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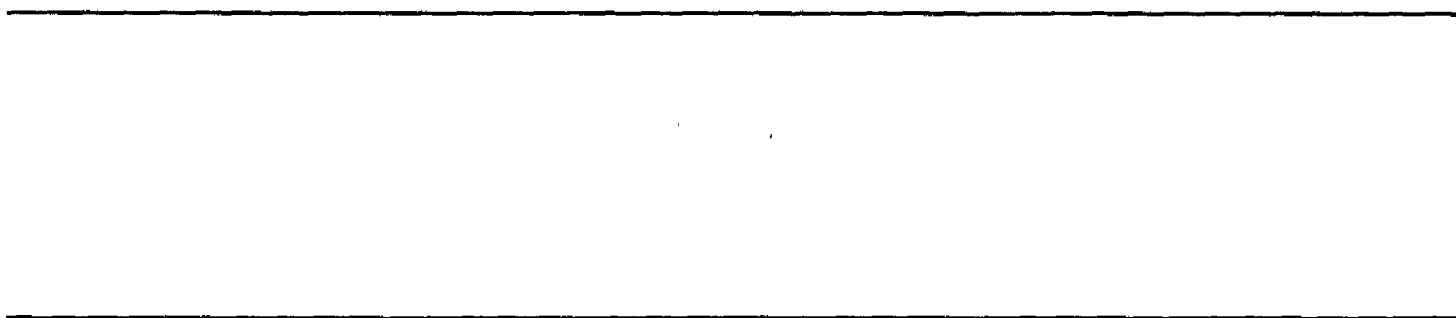
DISTRICT OF COLUMBIA

City and State Privatization
Initiatives and Impediments

Statement of L. Nye Stevens
Director of Federal Management and Workforce Issues



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District of Columbia:
City and State Privatization Initiatives and Impediments
Summary Statement of
L. Nye Stevens
Director of Federal Management and Workforce Issues

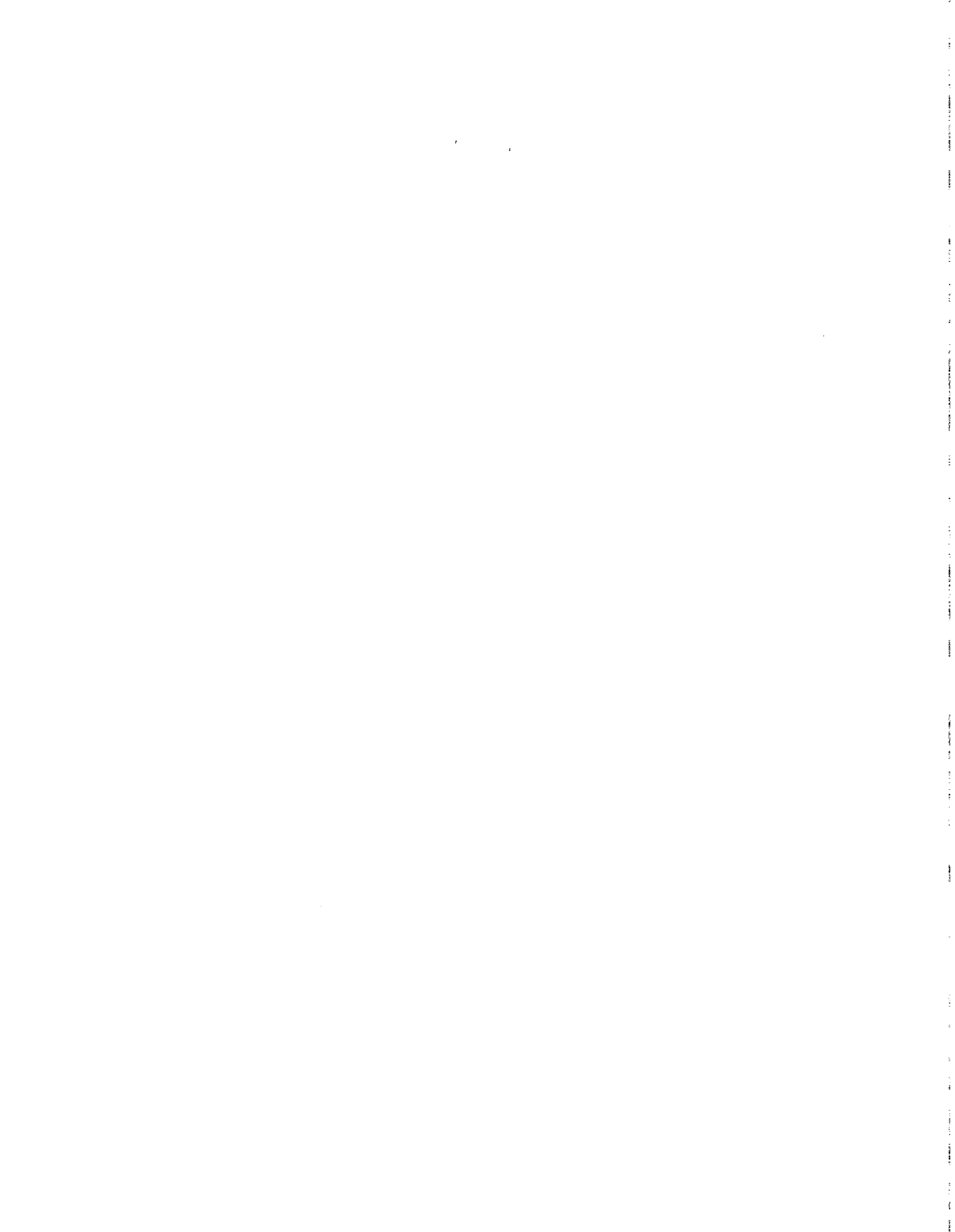
The District of Columbia is examining the potential benefits of privatizing certain government services and reinventing its government operations. Other city and state governments, facing fiscal pressures, used privatization to help reinvent government, save money, and improve service delivery. Privatization can take a variety of forms such as divestiture, contracting out, vouchers, and public-private partnerships.

