpile sales for the previous six years.

The materials sold included enough Aluminum to make 12 billion cans; enough copper to equip 700,000 American homes with wiring and plumbing; and enough lead to make 32 million automobile batteries.

Dealing with the stockpile encompasses a variety of considerations such as management, storage, and disposal.

GSA's Office of Preparedness has the responsibility for stockpile planning to prevent a shortage of critical resources in time of national emergency. This is accomplished by maintaining reserve stockpiles of strategic and critical materials.

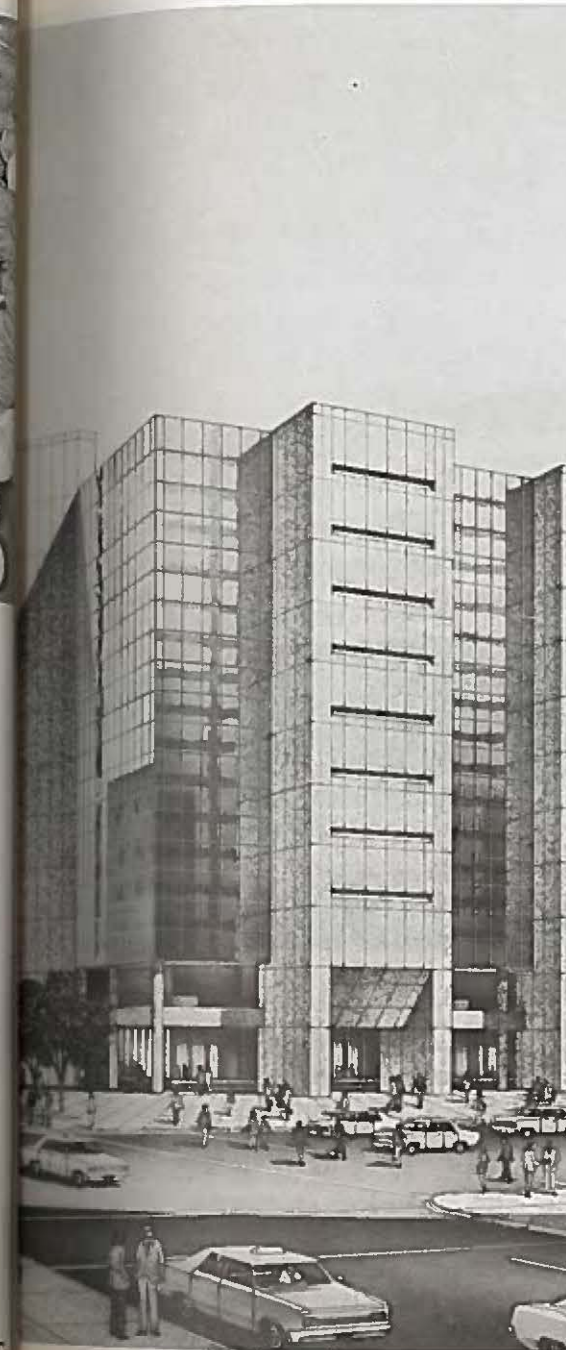
The actual stockpiling of these materials is handled by GSA's Federal Supply Service. These stockpiles -- 36 million tons worth about \$8 billion -- are at 126 locations. Five of the sites will be vacated during the year as a result of disposal shipments. Three sites were vacated last year.

The stockpile disposal area has a team of technical research experts who keep abreast of domestic and international market trends and conditions. Their determinations, coupled with advice from the Office of Preparedness, assist in deciding which commodities and what quantities should be put up for sale at a given time.



Silver Dollars

The U.S. Treasury has received more than \$55 million in revenue from the sale of the government's stockpile of silver dollars minted in Carson City, Nev., in the 19th century. GSA conducted four sales in 1974 on a bid basis. The 2.8 million coins, mostly uncirculated, were discovered in a 1964 audit at the U.S. Treasury. They are the last of the 90 percent silver dollars. They were sold by GSA under special legislation. Successful bids for individual coins ranged from \$3 for a circulated silver dollar of undesignated mintage to \$1,525 for an uncirculated 1879 Carson City silver dollar.



Building Systems

A building is a kit of parts--parts that work together. A systems approach recognizes that and capitalizes on it. Instead of specifying separate systems, individually designed and brought together at a building site, this approach specifies performance. That leaves the door open for innovation, for the integration of systems, for multiple use of materials and energy. The General Services Administration in its effort to cut construction time and overcome the disastrous effects of spiraling inflation, is turning to a building systems concept.



Building systems is a management tool. It insists on painstaking attention to all aspects of the construction process, requiring each decision to be made according to a preplanned set of criteria. These critical factors bring together all aspects of a building-in-process, and force decisions based on the whole picture. Building systems is

the concept being used for the construction of program centers for the Social Security Administration in Philadelphia, Chicago, and Richmond, California. At a cost of \$29.2 million, the interior systems, including structure, heating, ventilation, air-conditioning, electricity, exterior finish and interior design, constitute a package designed for efficiency.



Fine Arts in Federal Buildings

GSA has assumed a cultural posture to commission original art for new federal buildings as part of its fine arts program.

Under a revitalized program, federal buildings funds are being earmarked for the creation of art work to enhance GSA buildings. One half of one percent of a building's construction cost is set aside for sculpture, murals, or paintings by renowned American artists. Artists are nominated by the National Endowment of the Arts. The administrator of GSA makes the final selection after a review within the agency.

In 1974, the first work in this reactivated program--a 50-ton stabile by

Alexander Calder--was dedicated at the Chicago Federal Center. Other art projects--38 in all -- are scheduled for completion over the next three years at a cost of \$2.5 million.

Depression Era Art

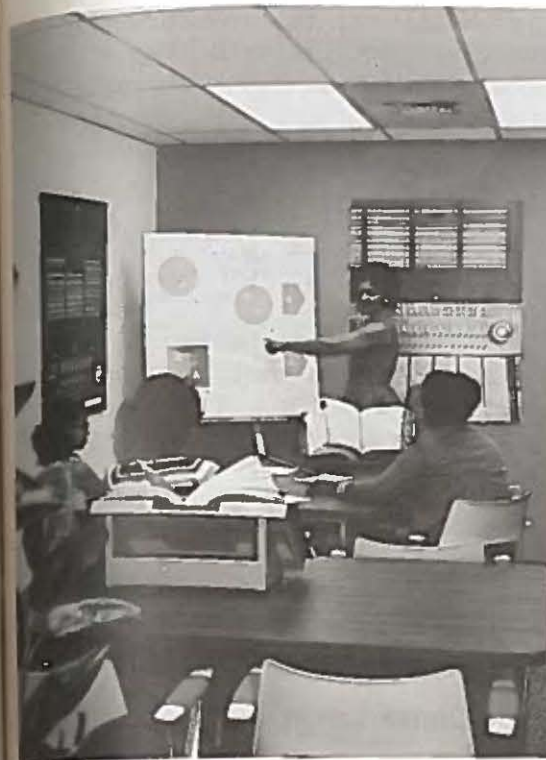
Each week more than 200 new Americans are awarded their citizenship before a magnificent mural. That mural was found abandoned at an immigration facility in a GSA search to locate, catalogue and preserve more than 100,000 works of art--murals, sculpture and paintings--commissioned during the 1930s depression era under federally-sponsored programs.

As a result of this search, the Ellis Island mural was salvaged and installed in the Immigration Court of the U.S. Federal Courthouse in Brooklyn, N.Y.

The GSA program to find these art works is continuing. Art has been found in federal, state and local public buildings, but a number--some by America's most famous artists--have been lost or destroyed. To date, 2,000 murals and works of sculpture have been located. Some, like the Ellis Island mural, have been retrieved and restored. Paintings and other works discovered

through the program which are not permanently installed or not on display are conveyed for restoration to the National Collection of Fine Arts. In 1974, 200 works were transferred, including two large mural originals by Moses Sawyer in the New York Public Library.

GSA is sharing its finds with the public. It is sponsoring exhibits of some of these original finds and publishing a guide to this New Deal art.



Office of Federal Management Policy

Overseeing and improving government-wide management practices is the role of GSA's Office of Federal Management Policy. Its functions are many and varied, and extend to virtually all major activities carried out by federal agencies. Major OFMP priorities during 1974 included improvements in federal grants administration, utilization of automated data processing equipment, productivity, and energy conservation practices.

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Federal Grants Administration

Improving the management of assistance programs to state and local governments and private, nonprofit organizations is a primary OFMP concern. One way is through the Integrated Grant Administration (IGA) program. IGA reduces to a single application requests for funds from several federal agencies necessary to carry out a complex project. A lead agency is selected for each project, and its representative chairs an interagency task force set up to administer the effort. Participating agencies place their funds in a single account managed by the lead agency. Combined with the use of one application, this saves the grantee as much as 10 percent of administrative costs generally associated with federally-supported projects. As a result, state and

local governments are better able to define, plan and manage their priorities.

Administrative Costs Study

Under OFMP's direction, an inter-agency study team discovered that although individual agencies can identify certain administrative costs associated with federally-aided programs, no government-wide method is available to collect, monitor and compare such information on a uniform basis. As a result, GSA is working closely with the Office of Management and Budget to develop better ways to identify and reduce administrative overhead for federal assistance programs.

Productivity

In line with the President's pledge to improve the productivity of federal agencies, GSA has assumed a major role in developing ways to increase federal output. Recent accomplishments include:

- . an OFMP capital investment study providing agencies with expert guidance in financing, auditing and evaluating capital investment projects

- . establishment of a GSA productivity clearinghouse based on data submitted by 20 agencies

- . a program begun last year to provide limited technical assistance to state and local governments to help measure and improve employee productivity.

Energy Conservation

One of OFMP's responsibilities is the development of better property management standards. It is the office's work in this area that led to its involvement in energy conservation. A 21 percent reduction in energy use, as well as a cost avoidance of \$725 million, were realized by GSA during fiscal 1974 as a result of OFMP policies which produced energy savings through development of uniform heating, lighting and cooling levels for federal buildings, and more efficient and economical use of federal motor vehicles.



Office of Preparedness

Whether it's planning for survival in the event of a nuclear attack or evaluating the impact of a crippling nationwide strike, GSA's Office of Preparedness is involved.

OP is concerned primarily with national policy and program development and providing guidance to other federal agencies relative to emergency preparedness programs. No matter what the project is -- providing studies and analyses of preparedness activities or coordinating federal response to special crises, such as a strike, or a health hazard -- OP puts forth its best efforts.

One of the office's jobs is to prevent the dangerous and costly dependence of the United States on foreign sources of supply. It does this by managing

the levels of strategic stockpiled materials and providing for productive capacity expansion in accordance with the Defense Production Act.

OP took a central role in development of fuel conservation and rationing plans and the implementation and assessment of fuel allocation programs at the national, regional and state levels prior to the creation of the Federal Energy Administration. A task force of OP staff worked with the Department of the Interior's Office of Oil and Gas in developing and running the Voluntary Petroleum Allocation Program.

In the Spring of 1974, OP undertook a major assessment of the Alaska Pipeline Project to determine the need for using the Defense Production Act as authority for assuring scarce materials for the timely completion of the Trans-Alaskan pipeline.

During the February 1974 truck stoppage, OP coordinated an exchange of information among federal agencies. It reported incidents to all concerned including violent acts, highway blockages and truck refuelings. The White House was kept informed through daily summaries and overall impact reports over the two-week critical period. And OP's regional directors were alerted and prepared to act on possible spot shortages of critical resources caused by the lack of truck transportation.

In another area, OP initiated the development of a series of significant industry profiles--compiling all kinds of data helpful in emergency situations--industry composition trade patterns (both domestic and international), kind and source of supply and demand. Profiles were completed on copper and coal industries. Others are underway.

Controversial Issues



Introduction

GSA reached its 25th anniversary in 1974. The year brought some major advances in many of our programs, successes and achievements that are summarized in this report.

But 1974 also was a year of controversy for the agency. During that time GSA faced some of the stiffest criticism and most difficult assignments in its history.

Often, annual reports do not include mention of controversy, of mistakes made or criticism received. But GSA's annual report is the only widely distributed accounting of its activities and the only vehicle for recording the history and development of the agency. So it is appropriate that this annual report does include a review of the controversial issues faced in the preceding year.

What follows is a summary of the most critical issues which were encountered, those which drew the most attention--mostly negative--from the media, the public and the Congress.

Laguna Niguel

Criticism grew amid cries of "white elephant" from senators, congressmen, the media and the public as the General Services Administration traded two government-owned plants to Rockwell International in exchange for a building in Laguna Niguel, Calif.

The exchange, which completed a process begun in 1971, resulted in the transfer to GSA of a new office building. Built by Rockwell at a cost of \$27 million, the million square feet, seven level building is on a site with more than 6,000 parking spaces. To build a similar highly adaptable building at today's market prices would cost a minimum of \$50 million.

