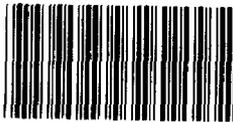




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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY,
AND ECONOMIC DEVELOPMENT
DIVISION



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B-212104

JUNE 24, 1983

The Honorable Claude D. Pepper
U.S. House of Representatives

Dear Mr. Pepper:

Subject: Planned Relocation of National Oceanic
and Atmospheric Administration's Research
Facilities Center from Miami to Cocoa
Beach, Florida (GAO/RCED-83-183)

Your November 24, 1982, letter asked us to review the National Oceanic and Atmospheric Administration's (NOAA's) planned relocation of its Research Facilities Center from the Miami International Airport to Patrick Air Force Base (AFB), Cocoa Beach, Florida. As NOAA had looked at this issue on several occasions over the last 2 years, you asked us to evaluate its work and the documentation developed to support its estimated costs and savings. This report summarizes the results of our review of this issue.

We found NOAA's justification for the planned relocation to Patrick AFB to be inadequate. Errors were made in computing relocation costs, and documentation to support operational cost differences and estimated savings at Patrick AFB over the Miami location was insufficient. Further, limited attention was given to developing local location options in the Miami area. This information was provided to your office in early March and in turn shared with the Subcommittee on Commerce, Justice and State, the Judiciary and Related Agencies, House Committee on Appropriations. The subcommittee subsequently disapproved NOAA's request to reprogram funds to relocate the RFC to Patrick Air Force Base. In addition, the Department of Commerce has agreed that NOAA's justification is inadequate and does not plan to reconsider the issue.

BACKGROUND

The Research Facilities Center (RFC) is one of NOAA's major flight operations groups for gathering atmospheric and oceanographic data, primarily for the National Weather Service,

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and for NOAA's other meteorological and related programs and those of other Federal agencies and governments. This data has been gathered by two highly instrumented ORION WP-3D turbo-prop aircraft, which are sophisticated weather research aircraft, each with an estimated replacement value of about \$30 million. With an operating budget of \$4.5 million for fiscal year 1983, the RFC includes a work force of 41 full-time civilian employees and 8 NOAA Corps commissioned officers.

For the past 23 years the RFC has been located at the Miami International Airport. For the past 9 years RFC has contracted with Airtech Service Incorporated for facilities, aircraft maintenance, and related services.

NOAA officials stated that because of budget constraints and rising facilities and support costs over the last several years, NOAA began to consider alternative locations to lower RFC operational costs. Officials were concerned that if operational costs could not be reduced or controlled, flight hours for hurricane research and reconnaissance would eventually have to be reduced.

NOAA's ASSESSMENT OF THE RFC LOCATION ISSUE

Between June 1981 and November 1982, five separate surveys of the RFC location issue were conducted by different management elements in NOAA. The result of this work was a presentation to the Administrator in early January 1983 that resulted in his decision to relocate the RFC to Patrick AFB.

NOAA included in its fiscal year 1984 budget a request to reprogram \$1 million to cover costs to relocate RFC personnel and equipment and renovate facilities at Patrick AFB. NOAA informed the Congress that relocating the RFC to Patrick AFB would result in more efficient operations and an annual saving of over \$300,000.

While no summary document or decision package was prepared for top management's review, a NOAA official in the Office of Research and Development informed us that the decision to relocate was largely based on NOAA's most recent surveys completed in August and November 1982.

We reviewed NOAA's surveys and related material and discussed them with NOAA officials and managers. This information provided an array of differing costs and savings estimates that reflected variations on the merits of relocating to Patrick AFB. For example, personnel relocation cost estimates ranged from \$400,000 to \$700,000. Costs to renovate facilities at

Patrick ranged from \$150,000 to \$340,000, and annual saving estimates ranged from under \$50,000 to about \$275,000. Supporting documentation was limited for most cost estimates, and NOAA managers described many estimates as "rough" or "ball park" figures and said that backup material was either missing or had not been developed.

Personnel relocation costs
were understated by \$300,000

NOAA's personnel relocation cost estimate, where supporting information was provided, showed incorrect calculations that resulted in an understatement of this one-time cost. A NOAA Corps Captain coordinating the relocation plan advised us that its estimate was \$653,000 for personnel relocation costs. We noted, however, that the estimate did not include the current personnel relocation allowances. In addition, the estimate did not consider differences in relocation allowances for civilian employees and NOAA Corps officers. Using NOAA's estimates of the number of employees that would relocate and applying the correct allowances, the relocation costs for civilian employees could be as much as \$910,000. Estimated costs for relocating the NOAA Corps personnel would add another \$39,000 to this estimate for a total of \$949,000 in relocation costs.

NOAA's relocation cost estimate included separation costs for five civilian employees. However, estimates were not developed for other related costs that would most likely be incurred, such as civil service retirement contribution withdrawals, lump-sum leave payments, unemployment compensation, and recruiting, training, and/or re-training costs.