Cities and states found that contracting out, the most common form of privatization, offers important benefits such as cost savings and improved performance. Indianapolis expects to save nearly \$80 million over 5 years from competing its trash collection and wastewater treatment plant; and Philadelphia averaged 40 to 50 percent savings by contracting out such functions as its nursing home and water department billing. Increasingly, cities and states are contracting out functions that in the past were considered "core" missions. For example, Cleveland contracted out its payroll system; Minneapolis hired a private firm to be superintendent of its schools; and state private corrections facilities have been rapidly increasing. Cities and states found that competition is the cornerstone of most programs and essential to making significant improvements. In Indianapolis, Phoenix, Philadelphia, Cleveland, and New York, city employees are given the opportunity to compete with the private sector.

Cities and states also use public-private partnerships, another important form of privatization, to share the costs and operations of risky or expensive investments with the private sector to the mutual benefit of both sectors. Boston, Chicago, Cleveland, New York, and Philadelphia established public-private partnerships as an integral part of their economic development programs to revitalize neighborhoods and retain and attract businesses.

Although the basic policy of relying on the private sector when less costly and more effective makes sense and is generally accepted, there are several impediments that can limit successful privatization. Resistance to privatization, particularly from unions and employees, is the most prevalent impediment. Resistance has spawned legislation that is generally intended to protect the jobs of government employees. For example, 1993 District legislation requires contractors to offer employment to displaced city workers at the same wage and benefits.

Inadequate financial and performance information and poor procurement practices are also serious impediments to privatization. Without good financial and management information, government officials may make bad privatization decisions and be unable to determine if services are being performed efficiently. GAO's work at the federal level indicates that poorly worded performance work statements can result in cost escalation, limit competition, and make performance difficult to assess. Inadequate oversight of contractor performance can result in reduced levels of performance or cost-overruns. It is particularly important that the District of Columbia address these impediments as it designs a privatization program because GAO and the District of Columbia's Auditor and Inspector General have repeatedly reported on the city's poor financial information systems, excessive use of emergency and sole-source procurements, and the lack of adequate contract planning, administration and monitoring.



Mr. Chairman and Members of the Subcommittee:

Thank you for this opportunity to testify at today's hearing on the privatization and reinvention efforts of the District of Columbia. Privatization is a concept that covers a wide variety of approaches in which functions and responsibilities can be shifted, in whole or in part, from the government to the private sector. My statement today focuses on a description of (1) current trends and initiatives in privatization in city and state governments and (2) impediments other units of government have faced with privatization programs that could apply to the District.

Our testimony is based on the previously reported results of our visits to five cities--Boston, Chicago, Cleveland, New York, and Philadelphia--that had financial problems similar to those of the District,¹ additional data we collected from secondary sources on privatization efforts in state and city governments, and the large body of work on federal contracting-out issues we have done since 1981. We did not independently verify city and state estimates of reported savings and improved performance as a result of privatization efforts.

PRIVATIZATION TRENDS AND INITIATIVES IN CITY AND STATE GOVERNMENTS

Privatization can include everything from the outright turnover of government functions through divestiture, or asset sales, to cooperative ventures between the public and private sectors as in public-private partnerships. It is an imprecise term that can be used to signify actions as broad as shrinking government or as narrow as contracting out a specific function. (Appendix I contains definitions of the various forms of privatization.)

City and state governments throughout the country that are facing increasing financial pressures, have come to believe that privatization can help them reinvent their governments and offer a way to save money without sacrificing service delivery. The governments in the cities we visited have used some form of privatization in the past in response to a particular problem. But now, officials in these cities and others are systematically striving to introduce comprehensive privatization programs, such as Cleveland Competes and Philadelphia's Competitive Contracting Program, as alternatives to the traditional methods of organizing, financing, and delivering public service. According to a 1993 study for the National Governors' Association (NGA), privatization was a basic tool for reinventing state government, with about 90 percent of state agencies using some form of privatization. This percentage represents a significant structural change in the way states do business, as they increasingly rely on the private sector to meet their needs.