One fundamental issue raised by this exchange relates to GSA's use of its

authority. In 1972 an offer to exchange several government facilities for the Laguna Niguel facility was executed by GSA and submitted to the Office of Management and Budget. After OMB approval in accordance with Section 203(e) (3) of the Federal Property Administrative Services Act of 1949, GSA submitted an explanatory statement of the proposed exchange to the House and Senate Government Operation Committees.

The proposal was reviewed by the Congress from March 6, 1973, to March 8, 1974. During this period the agency met several times with members and staff of the House and Senate Government Operations and House Public Works Committees. All questions raised about the proposed transaction were answered.

It was only after these discussions, response to correspondence and favorable anti-trust advice from the Department of Justice that the exchange was consummated. This process is fully within GSA's authority.

A recent GAO report confirms:

"GSA is authorized by law to exchange properties. There is no provision in the law which requires GSA to secure formal Congressional approval before it acquires a public building for exchange if the expenditure of appropriated funds is not more than \$500,000."

GAO found no indication of any violation of any law or regulation concerning budgeting or spending appropriated funds.

A second charge was that the exchange was designed to benefit Rockwell International; that GSA had no need for the building; that it can't be filled with tenants. Several facts should be mentioned. First, the Laguna Niguel facility was a bargain for the federal government. GSA acquired it for properties valued at \$19.5 million. This building provides the government with new, flexible, high-quality space, ample parking, and the area is served by public transportation. The facility is in a region where the government leases more than a million square feet.

The building is needed. However, during the year in which the Congress considered the transfer, GSA lost some opportunities to fill the space with federal agency operations. GSA had to enter into new leases and the agencies interested in space at Laguna Niguel had to be re-directed to other space. Today, however, the building is being filled with tenants, among them the National Archives and Records Service of GSA, an element of the Internal Revenue Service and the U.S. Geological Survey. Complete occupancy is expected in about a year.

The final question raised about this exchange concerns former President Nixon. It has been claimed that GSA was attempting to acquire the facility for use as a Nixon Presidential Library. That simply is not true. The exchange was initiated in 1971, long before the crisis which precipitated Mr. Nixon's departure from office. Today only 800 square feet of space assigned to the National Archives and Records Service is being used to house Mr. Nixon's pre-presidential papers and memorabilia. No office, storage or other space has been reserved or assigned for Mr. Nixon or members of his staff.

The Laguna Niguel facility was acquired because it was in the best interest of the federal government to obtain a public building at a bargain to meet the growing need for space in Southern California.



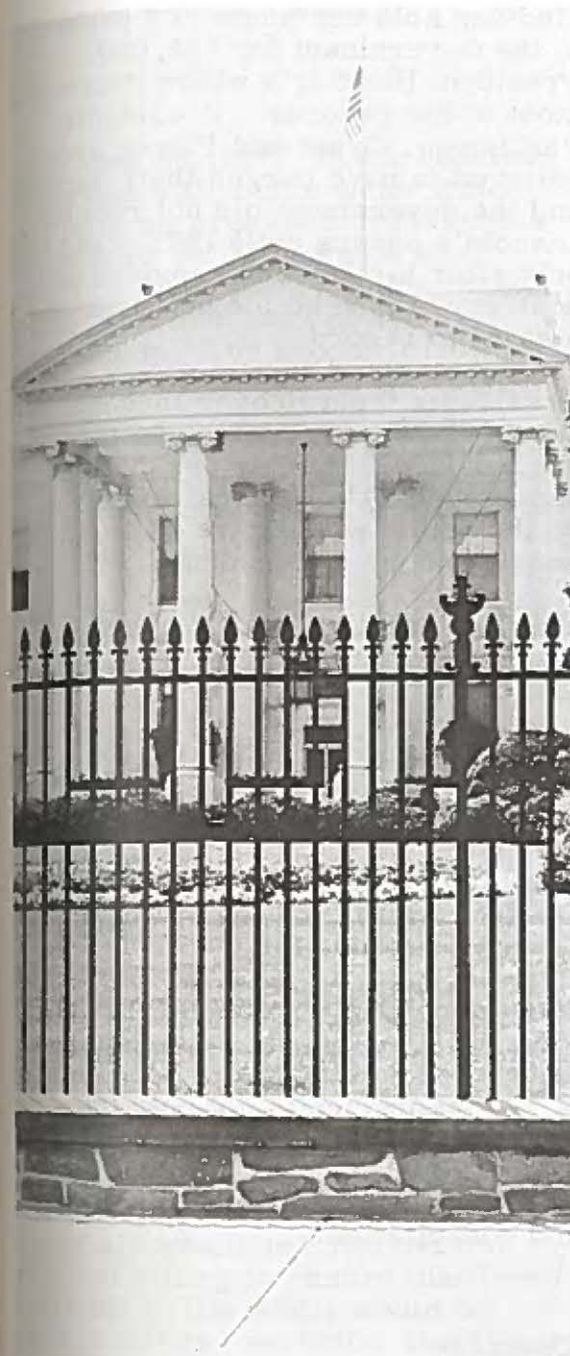
Gateway

In September 1970, GSA solicited offers of lease space in Philadelphia. In February 1971, we accepted the offer of Gateway Center Corporation to lease a building under construction in West Philadelphia. The award was based on factors dealing with the socio-economic impact a selection would have on a community as required by a Presidential directive issued in February 1970. It

was felt that locating federal agencies in the Gateway building would have a positive impact in upgrading the surrounding neighborhood. The award brought a protest from an unsuccessful offeror of space in the form of a civil suit against GSA, Gateway Center Corporation and several individuals. He alleged that he should have received the award based on his lower price per square foot offer, disregarding any administrative judgments GSA may have made.

But the GSA policy regarding site selection has remained constant throughout this controversy. The agency is committed to improving social and economical conditions and therefore takes into account not just cost, but individual and community values as well. The Gateway building is adjacent to a low income area, an area with high crime and unemployment, and a major educational complex. It has provided both employment opportunities for community residents and training opportunities to federal employees.

In addition to social and economic impact, GSA considers existing city plans. Gateway is in a redevelopment area and its construction has reinforced physical development of that area. Its selection was made after extensive consultation with state and local officials and Philadelphia business and community groups. Selection of the Gateway building was endorsed by the Governor's office, by the Mayor of Philadelphia and by many outstanding community leaders.



Presidential Materials

The resignation of Richard Nixon in August 1974 drew GSA into a controversy over the custody and handling of the Nixon Presidential materials. Ultimately the agency was given the sensitive task of developing regulations for the disposition of these materials under a new federal law.

In September 1974, acting on an opinion by the Attorney General, the Administrator signed an agreement with the former President providing that Mr. Nixon would retain title to his Presidential materials but would transfer them to government possession. Joint control and use of the materials was provided.

That agreement caused considerable controversy and led to law suits and a court order which restrained its implementation. The media gave wide coverage to the issue.

In November the Watergate Special Prosecutor, the Counsel to the President, the Director of the U.S. Secret Service and the Administrator of GSA signed an agreement which provided the Special Prosecutor access to those materials needed for ongoing investigations and prosecutions.

On December 19, 1974, the Presidential Recordings and Materials Preservation Act became law. It set a precedent for the handling of Presidential materials.

Every President since George Washington has considered that materials made and received during his presidency were his personal property. Through Lyndon Johnson, the President or his family reviewed the materials and determined what should be done with them. Mrs. James

Madison sold her husband's papers to the Government for \$65,000. President Harding's widow destroyed most of his records. Presidents Van Buren, Grant and Pierce are believed to have purged their papers; and the government did not receive Lincoln's papers until 1923 - and then only after his son had removed and destroyed those he did not want history to record.

Presidents from Hoover through Johnson, however, consistently deeded or willed their personal papers to GSA's National Archives so the public would have an accurate account of their presidency.

The Presidential Recordings and Materials Preservation Act alters that traditional system.

The legislation directed the General Services Administration to take custody of and protect and preserve the historical materials of the Nixon Administration and to submit to the Congress within 90 days draft regulations providing for public access.

GSA responded. A top-level task force was appointed to develop regulations to implement the Act. Aware of its importance to not only the Nixon materials but the recording of future Presidencies, the task force spent thousands of hours in research and consultation.

(Continued)

Presidential Materials (Continued)

On March 19, 1975 GSA presented Congress with a plan under which virtually all presidential materials relating to the "Watergate era" would be made public within three years after the start of archival processing. The proposal calls for a staff of 100 to process the most sensitive materials first. Soon after the start of processing, some of the best known "Watergate" materials would be made available to the public.

The cost of the three-year program is estimated at \$7 million. The start of processing would depend on how soon several issues pending in the courts are resolved. They include the questions of whether the Act itself violates the constitutionally-based right of privacy of former President Nixon or others and the important issue of ownership of the materials.

There are 35,000 cubic feet of Nixon materials in government custody -- some 42 million pages of documents and thousands of hours of audio and visual recordings, including the famous "White House tapes."

Under regulations proposed by GSA, materials would undergo careful archival sifting to ensure that those available to the public would not violate national security, individual

rights or embarrass innocent individuals.

A special archivist for Nixon materials would be designated to supervise the work of professionals in the National Archives and Records Service. Additionally, there would be a Presidential Materials Review Board composed of the Archivist of the United States, the Librarian of Congress and one other nominated by the Society of American Archivists. The board would make the most difficult decisions concerning release or restriction of materials.

Their recommendations would only be overturned by the administrator in writing, fully stating his reasons for doing so.

The public would be able to listen to copies of the tapes at 12 locations nationwide beginning soon after processing begins. The original tapes would remain in safekeeping at the National Archives.

Certain materials determined to be private or personal or as not having general historical significance and not related to abuse of power would be returned to former President Nixon, his heirs or the former staff members having primary interest in the materials.

The recommendations in the report go into effect after 90 legislative days unless Congress takes action to the contrary.

Presidential Transition

The dramatic and sudden resignation of Richard Nixon from the Presidency drew GSA into new controversy as it pursued its duties under the Transition and Former President's Acts.

The former Act, enacted in 1963 by Congress, recognizes the massive burdens which swiftly descend on a new President, and the fact that some responsibilities continue for the outgoing President after he has departed the White House.

The latter Act provides funding during his lifetime for a pension and such other essential expenses an individual might incur because of his role as a former President.

Using President Johnson's experience as a guide, and taking inflation into consideration, GSA requested an appropriation of \$450,000 for transition expenses and an additional \$400,000 as the first annual increment under the Former President's Act.

The proposal brought an outcry from the people who had fresh in their minds Watergate - style abuses of power.

The Congress and GSA were deluged with letters charging that the agency was trying to pamper the former President, that he should receive little or no funds.

GSA faced stiff criticism in the press and difficult congressional hearings. Reflecting the mood of the time, Congress slashed to \$100,000 the appropriation for transition with a like amount for the first year's expenditures under the Former President's Act

Transition funds, are available only during the first six months after a President leaves office. About \$99,800 were spent for postage, communications, personnel and office equipment prior to February 7, 1975. Funds under the Former President's Act will be available until June 30, 1975, and thereafter as annually appropriated by Congress during the life of the former President.

Presidential Properties

Since the resignation of President Nixon, the General Services Administration has closed out its operations in support of Secret Service protection operations at the Presidential compound at Key Biscayne, Fla. It has cut back its operations at San Clemente, California, but will continue to provide support to the former President and the Secret Service there under our responsibilities under the Former President's Act.



Computers and Privacy

The proposed procurement of a major teleprocessing network by GSA, manager of federal computer and communications resources, helped focus public attention on the issue of individual privacy as it relates to computers.

We called it the "New Equipment Project" or NEP. But the media quickly dubbed it FEDNET. One reporter won a journalistic society's annual prize for what he called his "expose". GSA had never made any secret of the project, although we acknowledge overlooking the possibility that the network had the

potential for invasion of individual privacy. The fear was that several agencies sharing the system could exchange information on individuals and that data might be used for different purposes than for which it was gathered, constituting a violation of individual rights.

The agency entered into the procurement of the network, to be shared by GSA and Agriculture, with the intention of saving money by purchasing in larger increments, thus fulfilling a mandate of Congress to procure in the most cost efficient way.

When the privacy issue came to our attention, GSA abandoned its planned procurement. The Administrator pledged to confer with the Congress before completing any major purchases of teleprocessing systems involving both computers and communications.

Further, we developed regulations to assure that federal agencies consider the question of privacy of individual rights in the procurement of new systems. GSA worked closely with the Domestic Council Commission on the Right of Privacy and with the Congress.

