



089568

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON REGIONAL OFFICE
FIFTH FLOOR
803 WEST BROAD STREET
FALLS CHURCH, VIRGINIA 22046

089568
MAR 31 1976

The Honorable S. Dillon Ripley
Secretary, Smithsonian Institution 421

Dear Mr. Ripley:

We have been studying the management procedures for assuring adherence to the Government policy requiring the acquisition of compact and subcompact passenger vehicles to conserve fuel (GAO Code 943434). We made our Government-wide study at the General Services Administration (GSA), several other civil agencies, and the Department of Defense. Our observations at the Smithsonian Institution are discussed below.

ORDERING LARGE STATION WAGONS
WITHOUT CERTIFICATION

During fiscal year 1975, the Smithsonian Institution ordered four intermediate size station wagons through GSA without certifying and justifying, as required, that they were necessary for the Institution's mission. Officials indicated that these vehicles were required to transport paintings, sculptures, and similar articles.

Federal Property Management Regulation 101-26.5--GSA Procurement Programs--provides that compact and subcompact sedans and station wagons shall be acquired unless the agency head or his designee certifies to GSA that larger vehicles are required for law enforcement or are otherwise essential to the agency's mission. Agencies are required to justify, in writing, and retain in their files, the need for each larger than compact passenger vehicle purchased.

ORDERING MORE VEHICLES THAN
INDICATED IN APPROPRIATION

Two more passenger motor vehicles were ordered than indicated in the fiscal year 1975 Appropriation Act. The

~~710497~~

089568

appropriation authorized "the purchase or rental of two passenger motor vehicles," whereas four were purchased--the four station wagons discussed above. Institution officials believe the appropriation act language does not restrict the quantities authorized for purchase. A point in their favor is language in other agencies' appropriation acts such as "not to exceed" which does restrict quantities for purchase.

Officials said that for years the Institution had requested and had been authorized two passenger motor vehicles regardless of the quantity needed. Whether there was a violation of a public law is uncertain and would not be known unless there is a thorough examination of the Institution's appropriated expenditures and the legislative history of the appropriation acts. However, there is no question that this practice is a poor management technique.

COMMENTS BY SMITHSONIAN OFFICIALS

We discussed these matters with responsible officials in the Communications and Transportation Branch and Internal Audit. They said the lack of certification was due to administrative error. In the future, these will be included on orders to GSA for large vehicles. Although they believed that the appropriation language did not restrict the quantity of passenger motor vehicles to be purchased, in the future the quantity purchased will equal the appropriation act quantity. Also, budget requests will be based on actual requirements. The internal audit office will make a thorough audit of motor vehicle budgeting, procurement, and management practices.

CONCLUSION

The promised actions to include certifications on orders and actual requirements in the Institution's budget request should alleviate the certification and authorization problems. However, care must be taken that certifications do not become a rubber stamp. Acquisition of large passenger motor vehicles must not be approved until reviews are made of actual needs to ensure these are the minimum size required.

We trust that you will find our observations helpful in your efforts to conserve fuel in vehicle operations. No further reporting of the matters discussed in this

letter is planned. The results of the forthcoming review by your internal audit staff of motor vehicle budget, procurement, and management functions will be appreciated. Please feel free to contact Mr. John P. Carroll of my staff if you have any questions, telephone 557-2151.

Sincerely yours,



David P. Sorando
Regional Manager



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON REGIONAL OFFICE
FIFTH FLOOR
803 WEST BROAD STREET
FALLS CHURCH, VIRGINIA 22046

MAR 31 1976

Mr. C. Peratino
Chief of Internal Audit
Smithsonian Institution
Washington, D.C. 20560

Dear Mr. Peratino:

Enclosed for your information is a copy of our letter to the Secretary, Smithsonian Institution notifying him of the results of our survey of efforts to conserve fuel by acquiring compact and subcompact passenger vehicles.

Sincerely yours,

David P. Sorando
David P. Sorando
Regional Manager

Enclosure