Operational costs
could be higher at Patrick AFB

We also identified certain operating cost increases that may be incurred at Patrick AFB. NOAA management advised us that it adopted the premise that operational costs will be about the same at Patrick AFB as they were in Miami. However, in the surveys and related memorandums made available to us, references were made to cost factors that may be higher at Patrick AFB. NOAA did not fully recognize some of these potential increases in operational costs, which could significantly reduce the savings expected from no-cost facilities at Patrick AFB. For example, references were made to potential increases in contract labor rates for aircraft maintenance, increased maintenance for aircraft corrosion prevention, increased travel costs for RFC and other NOAA personnel, and potential increases in aircraft

fuel costs. If the increases in these cost factors approximate those mentioned in the surveys, there could be additional operating costs of more than \$100,000 annually at Patrick AFB.

In addition, we noted that certain program managers expressed concern about the impact of separating the RFC from the National Hurricane Center and the Hurricane Research Division, which are presently located in the Miami area. According to these program officials, moving the RFC out of the Miami area would result in delays in launching some RFC reconnaissance missions, diminish face-to-face coordination and discussion of program issues, and result in increased travel costs to compensate for these impacts. Concerns were also expressed that location options in the Miami area had not been fully examined before a decision was made to move to Patrick AFB.

On February 25, 1983, NOAA responded to our formal inquiry concerning several factors affecting the move. We subsequently met with NOAA officials to further discuss their justification and our concerns regarding the proposed move. The officials clarified a number of points surrounding the move; however, we continued to question their relocation cost estimates, certain operational cost differences between Miami and Patrick AFB, and the failure to more fully consider local location alternatives.

Subcommittee on Appropriations
advised of limitations in
NOAA's justification material

In early March 1983 we advised your office of the results of our work and that we questioned the adequacy of NOAA's justification and the merits of the planned move. With this information you sent a letter to Congressman Neil Smith, Chairman, Subcommittee on Commerce, Justice and State, the Judiciary and Related Agencies, House Committee on Appropriations, expressing concerns about the planned relocation. On March 9, 1983, the subcommittee disapproved NOAA's \$1 million reprogramming request for relocating the RFC.

We were subsequently advised by a Department of Commerce budget officer that the Department does not plan to submit a new request to reprogram funds nor does it plan to request supplemental funds to relocate the RFC. We also were told that the Department now believes that NOAA has not provided a thorough justification and support for the proposed relocation and that NOAA will have to conduct a more thorough examination of the costs and savings of such a proposal before the Department gives it further consideration.

On April 19, 1983, the Aviation Department, Metropolitan Dade County, Florida, submitted to NOAA a new facilities lease proposal for the Miami International Airport location. This new offer was designed to accommodate NOAA's concerns when it rejected a previous offer in January 1983. The new offer provides space at a reduced annual lease cost. As of June 1, 1983, NOAA had not officially responded to the Dade County offer.

A NOAA official in the Office of Research and Development subsequently informed us that NOAA is now planning to request bids for facilities and/or aircraft maintenance at the Miami International Airport. This request will provide contractors with the option to bid on either one or both of these requirements. NOAA hopes this will increase competition among potential contractors and permit cost savings not previously realized. We had suggested, earlier in our review, that NOAA consider this option as a means of exploring Miami area location possibilities.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to review NOAA's efforts to identify costs and savings associated with the merits of relocating the RFC at Patrick AFB, as well as identify the consideration given to other appropriate locations. We assessed NOAA's efforts and its estimates; however, we did not conduct an independent relocation study.

In performing our work we

- reviewed NOAA surveys conducted since June 1981, along with numerous internal memorandums and related information;
- interviewed various NOAA officials and managers, as well as U.S. Air Force, General Services Administration, Office of Personnel Management, and Miami International Airport officials; and
- reviewed Federal regulations on relocation of employees and facilities.

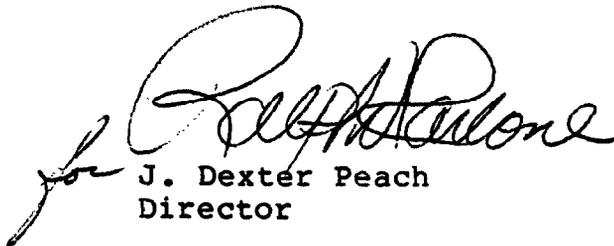
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At your request, we did not obtain agency comments on this report. We did, however, discuss our views on the RFC relocation with NOAA officials at the conclusion of our work.

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Except as noted above, we made our review in accordance with generally accepted government auditing standards. We do not plan any further work, and as agreed with your office, this report will be made available to other interested parties.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "J. Dexter Peach". The signature is written in dark ink and is positioned above the printed name and title.

J. Dexter Peach
Director