The privacy issue was considered from all sides. What are acceptable levels of protection? How would privacy standards effect the government's ability to perform its mission? From these deliberations

came the Privacy Act of 1974, signed into law by President Ford at the end of the year. This law which goes into effect in September 1975, goes a long way toward protecting individual rights. But the question of privacy is not settled. Rather, it is an issue that will continue to confront federal managers, legislators and individual citizens. And the continuing nature of this issue is especially important to GSA, with its ongoing responsibility as the government's records, communications and computer manager. With that in mind, the Administrator established a GSA Privacy Board to guard against any deliberate or inadvertent abuses of privacy in any of the agency's programs.

In Senate testimony the Administrator cautioned that computers and communications and the development of these resources are essential to improving the government's performance. At the same time, however, he supported legislated privacy standards. And he called for a continuing development of definitions:

"What is completely private information? What is truly public? And how should we deal with the majority of personal data that falls somewhere in between? If we can define that, we can understand what threat there may be in our current computer and communications systems and what dangers there will be in the systems of the future."



GSA
General
Services
Administration

The General Supply Fund

The national supply system, the interagency motor pools, and the property management of GSA's Federal Supply Service are financed by a revolving fund, commonly known as the General Supply Fund.

That fund is not new. Originally established in 1930 in the Department of Treasury, it was transferred to the General Services Administration when the agency was created in 1949. Today the fund is the means by which FSS buys, stores, sells and ships equipment and supplies to other federal agencies.

When GSA first took charge of the fund in 1949, the appropriated capital was \$9.5 million. But just as the federal government has grown over the past 25 years, so has its need for supplies and equipment and the need for working capital to supply that demand. In the 1950-1967 period, \$233 million in appropriations was added to the fund. None since, and today it remains capitalized at about \$243 million.

Over the past six years, sales for the General Supply Fund have averaged \$900 million annually. But for fiscal 1975, it is expected that sales will reach \$1.3 billion.

There are two reasons for this increase: First, the rate of inflation over the past year has approached 20 percent. Second, rather than buying direct from private industry, federal agencies now are purchasing more supplies and equipment from FSS through this fund.

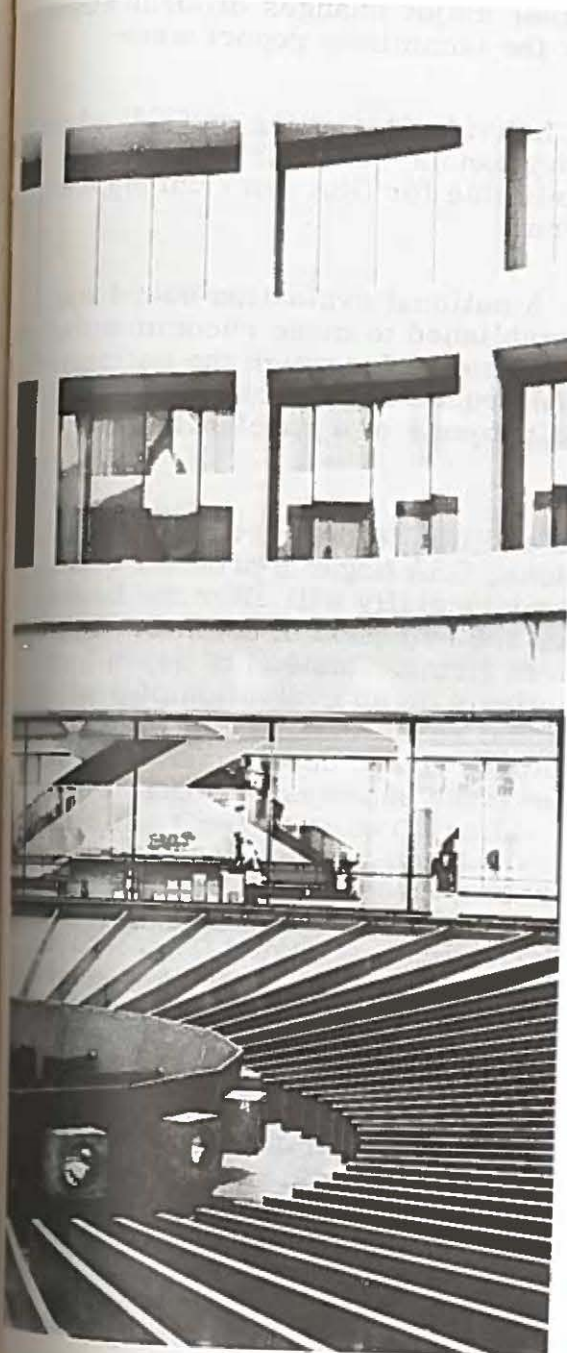
To service this increased demand, GSA in 1974 had to expand its inventory of supplies on hand. In fact, during the last six months of 1974, inventories increased from \$244 million to \$388 million.

The result of an increased inventory combined with the fund's limited working capital was a cash deficit problem that arose at the end of 1974 and extended to 1975. But government suppliers had to be paid. GSA

temporarily advanced \$156 million to the General Supply Fund from other funds within the agency.

There is a long-range solution: provide more working capital to the General Supply Fund. In the meantime, however, the agency has had to take steps to correct the cash deficit and reimburse other GSA funds by June 30, 1975. It has acted to do this by reducing the size of its inventory, accelerating billing to federal agencies to speed collection of funds, and working to expand its sales to other agencies. Finally, GSA is developing improved management controls to provide early warning of cash deficits.

All these steps are being taken without impairing GSA's ability to buy for and supply other federal agencies.



Selection of Architects and Engineers

In late 1973 and throughout 1971 various states' investigations were begun into use of political influence in hiring of architects and engineers. Most notable were the investigation and charges brought in Maryland.

These investigations raised a national concern. Were public design commissions being awarded to those with political influence rather than to architects and engineers with outstanding professional qualifications?

While no serious questions were raised regarding GSA's AE selection system, the agency took positive action to review and improve that system.

Late in 1973, the Administrator charged a special study committee with reviewing the agency's architect/engineer selection process and making recommendations within six months.

In June 1974, the committee's report was finalized. It found that GSA's selection process had worked well over the years. But the report also made recommendations for improvement. The majority of those recommendations were implemented immediately.

The opportunity for political influence in the award of architect-engineer contracts for GSA construction projects was virtually eliminated.

The most significant recommendation was that architectural and engineering firms be ranked in a one-two-three order by an in-house professional evaluation board. This ranking previously was done by the Administrator who is responsible for final selection. Under the new procedure, if he departs from the recommendation of the evaluation board, he must document his reasons.

Such ranking and documentation means that the final authority in the GSA selection system--the Administrator--will have minimum opportunity to make a selection based on political motives.

Other major changes brought about by the committee report were:

- . Individuals serving on GSA advisory panels--or their firms--are ineligible for GSA work during their term.

- . A national evaluation board was established to make recommendations on projects for which the estimated construction cost exceeds \$5 million or projects of a special nature.

In addition to these recommendations, GSA began a process which fundamentally will alter the basis for the selection of architect-engineer firms. Instead of depending entirely on an evaluation of professional reputation, GSA will, in the future, award design contracts on the basis of project proposals.

These proposals will include evidence of technical and professional distinction; estimated fees, construction and life cycle cost estimates; and planning and design concepts. Thus the government will know earlier in a project the intent of a designer and his capabilities. And the designer himself will have a better idea of what is expected of him. Thus, these project proposals will improve the productivity of the design process, and the relationship between client and designer.

GSA Hiring Practices

In 1974, a tug-of-war arose between GSA and the Civil Service Commission following charges by the Commission that eight GSA employees had violated merit principles.

Newspaper coverage heightened the tension and brought widespread attention to the allegations of political influence in GSA hiring practices. The GSA Administrator challenged the authority of the Commission to discipline employees of another agency. For it to do so would undermine the prerogatives of the agency head to manage his work force, the GSA Administrator maintained. Further, the proposed disciplinary

actions, the Administrator felt, were out of line with the alleged infractions. In its January 1974 report, the Commission had called for penalties ranging from 30 days suspension without pay to outright dismissal.

Finally, the fact that the Commission's allegations were made public and were freely debated in the media led GSA to stand behind its employees, believing the allegations were unfair and resisting disciplinary action.

A suit brought in Federal District Court by several of the employees seeking to quickly resolve the jurisdictional issue resulted in frustra-

tion. The court ruled they must first exhaust their administrative remedies.

Meanwhile, a Civil Service Commission administrative law judge fully exonerated the first employee to have a hearing. Three other employees left the government making charges against them moot. One other negotiated a settlement with the Commission and the remaining three are awaiting hearings.

Despite his disagreement with the Commission over jurisdiction, the Administrator took a number of steps to strengthen the merit system within GSA. He abolished the system of handling personnel referrals which gave rise to the charges to avoid even the appearance of impropriety. In addition, the merit promotion plan was upgraded and the Administrator made personal appearances before key agency personnel emphasizing his commitment to merit principles. GSA continues to cooperate with the House Civil Service and Manpower Subcommittee which is investigating the matter.

GSA's overall hiring and promotion record is outstanding.

During the period investigated by the Commission, more than 90 percent of GSA's promotions and infusion of new people in top management came from the career service. The Commission turned up only a handful of cases where there were irregulari-

ties during a period in which GSA employed more than 38,000.

In the same period, GSA:

- Reorganized and upgraded its college recruitment program.
- Hired more than 1,400 trainees through the competitive examinations and doubled the number of management interns.
- Instituted a vigorous summer college intern program to give a large number of student leaders an opportunity to sample a Federal career.
- Greatly accelerated supervisor and manager training programs and broadened opportunities for career employees.
- Began a program of cross-training supervisors and managers and started an exchange program with private industry.
- Increased GSA's EEO program staff from one employee in 1969 to 250 nationwide.
- Sent more than 865 top GSA managers and supervisors to seminars aimed at eliminating racial and ethnic bias in agency personnel practices.
- Placed more than 3,000 Vietnam veterans in jobs.
- Ranked among the top five federal agencies in hiring of the handicapped.



PBS/Space to Work In



Managing the Construction Process

Construction is probably the oldest of man's industries and the most basic. Most building projects, however, still depend on the handicrafts of individual workers. GSA's Public Buildings Service is trying to do something about that in its building program.

A few years ago it was taking GSA more than five years to construct an office building when it should take only two years. Using a variety of management and technological tools that upgrade the construction process, PBS has been able to change that and to assume a leadership role in modernizing the construction industry.

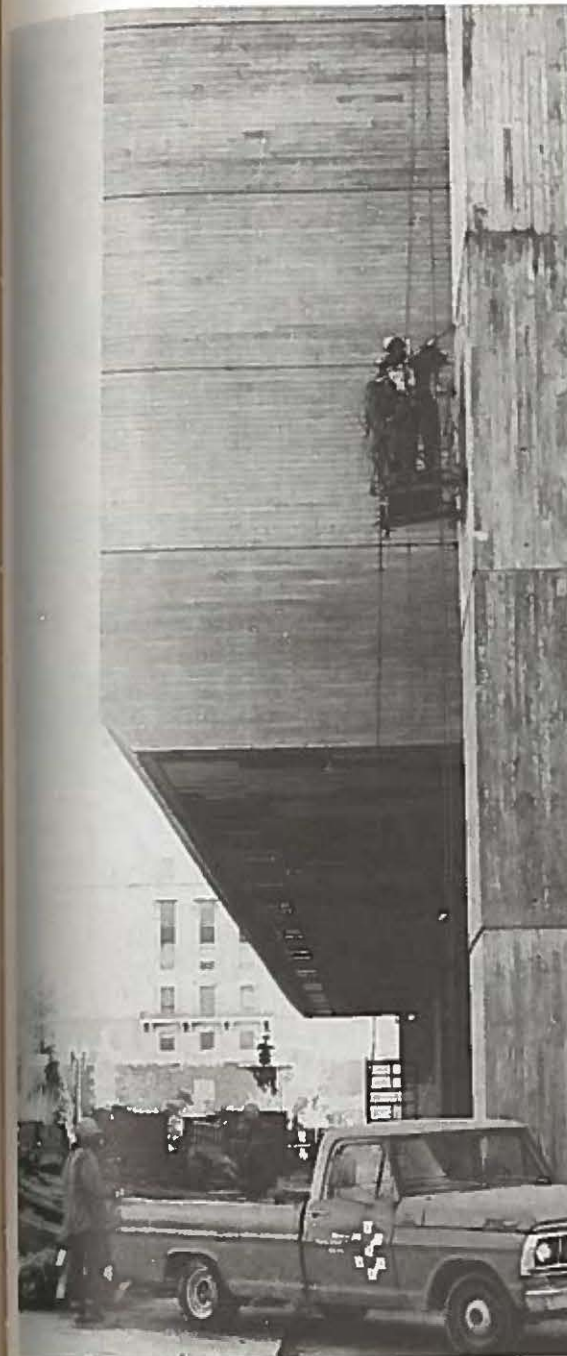
Construction Management

GSA's initiative in the early 1970s to place key projects under a construction management system was aimed at improving efficiency and lowering costs on complex building projects.

A construction manager is an independent contractor who has won a contract to provide professional construction know-how to an owner. Traditionally, a general contractor served as the manager of the construction process. Inherent in this, however, is a possible conflict between the contractor's concern as a businessman--for profit--and the owner's concerns--for quality and economy. Construction management eliminates this conflict, making full construction expertise available to the owner on a professional fee basis.

The construction manager serves as the owner's man-on-the-site, hiring labor and selecting subcontractors. The manager is responsible for the complete project from initial design to the post-construction inspection. A CM estimates costs, develops procurement and construction schedules, suggests design improvements, helps to resolve disputes and anticipates problems.

The Public Buildings Service of GSA has 15 construction management jobs underway worth \$469 million.



Project Management

Another time and money-saving device is project management, a control tool which cuts through normal lines of authority and places responsibility for a project on one individual. The PM doesn't just "monitor" or "check" or "follow" a project, leaving major or difficult decisions to his bosses. That kind of project organization scatters responsibility and wastes time. The PBS project manager has both the authority and the resources to make the big decisions -- from predesign, to the design, construction and post-occupancy stages.

Among the major projects now underway in the PBS Office of Project



Management are three Social Security Administration program centers, the Smithsonian's National Air and Space Museum and the Federal Home Loan Bank Board Building in Washington, D. C. and the SSA Headquarters Expansion project in Baltimore.

Phased Construction

Time is vital to construction economy. Costs have risen at a double-digit rate for several years. To complete a building even one month early might save substantial dollars.

Phased construction is a proven method of shortening construction timetables. Under the phased system, construction begins on the foundation before the final architectural design is completed. Construction continues as, phase-by-phase, plans are completed.

The new Air and Space Museum for the Smithsonian Institution in Washington will be completed in 44 months at a cost of \$42 million. Before phased construction, it would have taken 74 months and \$12.5 million more.

Value Management

Saving money without compromising quality or performance is the mark of outstanding management--and it's the goal of the PBS value management program.

Value management invites contractors to challenge nonessential high-cost requirements in building contracts -- and share in the savings.

The cost effectiveness of value management is measured by the return on investment. In fiscal 1974 the estimated cost of the value management program was \$781,000. The savings generated by the program was \$10 million. This translates into a return on investment of \$12.85 for every dollar spent.

This approach has worked so well that the General Accounting Office recommended that all federal agencies involved in construction use the GSA value incentive clause in all contracts exceeding \$10,000.

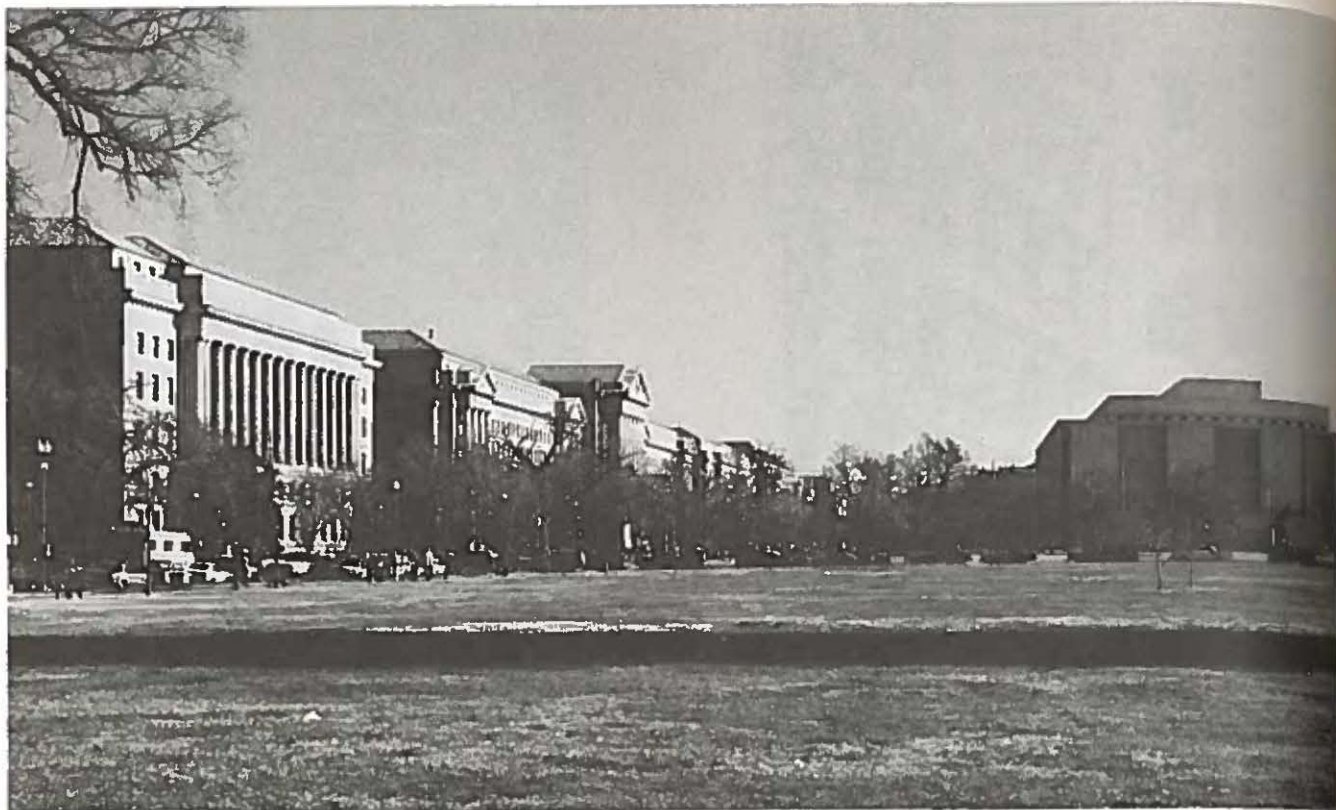


Managing an Inventory of Space

July 1, 1974, the Public Buildings Service began collecting rent -- about \$1 billion annually -- from federal agencies.

Asking agencies to pay for the space they occupy is a result of the Public Buildings Act Amendments of 1972. The amendments authorized the creation of a permanent revolving fund to finance federal real property operations conducted by PBS. In 1974 the Federal Buildings Fund went into operation.

This unique accounting system gives PBS a new flexibility in managing the federal government's real property



operations. By using a standard level user charge (SLUC) which is equivalent to commercial rental rates, a revolving fund is financed to pay for new construction, repairs and alterations, maintenance and operations expenses.

Agencies are assessed on a quarterly basis. Charges will be revised at each billing to reflect changing space requirements and rental trends.

The FBF is a significant milestone in GSA's continuing role as the fed-

eral government's financial manager. It departs from previous cumbersome budgeting procedures in favor of a more streamlined system that permits more realistic long-range planning.

By paying rent for the space they use, tenant agencies, it is felt, will be more cautious in their space needs. And it gives GSA a readily available source of funding for new construction.



General
Services
Administration

Federal Protective Service

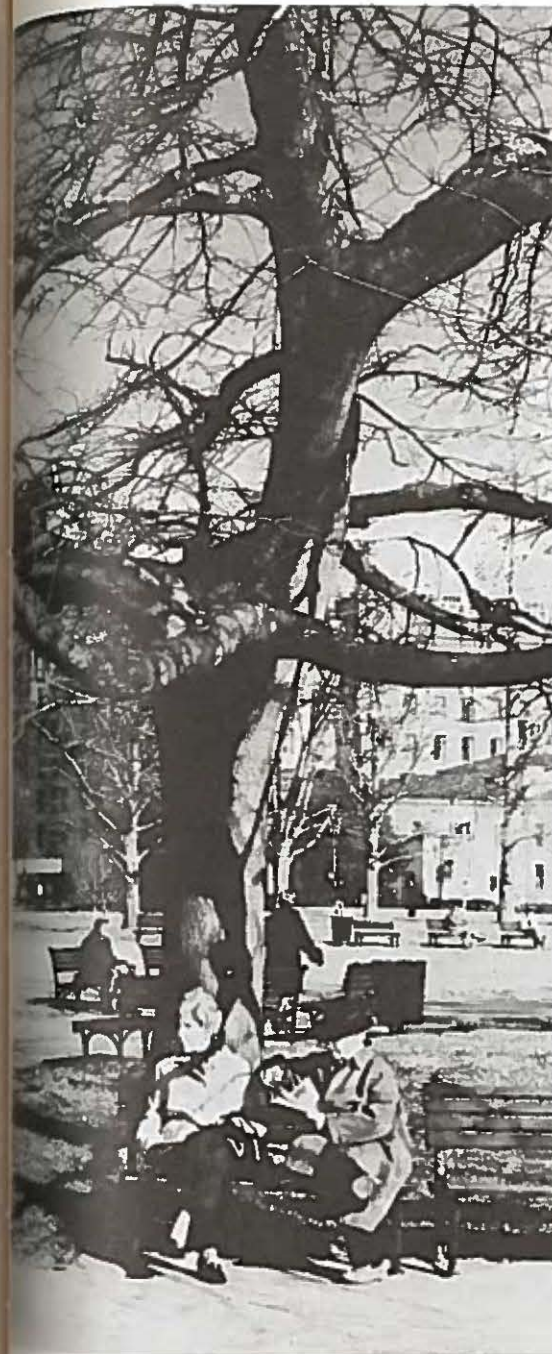
The Federal Protective Service is responsible for protecting people and property in areas under the jurisdiction of GSA. These responsibilities are met with about 3,600 Federal Protective Officers (FPOs) nationwide, 1,500 contract guards, and modern electronic protection systems. These systems and the implementation of the mobile patrol concept in 1974 gradually are changing the role of the FPO from that of a building guard by placing more emphasis on prevention of thefts and bombing.

In addition to its public duties, the Federal Protective Service is a consultant to federal agencies with special security problems. It works with other agencies, addressing problems shared by all in law enforcement. Staff of FPS are members of the Working Group to the Cabinet Committee on Terrorism, which is currently developing

a plan to protect government officials from kidnaping attempts. They also participate in the Theft of Government Property Task Force established by the Justice Department and in the National Private Security Advisory Council studying problems in the private sector of the physical protection field.

Commendations are growing. A letter from Judge John J. Sirica illustrates this. Judge Sirica wrote,

".....take this opportunity to commend the Federal Protective Service officers who working during the (Watergate) trial in controlling the public's access to the courtroom, in issuing passes and generally maintaining order in the corridor outside the courtroom. Each officer performed his duties in an outstanding manner, and I am grateful to them for the courtesy they displayed to the public and their cooperation with my staff in seeing that the trial ran smoothly."



GSA
General
Services
Administration

The Use of Land

Government priorities shift, and with them, its need for land. Land no longer necessary to the government is donated or sold by GSA.

In one program, Legacy of Parks, GSA has evaluated the utilization of nearly 20,000 parcels of land. When such land is underutilized, GSA begins a process often ending in donation for park and recreation purposes. GSA has donated 482 properties with a value of \$199 million. Each state has benefited. Jurisdictions receive the land free for development of picnic areas, campgrounds, nature trails, playgrounds, hunting and fishing refuges, or swimming and boating areas. Today, land formerly used as missile ranges, post offices, prison farms, or storage depots now attracts 24 million American visitors annually.

An additional 224 parcels valued at \$43 million were donated in 1974 to states or local communities for hospitals, public schools, and other uses.

Under the auspices of the Small Business Administration, federal real property has been made available for use by minority contractors under the 8(a) program for day care centers, automobile services, and repair garages. Through the Bureau of Indian Affairs, property has been made available to Indians for schools



Aid to Minority Business

GSA is committed to improving the position of minority business in the American free enterprise system.

Working with the Small Business Administration, the agency has been able to identify minority entrepreneurs who can meet government contract requirements and contribute to federal needs. Through Section 8(a) of the Small Business Act it is possible for many contracts to be set aside for disadvantaged businesses. In 1974, the agency let 415 contracts valued at more than \$46 million to minorities.

More than 260 of these contracts, worth \$25 million, were awarded

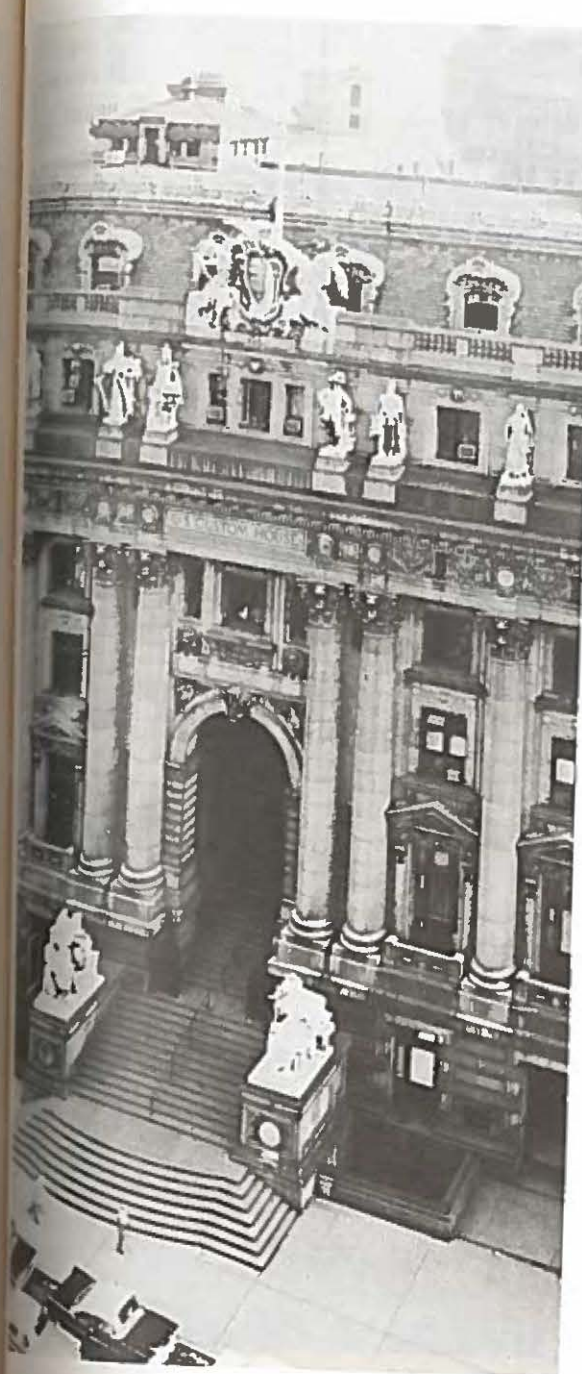


by PBS to help boost minorities in the construction industry. The largest minority assistance contract to date --\$5.8 million --was given last year to a black-owned firm in the Virgin Islands to construct a new U.S. Courthouse and federal office building.

Minority-owned concessions are another part of the PBS program. Since 1970, GSA has established more than 100 successful operations in federal buildings. Blacks, Spanish-surnamed Americans,

American Indians and other ethnic groups are represented in these businesses which include optician shops, jewelers, card and novelty boutiques, and barber shops. In estimated gross value, these concessions are worth more than \$24.2 million.

GSA helps the minority concessionaires become established competitors. Extra help is given to these small retail operations in the line of technical and managerial assistance.



Historic Preservation

Many public buildings have been around a long time and deserve to be included on the National Register of Historic Places. The register, administered by the Department of the Interior, conveys recognition to artifacts, places and buildings whose role, nationally or locally, was significant in the development of America.

In 1974, GSA nominated to the register, 25 federally-owned buildings, each at least 50 years old, including a post office and customs house in the Virgin Islands and one in Honolulu, a courthouse in New Mexico which dates back to the mid-nineteenth century, and a federal building in Michigan. These buildings will be preserved as part of America's heritage.



GSA's preservation program also allows the agency to donate old federal buildings with historic value to state and local governments. Until 1972 most states and cities did not want these buildings, because of the expense of restoring and maintaining them. That year legislation was passed permitting revenue-producing activities on historic property, striking a balance between public and commercial uses. These activities help pay for the building costs. More governments are now interested in saving these buildings and GSA is working with communities to give historic buildings this chance for preservation.



Experiments in Building

The potential for saving energy in the design, construction and operation of office buildings is significant. Commercial buildings today consume nearly 15 percent of all the energy used in the United States every year.

GSA has taken a major leadership role to reduce the amount of energy used in federal buildings.

A \$9.7 million federal building now under construction in Manchester, N. H., has been designated as GSA's

"Energy Conservation Demonstration Project." This seven-story building will do more than house federal employees. It will serve as a "living laboratory" monitoring the different energy-related systems and measuring their efficiency.

The Manchester building will be equipped with \$700,000 worth of electronic equipment designed to mechanically observe the performance of the building's basic pattern and its electrical, lighting and heating, cooling and plumbing systems. This information will be analyzed by the National Bureau of Standards.

When this building goes into operation in 1976, GSA estimates that it will utilize between 40 and 50 percent less energy than comparable buildings in the New England area.

A 4,600 square foot rooftop solar collector is one of the energy-saving features of the experimental building. This collector will provide all of the energy for the building's hot water system and part of its heating.

Another \$6.2 million federal building planned for Saginaw, Mich., was designed by GSA as an "Environmental Demonstration Project."

This building will take shape in a parklike setting, enhancing the local environment. Scheduled for comple-

tion in 1976, several energy-conservation as well as environmental features are included in the single story building:

- large open work spaces
- recycled building materials
- landscaped roof area
- recycled rainwater for the lawn sprinkler system
- a large flat plate solar collector
- low wattage lighting
- dual glazed windows

The solar collector planned for the Saginaw project is expected to provide all the domestic hot water required for the building and about 60 percent of the building's heating needs.



Life Cycle Costing

Various building systems have varying life spans. A building's foundation can last a millennium. A concrete frame could survive for several hundred years. A roofing surface may withstand wind, rain and other elements for 10 to 20 years, but exterior paint may deteriorate in five years.

The varying life expectancies of a building's subsystems help determine its life-cycle cost. The initial construction expenses could be high, but if repairs, operation and maintenance can be held to a minimum over, say, a 40-year period, that structure could cost the government less in the long run.

Together with the American Institute of Architects, GSA is developing an approach that will help identify



FSS/Supplies to Work With

historical cost data from the start of a construction planning process through the entire life of the building. Once developed, the data can be fed to building planners and designers. Using this method to determine the

true cost of a building will be promoted as a national standard and be a requirement in all GSA construction and professional service contracts, forming the basis for project cost management.



Procurement Mission

The title of the world's largest customer for civilian goods and services belongs to GSA's Federal Supply Service. FSS in 1974 distributed more than \$2 billion worth of materials and services to executive branch agencies, eight percent more than 1973; and 86 percent more than 1964.

The service is modern, operating much like a private corporation, and federal agencies like its convenience. They can order any number of goods from FSS catalogs or, using a credit card, buy them in GSA retail stores using a single monthly payment to settle their bills.

Last year, \$639 million worth of goods were sold to agencies from stock items in the FSS supply distribution system. And more than



\$30 million in goods were delivered to agencies direct from suppliers through the Federal Supply Schedule program.

To meet the demands of its customers, FSS in 1974 managed a \$200 million inventory. To assure satisfaction, the service put forth a major effort to set standards of quality and performance and to determine fair and efficient means of improving procurement.

Deliveries Automated

To streamline its agency purchasing policies, FSS has shown a growing dependence on management changes

-- including its new Automated Delivery Order system (ADO). The system, designed to increase GSA's efficiency in handling agency orders, went into full swing in early 1975.

Historically, agencies buying under the Federal Supply Schedule program ordered direct from the manufacturer. Under ADO, they will send their orders to FSS. This can mean a savings of from one to two days in processing orders and billing. Suppliers indicate they will react well to the new system. There will be only one order and billing point instead of hundreds.

FSS expects to help agencies avoid \$6.8 million in delivery costs alone in 1975 through this program.



Self-Service Stores

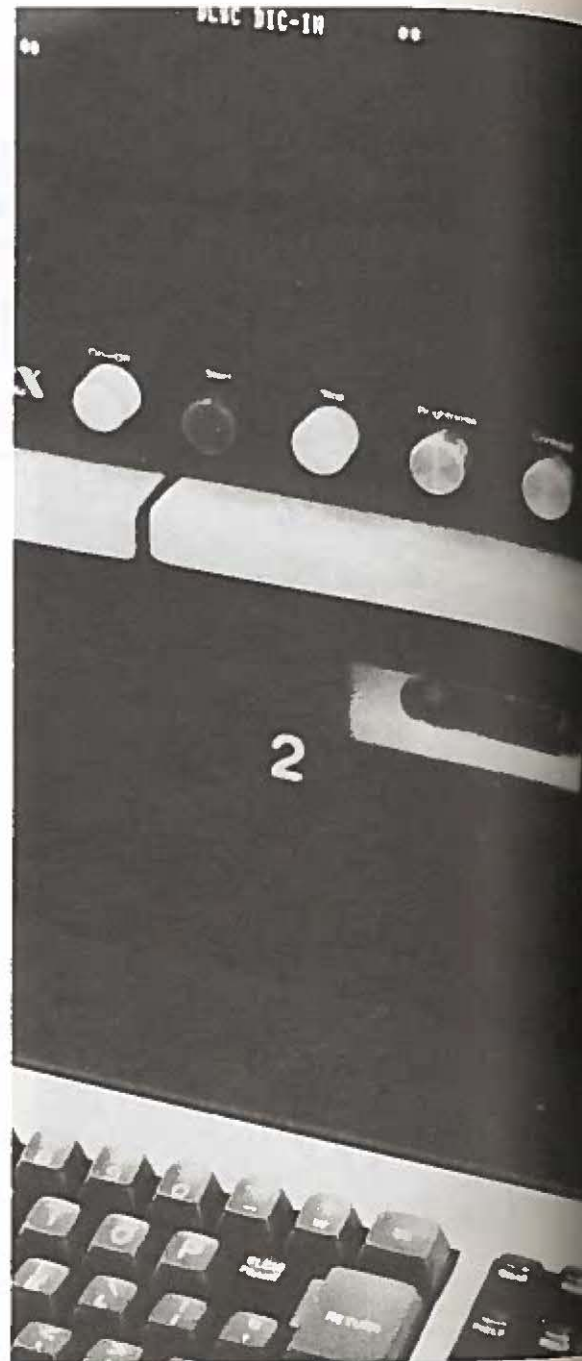
The 67 FSS self-service stores in federal buildings add up to convenient, pleasant and economical shopping for civilian agencies. That agencies like them is attested to by a \$38.6 million sales volume for 1974, a 25 percent increase in one year. These stores have eliminated the need for agencies to buy their office supplies in retail stores where prices range nearly 23 percent higher.

Schedule Program

The bulk of FSS business with federal agencies--about \$1 billion annually -- is handled through its Federal Supply Schedule program. Through this program, government departments buy goods directly from commercial outlets, but FSS takes care of the billing.

Approved commercial products, tested and cost-analyzed by FSS, are available at special government discounts, with no need for warehouse stocking. And, despite the government discount, the supplier benefits in that large quantity sales reduce overhead.

Under the schedule system and its self-service store system, FSS offers the best commercial products to agencies in a system free of red tape and minus a middleman for delivery.

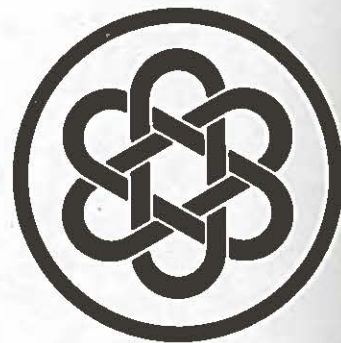


Transportation

Transportation activities are a major part of FSS. During 1974:

- . 73,500 GSA owned and operated vehicles traveled 750 million miles.
- . 25 agencies contracted with FSS to manage large and diverse freight shipments.
- . \$18 billion worth of goods were transported by armored car under FSS management, including savings bonds.
- . 24,000 railroad cars were hired for transporting materials.

In order to manage such varied and valuable cargo, FSS demands strict adherence to regulations that improve economy, efficiency and safety. Traffic management offers the government an important means of reducing expenses. In 1974, FSS conducted four extensive surveys of these management procedures in federal agencies and made more than 500 visits to agency traffic managers to help increase efficiency and share methodology.



Energy Savings

Like all branches of GSA, FSS worked to cut back its use of energy in 1974. It reduced the gasoline bought for federally-owned cars by replacing 5,000 sedans in its motor fleet with compacts. It implemented a 15 percent mileage reduction program for the federal fleet. It conducted field tests to review devices to conserve gas, in keeping with its responsibilities as one of the world's largest fleet operators.

In supply distribution, further fuel savings were made through routing and scheduling changes. In numbers this meant an estimated savings of one-half million gallons of fuel.



Special Focus

Common Services

Of chief concern to FSS during 1974 was the development of a Common Services Program. This program puts under one umbrella all the services common to federal agencies in a metropolitan area. These services range from supply rooms to retail stores, duplicating plants, mail and messenger service, travel arrangements, vehicle dispatch, procurement assistance and library service. Common services does away with duplication and offers a more efficient, economical way of meeting federal needs in these areas. Ten such federal service centers will be created during 1975.

ETIP

Business is being stimulated to improve its products by establishing performance standards, rather than relying on price alone. FSS is helping to do this by participating in the Experimental Technologies Incentive Program (ETIP), administered by the National Bureau of Standards of the Department of Commerce. ETIP encourages research toward better commodities for government use by initiating life-cycle costing and by writing specifications that encourage the development of durable, high performance characteristics. The first cost of a product may be higher under this program, but during its lifetime the product is actually more economical.

By participating in ETIP, FSS is able to influence the quality of products offered by its suppliers through new specification standards.

Value Management

Value management is agencywide, and FSS is an integral part of the program. The FSS plan is aimed at identifying and eliminating unnecessary costs in procurement and delivery. Over 150 VM projects have been identified and are either under study, ready for approval or already implemented. More than \$250 million has been saved since the program's beginning in 1974. Key to the success of the program is a value incentive clause which lets the government and its contractors alter contracts if such changes will result in savings at no loss to quality.

Property Sales and Donations

Agencies frequently find themselves with government property they no longer need. When this happens, FSS steps in. Everything from hand tools to motor vehicles and sailboats is disposed of by FSS under procedures developed to recover maximum value. First the service offers the underutilized materials to federal, then state and local governments. If these agencies have no need for the property, it is sold at auction. In 1974, materials originally valued at \$992 million were transferred among federal agencies. Another \$432 million in materials were donated to state and local jurisdiction. The amount realized from sales was \$30.9 million.



General
Services
Administration

NARS/Archivist and Records Manager



The Tide of Paperwork

The National Archives and Records Service of GSA is the keeper of the official records of the Federal Government and a leader in records management.

Records management in government is a herculean task. It is more than storing federal files in 15 major record centers. NARS trains executive agency managers in records keeping, and helps determine which should be stored or destroyed, provides expertise in paperwork management, and streamlines design of government forms. Determining which records should be kept accessible for use by federal agencies, which records should be held permanently within

the National Archives system, which should be destroyed --all these and more are the skills practiced by federal archivists.

Federal paperwork costs the government more than \$15 billion annually. There are 130,000 internal reports, 700,000 to one million forms, three billion pieces of mail with a postage tab of \$400 million, 20 billion pieces of paper, and more than one billion letters written by government officials.

This is where the office of records management in NARS steps into action. This office provides technical records management assistance nationwide to federal agencies and state and local governments.

It doesn't stop there. This office directs government-wide paperwork research, prepares handbooks on reducing paperwork costs and conducts workshops. Projects during 1974 included assisting the new Federal Energy Administration set up its operations and providing expertise to the Office of the Vice President.

Who are these GSA paperwork fighters? A corps of 125 management

analysts in NARS Washington headquarters and 10 regional offices. They form the cutting edge of a larger group -- the records managers, the interested officials, clerks and others who work designing better forms, reducing required reports, improving written instructions, applying mechanization to repetitive office tasks, installing better filing systems, and speeding disposition of older records. NARS serves as a management consultant and gives direct help to agencies. Analysts make on-site surveys of agency operations and devise new systems to simplify the paperwork. In fiscal 1974, federal agencies estimated savings of nearly \$16 million as the result of technical assistance from the NARS office of records management.

NARS methods received worldwide recognition in 1974 when the United Nations Educational, Scientific, and Cultural Organization and the International Council on Archives sponsored a two-week seminar in Washington for developing countries. Twenty-one officials from 16 countries and three international organizations received guidance from NARS on records management programs, including ways to keep paperwork within bounds.



Declassifying Records

World War II was heading toward its climax when a top secret message dated February 14, 1945, left the classified message center in the War Department in Washington for the Southwest Pacific.

"To MacArthur from Marshall" read the top line --to General Douglas MacArthur, Commander in Chief in the Southwest Pacific, from General George C. Marshall, the U.S. Army's Chief of Staff.

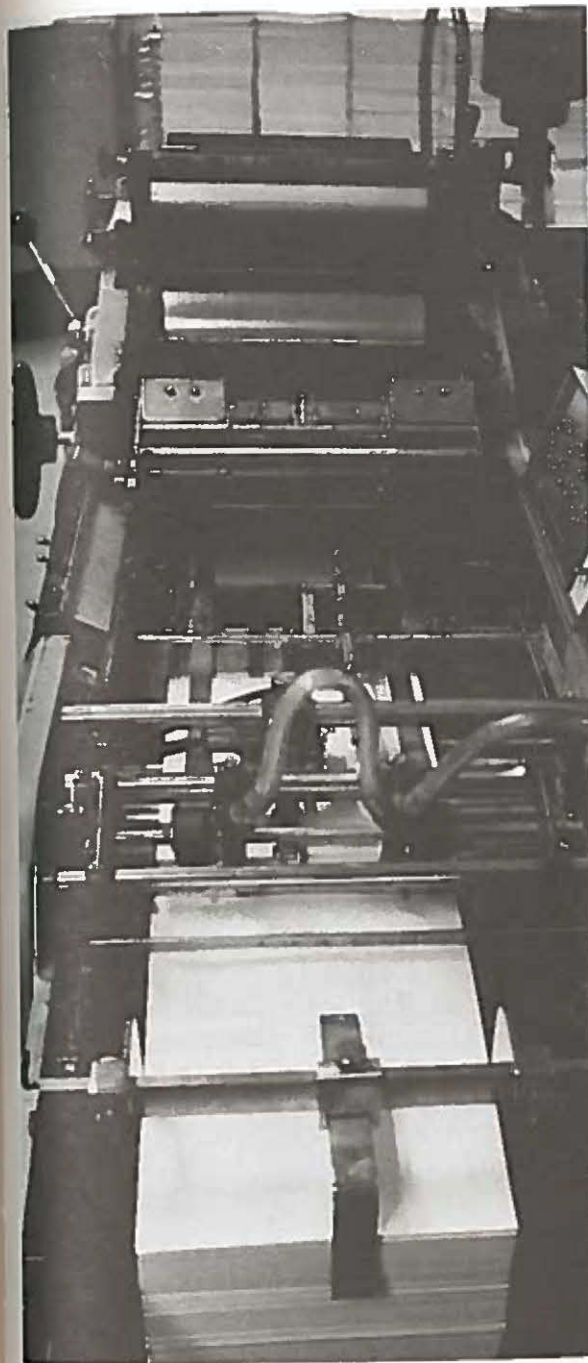
Marshall was alerting MacArthur to the proposal of the Netherlands to send 4,000 Dutch troops from Holland to Australia "at once," with 9,500 more to follow "as soon as more of Holland is liberated."

Now the "top secrets" have been crossed out. In the top, right-hand corner is a "Declassified" stamp citing Joint Chiefs of Staff authority and giving the declassification date of October 2, 1974.

This Marshall to MacArthur message is one of 75 million pages of classified records over 30 years old which have been opened since a systematic review of such records began in the fall of 1972 under Executive Order 11652. Forty-five million pages were declassified in fiscal 1974 alone.

A special NARS declassification unit continues to work on the residue of classified wartime records in the National Archives and in the Roosevelt, Truman and Eisenhower Presidential libraries.

NARS also assists persons seeking access to classified records under the declassification program's provision for mandatory review. Most often this has meant identifying and preparing photocopies of classified records more than 10 years old and routing them to the originating departments for review. During the year, the office of the Interagency Classification Review Committee (ICRC) was moved from the White House to the National Archives. The Archivist of the United States continued as chairman.



NARS — Serving People

Federal Register

GSA's National Archives and Records Service publishes the Federal Register, Monday through Friday for 30,000 subscribers. The Register prints executive orders, and regulations, announcements, and notifications issued for government agencies, which are required to be published. A vast audience scans each issue of the Federal Register for information on proposed regulations affecting special interest groups, or for opportunities for the public or private industry to react to proposed regulations before they become effective.

In 1974, as part of the continuing effort to make the daily Federal Register more readily usable by the public, an automated telephone service was installed. It enables users to call the Register and hear the highlights of major documents appearing in the following day's issue -- the President's documents, proposed federal regulations, and other legal notices.

Publications Progress

In 1974 NARS sold 110,000 rolls of microfilm for \$814,000 -- the highest 12 month figure in the microfilm sales program. The effort was helped by publication of an updated Catalog of National Archives Microfilm Publications, replacing the 1968 edition.

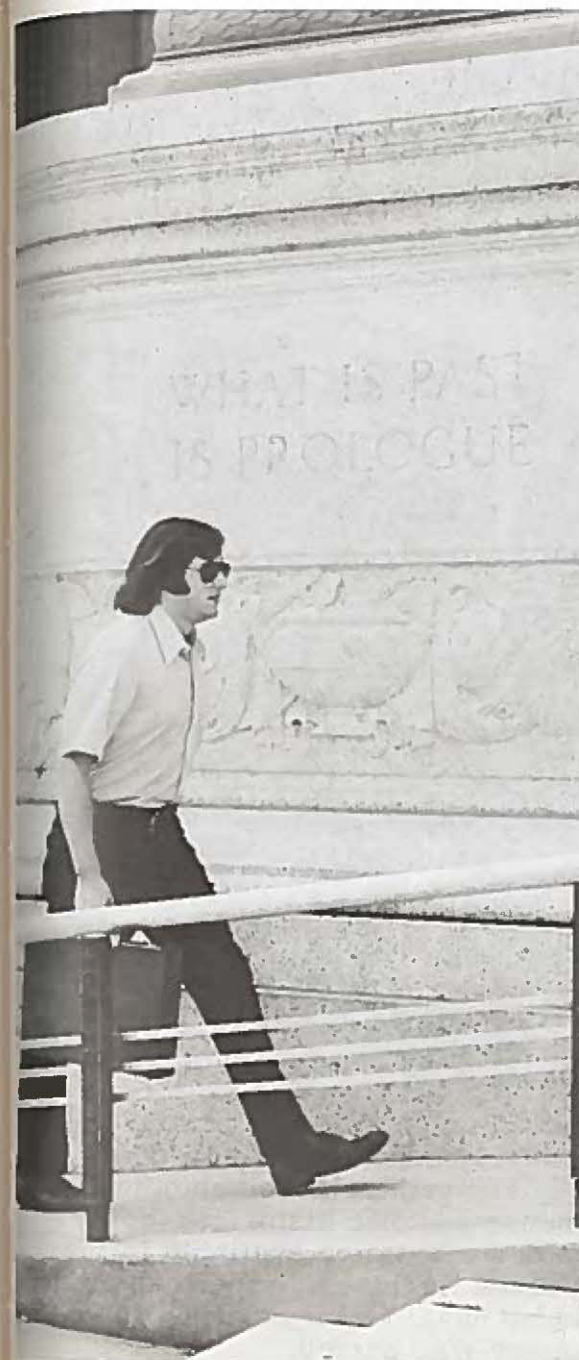
In other actions:

- An 884-page hard cover Guide to the National Archives was published, providing a comprehensive view of the holdings of the National Archives. The Guide is the first new edition of the useful research aid since 1948.

- The circulation of Prologue: The Journal of the National Archives rose to 8,000.

- Steps were taken by the NARS-affiliated National Historical Publications and Records Commission to insure that the contributions of notable women and black Americans to this country's history are not slighted. Two advisory committees are working toward that end. The committees have suggested the names of women and blacks for inclusion in the NHPC program to collect and edit the papers of persons important to the study of American history.

- Two more volumes in the series Public Papers of the Presidents, compiled and edited by the office of the Federal Register, were published in 1974: the volume covering the fourth year (1972) of Richard Nixon's administration and the first volume (1929) for the Herbert Hoover administration.



General
Services
Administration

Seeking the Past

They come to the National Archives in search of the past. Scholars, federal agency employees, journalists, genealogists, and foreign visitors. The past is in popular demand at the National Archives and Records Service.

During 1974, the National Archives had more people than ever before seeking help in research. Some 1.2 million reference services were provided, person-to-person or through the mails. The presidential libraries recorded 5,000 research visits.

Furthermore, reference activity in the network of records centers, which provide low-cost storage for 12.2 million cubic feet of federal agency records rose to 12.7 million requests.



A research service was added during the year by an agreement between NARS and Columbia Broadcasting System. Videotape copies of all regularly scheduled news broadcasts on the CBS Television Network are being deposited in the National Archives for research use. Copies will be available for use, on request, at the 11 regional archives and the six presidential libraries. NARS will make copies for use in other libraries operating under the American Library Association Interlibrary Loan Code.

The National Archives has long been a center for research in motion picture journalism. It has large holdings in the old movie newsreel, which gave way to television news in the 1960s.

The National Archives continued its scholarly conferences. Leading scholars gather there periodically to discuss specific historical topics and the documentation available in the National Archives. Recent topics included naval history and the Revolutionary War period.



Exhibits and Films

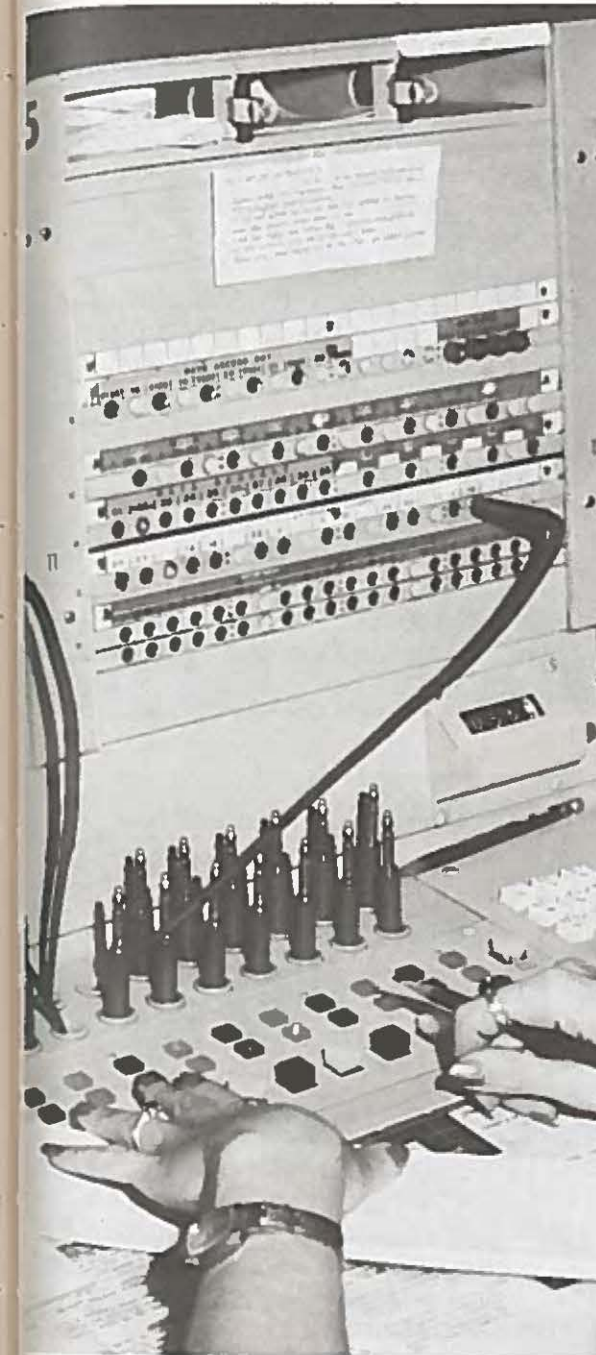
During 1974, a series of exhibits were mounted for the general public. The most ambitious was "American Perspective." Documents, maps, photographs, watercolors and posters from the records of the federal government on six themes relating to the land, people and history of the United States were featured in the exhibit which opened in the redesigned and refurbished Circular Gallery. The National Archives drew 19,000 persons to 135 showings in its highly acclaimed series "Films at the Archives."

Elsewhere, almost 1.3 million persons visited the five presidential libraries of Hoover, Roosevelt, Truman, Eisenhower and Johnson. The Johnson library, which opened in 1971, welcomed its two millionth visitor and the Truman Library attendance reached three million. The Kennedy Library remains in temporary quarters pending construction of a permanent facility.



More than 2.1 million people viewed government-produced films through the rental and loan services of the National Audiovisual Center run by NARS. Gross income of the Center rose to \$2.5 million compared to less than \$900,000 when the Center was established four and a half years ago. The National Audiovisual Center is the principal information sales and distribution point for government-produced audiovisual materials: motion pictures, filmstrips, slide sets, audio and video tapes, and special audiovisual packets.

ADTS/Automated Data and Telecommunications Service



Telecommunications

Federal Telecommunications System

The voice network of the government is the Federal Telecommunications System (FTS)--nationwide communications lines and high speed switching facilities leased by GSA for federal use. FTS uses commercial resources, but it provides those services to federal employees at less than commercial rates.

Since it began in 1963, the FTS primarily has provided voice telephone service. In recent years, however, there has been a marked increase in the use of the FTS to transmit teletype, data and facsimile traffic from one office to another.

More than 500 cities are linked by the FTS. In addition to local and long distance telephone service and its facsimile and data transmission equipment, which transmit to any other FTS subscriber with compatible equipment, the FTS offers more:

- Electronic centers. Through its electronic service centers, GSA can give specialized telecommunications service. These centers are staffed by professional communications technicians who provide for installation, maintenance and repair of secure communications and data equipment, as well as for the design of facilities and systems to meet specific agency communication needs.
- Multiplex network. Multiplex channels for data transmission are available between certain geographical areas, and additional channels can be implemented as agency requirements develop. These low cost data channels can be dedicated or shared, depending upon the requirements.

GSA communication specialists are available nationwide to assist agency personnel in defining and evaluating their communications needs.

Benefits of the Federal Telecommunication System:

- Economy. Volume procurement of leased lines and shared equipment expense keep individual agency costs low.
- Responsiveness. GSA technicians continually review traffic volume and provide for expansion of services when necessary.
- Minimum agency administration. GSA handles all the problems normally associated with obtaining and maintaining telephone service. Agencies can avoid time-consuming and expensive problems like recruiting and training of operating personnel.



Advanced Records System

The Advanced Record System, a part of the FTS, is most frequently utilized to transmit printed messages from one government office to another via teletype.

Computers control the flow of teletype data traffic within the network. For point-to-point communications between two offices, the computer automatically scans the message address and then chooses the best and most direct routing over the communications links

available at that time. Usually one machine reaches another within a few seconds.

ARS computers also take care of all the other time-consuming operations normally associated with message handling. If, for example, the calling party attempts to reach an office whose teletype is already in use, the computer will store the message and forward it as soon as the machine is free.

Benefits of the Advanced Record System:

- Minimum waiting time. Point-to-point contacts are usually established in less than three seconds.
- Nationwide communications links. A user's terminal can communicate with every other terminal in the system.
- Flexibility. System technology permits use of a wide variety of subscriber equipment and ensures compatibility among users.
- Convenience. Automated routing, addressing, and delivery confirmation minimize user processing time.
- Economy. ARS message-handling rates are below those for commercial carriers.

Record Centers

GSA operates more than 60 Federal Telecommunications Record Centers each of which provides a wide range of low-cost communications services for customer agencies. Services range from facsimile and teletype to data transmission. In addition, in the regional headquarters cities, GSA offers a complete range of

services that include Advanced Record System terminals, access to the National Teleprocessing Cable service, TWX and TELEX services and secure teletypewriter transmission.

Teleconferencing Service

A new service which will be made available to federal agencies to assist them in reducing travel expenses is the ADTS teleconferencing service.

As a continuation of the energy-saving "travel by phone" program, 11 specially equipped conference rooms will be established for the purpose of conducting business over the Federal Telecommunications System.

These telecommunications centers, will be equipped with overhead microphones and speakers and connected via high quality audio circuits.

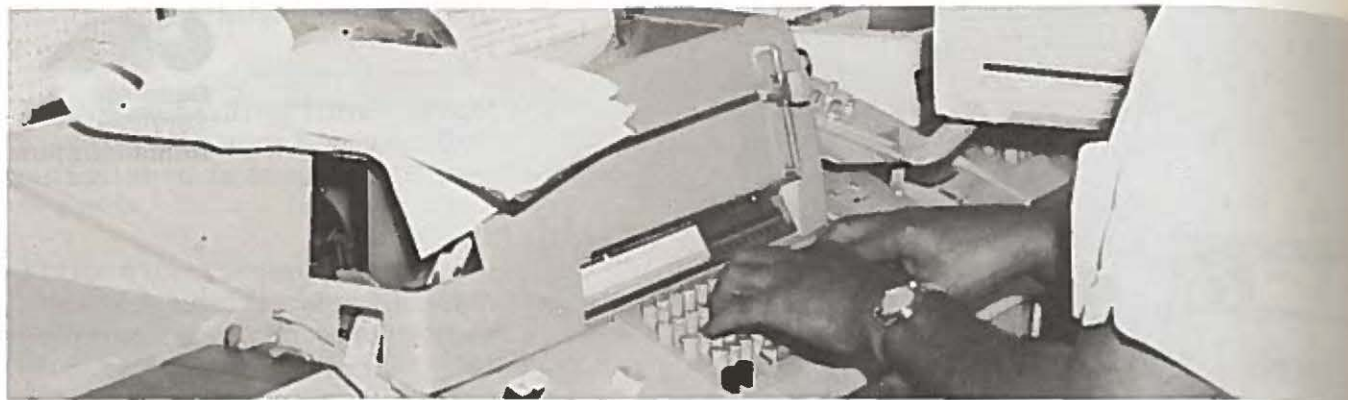
Each center will have facsimile equipment, projectors and other conference equipment. The 11 centers may be linked using the GSA conference control center in Washington, D. C.



Data Processing

National Teleprocessing Service

The National Teleprocessing Service (NTS) is a sophisticated remote computer network providing teleprocessing services on a national scale to GSA's customers. The rising demands for teleprocessing services in the government, coupled with the great savings available through consolidated procurement, make this partnership of government and business highly successful. The NTS is a measure of its success. The number of accounts has increased from seven in July 1972 to nearly 250



in 1974. The savings will approach \$20 million in fiscal 1975.

This year, ADTS is expanding its contract. The decision to expand this unique government/ private industry agreement was based on the success of the present NTS system. But, while NTS meets GSA objectives and is widely accepted in the federal community, it serves only a fraction of the government needs for teleprocessing services. Many technical advances have taken place since the award of the current contract in 1972. Now the teleprocessing industry can support a more significant segment of the government's requirements.

The new program will encompass a broad range of teleprocessing services. It will be more comprehensive than the existing single requirements contract. Multiple contracts will provide for full service, interactive, remote batch, local and/or special applications on a national, multi-regional and local basis.

ADP Sharing Exchange Program

GSA operates and manages a nationwide system of information clearinghouses through which automated data processing services may be obtained or made available to other agencies. Through this ADP Sharing Exchange Program, the government saved more than \$220 million in fiscal 1974. A full range of ADP services --both machine time related services and software programs and support -- are included in the exchange program. Each sharing exchange in the country maintains a current file on the ADP equipment, software and services maintained by each federal agency within its area. When a request is received, the exchange is able to direct the customer to the resources it needs. Sharing exchanges not only saves money through the increased use of existing resources, but make it economical for the agency which has one-time or short-term computational needs.



Remote Access Multi-User System

RAMUS is GSA's Atlanta-based data processing system. It is a nationwide interactive time-sharing system which permits many agencies to simultaneously compute and retrieve information from their files in matter of seconds. During 1974, RAMUS provided over 160 customers with fast, efficient and economical computational resources. Since this service requires no customer investment in facilities, RAMUS is an ideal way for many government agencies to meet their ADP needs at a very low cost. It has proved so popular that ADTS has augmented RAMUS capacity. It now can provide twice its former computational capability to its customers.



Federal Data Processing Centers

ADTS operates and manages 12 federal data processing centers around the country on a fully reimbursable basis. In fiscal 1974, these centers provided nearly \$20 million in services to GSA and other government customers. The Centers are full service ADP facilities which offer nationwide systems and programming support, computer processing, data conversion and computer support services.

Remote Interactive Computer Service

ADTS has completed arrangements for a data processing system that will become an operational reality in early 1975.

To complement GSA's RAMUS system and the National Teleprocessing Service, plans are being made for the operation of a time-sharing data processing resource -- called Remote Interactive Service (RICS). Located in Kansas City and using equipment GSA acquired from the government's excess inventory, this system will enable GSA to better meet the needs of customers who have requirements for lengthy computer programs such as inventory management and programs that require the computer to "search" a sizable data base.



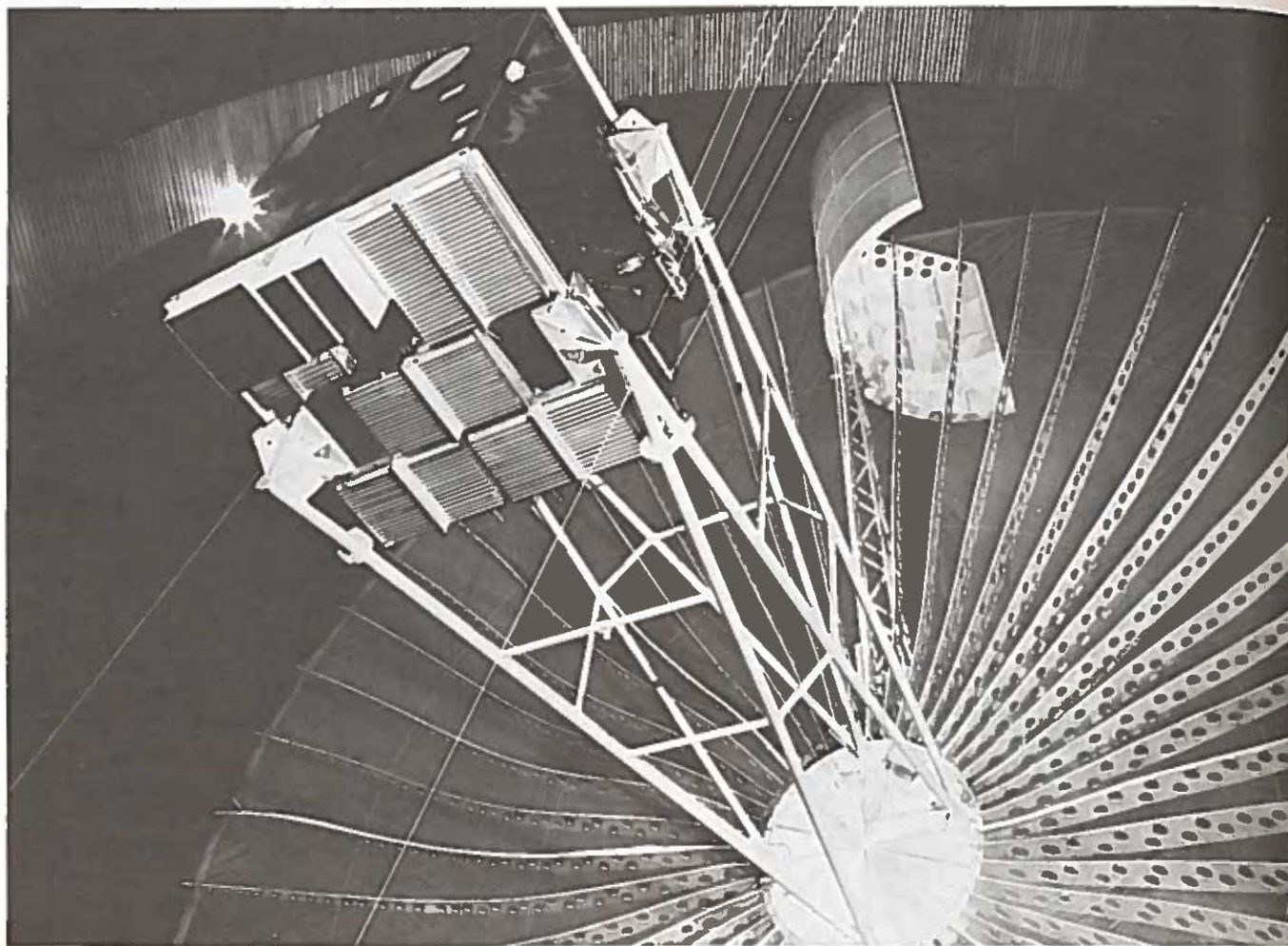
General
Services
Administration

ADTS Services

The Government as Consumer

During fiscal 1974, the FTS network avoided \$130 million over the cost of commercial long distance calls and \$155 million over commercial message transmission charges. These economies accrue not only through volume procurement and centralized management but also through GSA's representation of the government's interest in hearings before Federal and State Regulatory Commissions.

In recent years, a growing number of telephone companies have appealed to these Commissions for rate increases. GSA, as one of the world's largest telephone customers, has participated in 11 cases in the past year. The potential increase to the government's phone bill if the increases were accepted would have been \$30 million. The actual increases totaled about \$18 million.



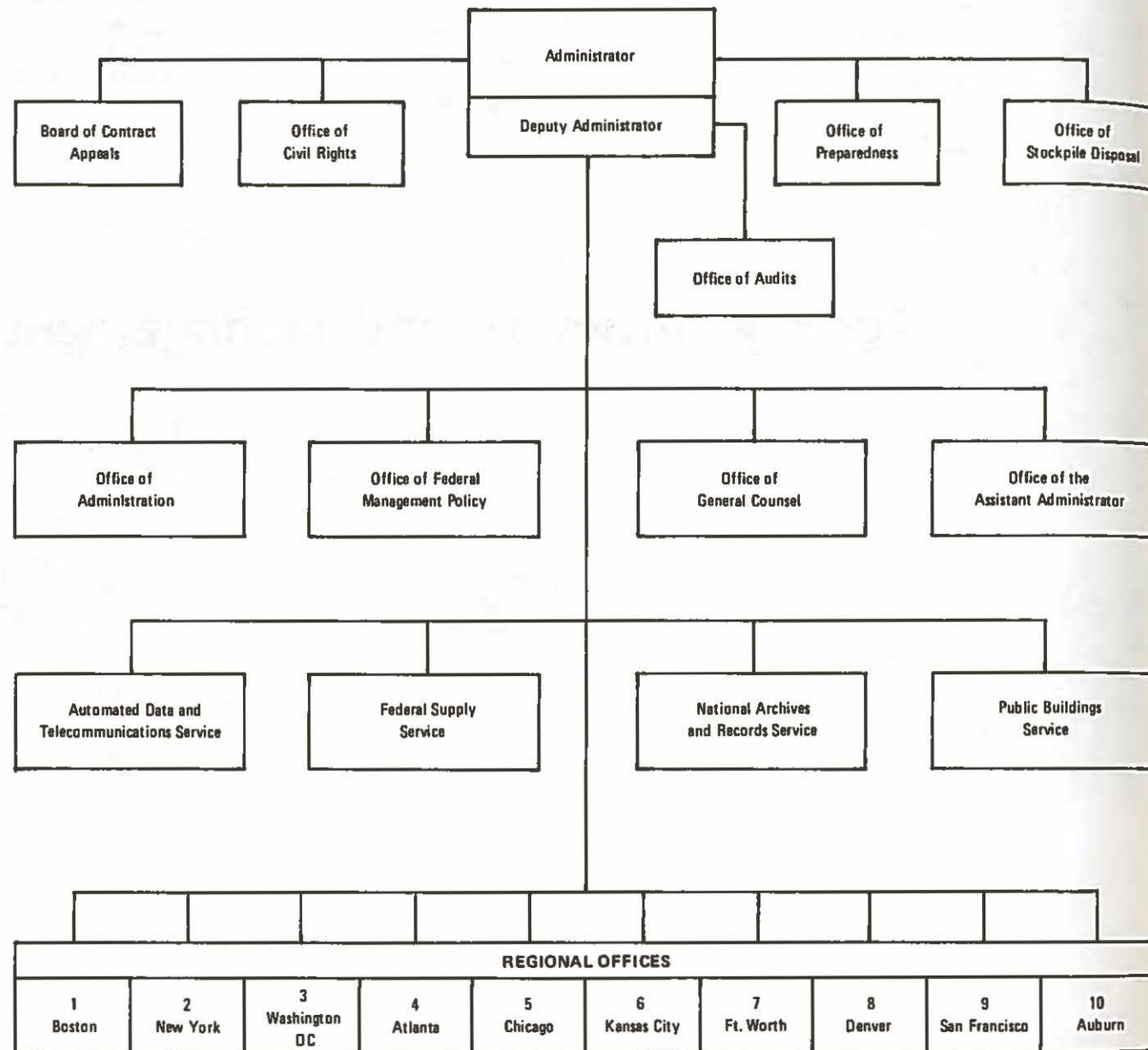
GSA was, in many cases, the main consumer advocate.

Mailgram

GSA instituted MAILGRAM service for its federal customers at a rate

considerably less than the cost of commercial service. It provides next business day delivery of written messages to anywhere in the continental United States. Another advantage of MAILGRAMS is that they may be sent simultaneously in virtually unlimited quantities anywhere in the United States.

Agency Structure and Management



Summary of Financial Operations

GENERAL SERVICES ADMINISTRATION
COMPARATIVE STATEMENT OF FINANCIAL CONDITION
(IN MILLIONS)

ASSETS	June 30, 1974	June 30, 1973	Increase or Decrease
Cash	\$ 798.7	\$ 954.6	\$ -155.9
Accounts receivable—			
Private debtors	508.7	171.7	337.0
Accounts Receivable—			
Government agencies	352.6	274.8	77.8
Inventories	4,714.8	5,926.9	-1,212.1
Prepayments and advances	154.8	130.8	24.0
Mortgages and bonds—			
Private debtors	100.5	102.1	-1.6
Investment in U.S. Securities	3.1	2.5	.6
Equipment	173.4	240.8	-67.4
Land and buildings	2,752.9	2,685.9	67.0
Construction in progress	1,004.0	810.0	194.0
plus property	70.2	66.0	4.2
Total Assets	\$10,633.7	\$11,366.1	\$ -732.4
LIABILITIES			
Accounts payable	\$ 999.4	\$ 818.3	\$ 181.1
Advance payments	315.4	279.7	35.7
Trust and deposit liabilities	14.1	8.5	5.6
Borrowings from Treasury—			
Defense Production Act	1,877.5	1,877.5	N/A
Deferred credits	167.0	193.2	-26.2
Liabilities for purchase-contract program	23.4	17.6	5.8
Employees leave liability	15.7	29.9	-14.2
Total Liabilities	3,412.5	3,224.7	187.8
INVESTMENT OF U.S. GOVERNMENT	7,221.2	8,141.4	-920.2
Total Liabilities and Investment of U.S. Government	\$10,633.7	\$11,366.1	\$ -732.4

SUMMARY OF OPERATIONS

FEDERAL SUPPLY SERVICE

	Fiscal Year 1974	Fiscal Year 1973	Fiscal Year 1964
1. Store Sales (Thousands of Dollars)	550,273	518,653	324,091
2. Nonstore Sales (Thousand of Dollars)	317,310	282,712	168,925
3. Store Line Items Shipped (Thousands)	7,513.0	8,182.0	6,590.3
4. Number of Supply Distribution Points	82	84	53
5. Total Procurement (Millions of Dollars)	2,043.4	1,779.8	1,550.9
6. Interagency Motor Pools:			
a. Number of Pools in Operation	98	98	82
b. Mileage (Thousands)	714,569	718,848	346,563
c. Number of Vehicles in Pool (June 30)	66,035	62,686	33,617
d. Sales (Millions of Dollars)	85.7	77.5	28.2

PROPERTY MANAGEMENT AND DISPOSAL

1. Personal Property (Acquisition Costs—Millions of Dollars):			
a. Transfers to Other Federal Agencies	991.6	1,006.2	623.0
b. Donations	431.6	396.5	392.5
c. Sales	30.9	57.7	65.8
Total	1,454.1	1,460.4	1,081.3
2. Real Property (Acquisition Costs—Millions of Dollars):			
a. Further Utilization of Federal Agencies	107.0	257.0	177.9
b. Other Surplus Disposals (Donations, etc.)	94.0	294.0	171.0
c. Sales	165.0	151.0	340.3
Total	366.0	702.0	689.2
3. Defense Materials:			
a. Strategic and Critical Materials Inventory (Acquisition Costs—Millions of Dollars)	4,473.0	5,655.8	8,514.5
b. Sales Commitments (Millions)	2,050.6	558.0	167.1

SUMMARY OF OPERATIONS (Continued)

PUBLIC BUILDINGS

	Fiscal Year 1974	Fiscal Year 1973	Fiscal Year 1964
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1. New Construction Program:

a. Design Starts (Millions of Dollars)	115.8	76.6	336.7
b. Design Completions (Millions of Dollars)	167.1	245.6	182.9
c. Construction Awards (Millions of Dollars)	115.7	708.4	161.3
d. Construction Completions (Millions of Dollars)	234.2	127.6	225.0

2. Buildings Management:

a. Average Net Square Feet Managed (Millions)	224.7	215.0	168.5
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3. Repair and Improvement:

a. Repair and Improvement Appropriation:

(1) Net Square Feet of R & I Responsibility (Millions)	142.2	149.9	156.3
(2) Obligations Incurred (Millions of Dollars)	104.0	104.0	76.0

b. Reimbursable Costs (Millions of Dollars)	64.9	70.5	67.2
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AUTOMATED DATA TELECOMMUNICATIONS

1. Federal Telecommunications System:

a. Number of Intercity Calls (Millions)	129.9	116.0	N/A
b. Total System Volume Sales (Millions of Dollars)	249.8	217.7	41.8
c. Number of Connected Telephones (Millions)	1.0	.9	N/A
d. Data Traffic Word Volumes (Billions)	8.6	3.9	N/A

2. Automated Data Processing:

a. Total Sales (Millions of Dollars)	35.8	33.0	N/A
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NATIONAL ARCHIVES AND RECORDS

Number of Records Centers	15	15	16
Records in Inventory (Thousands Cubic Feet June 30)	13,048	13,162	8,588
Inquiries Handled (Thousands)	13,968	12,986	5,281