I would now like to describe how contracting out, public-private partnerships, and other privatization initiatives are being pursued today by city and state governments.

¹District of Columbia: Actions Taken in Five Cities to Improve Their Financial Health (GAO/T-GGD-95-110, Mar. 2, 1995).

Contracting Out

According to the cities we visited and the studies we reviewed, contracting out was by far the most common form of privatization for cities. This trend to contract out was confirmed by 1994 studies conducted by the Federal Reserve Bank of Boston and the International City/County Management Association (ICMA). A 1993 study conducted by the Council of State Governments also found that contracting out was overwhelmingly the form of privatization most often employed by states, accounting for about 78 percent of all state privatization activity.

Cost savings was an obvious aim of contracting out by the cities and states, but they also cited other important benefits. For example, according to the ICMA, contracting out provides governments with

- a potential reduction in such overhead costs as payroll or supervisory staff,
- a reduced need for government capital equipment purchases,
- the ability to initiate new or expanded services without hiring additional government employees,
- access to specialized or highly technical personnel, and
- the flexibility to meet seasonal service needs or peaks in service demand.

Although estimates of cost savings have not been systematically and independently verified, and can be the subject of dispute, city governments have reported savings that range from 16 to 83 percent. For example, the Reason Foundation, a national research firm that studies trends in privatization, reported in its 1994 report on privatization that Indianapolis expects to save nearly \$80 million over a 5-year period from competing its trash collection and wastewater treatment plant. The Foundation also reported that Philadelphia averaged 40 to 50 percent savings from contracting out such functions as its nursing home and water department billing. As part of the state's performance review, state officials in Texas estimated that by privatizing certain state functions, such as security, maintenance, repairs, custodial services, and prison operations, the state could save more than \$30 million annually.

The Use of Competition

While contracting-out programs differ by city, the introduction of competition is the cornerstone of most of these programs. In Indianapolis, Phoenix, Philadelphia, Cleveland, and New York City, city employees are given the opportunity to compete with the private sector and propose a government alternative to contracting out. If the government alternative is less costly, the function remains in-house and is not contracted out.

For example, competitive contracting is a key component of Philadelphia's overall strategy for developing a leaner and more effective government. Since 1992, through its Competitive Contracting Program, the city has contracted out 26 different city services for an estimated savings of \$23.9 million a year. According to city officials, the quality of these services has improved. For example, the city awarded a contract to operate the Philadelphia Nursing Home. The nursing home's 354 former employees were hired by the contractor or redeployed to other city agencies. The city was also considering contracting out another 14 services, which it estimates could result in a savings of another \$6.6 million annually.

Also in response to competition, some services that Philadelphia has retained in-house have shown substantial improvements. According to city officials, city employees have successfully developed competitive proposals for retaining work in-house, enabling the city to save an additional \$8.2 million without contracting with the private sector. For example, after the Mayor considered privatizing the operation of the city's sludge plant, city managers and staff responded to the Mayor with a pledge to cut one-third out of the plant's \$24 million operating budget. The facility received a total quality management award for its efficiency efforts.

Phoenix uses a formal competitive process to compare city costs for a given service with those of private contractors to award contracts to the least-cost provider. Between 1979 and 1994, 56 contracts in 13 municipal services have been competed through this process, with 34 service contracts being awarded to contractors and 22 contracts remaining with the city government. While cost reduction is a major outcome of this competitive process, city officials have also documented improvements in service and in customer satisfaction. Another important benefit of this process, according to these officials, was the development of better management information systems that could provide important efficiency and outcome indicators not traditionally found in city accounting systems. These officials believed that by having systems that could provide information on efficiency and outcomes, Phoenix has a critical strategic advantage in making the city more competitive in its service delivery.

Indianapolis, Phoenix, Philadelphia, Cleveland, and New York City have found that competition was the essential ingredient to making significant improvements in their organizations. Their experience verified the economic tenet that organizations that must match the pace set by ambitious rivals were almost always more efficient than organizations that were secure against challenge.

Types of Functions

Historically, cities and states typically considered contracting out ancillary or support functions that they believed were outside their "core" mission. For example, Boston contracts out for refuse collection, cafeteria services, and hospital security; Chicago contracts out for facilities and sewer maintenance and window washing; and Philadelphia contracts out printing, sludge hauling and disposal, and warehouse operations. Support functions generally are ones

for which the outcomes are more important than the means by which the outcomes are achieved, and the outcomes are relatively easy to define and measure.

Increasingly, however, cities and states are examining the possibility of contracting out functions that in the past were considered part of their "core" missions. With Cleveland Competes, a privatization program of the incumbent Mayor, city managers are expected to examine what core services Cleveland should be providing and then look to the private sector to provide all other services. In its first project under this initiative, the city contracted out for payroll and time and attendance services. According to city officials, this project saved the city \$603,000 in 1994, with subsequent estimated annual savings of \$195,000. Cleveland is now looking at other services to contract out.

Contracting out has also been extended to education and corrections. In Minneapolis, for example, the school board hired a private firm to take over as superintendent of the city's 79 schools. In addition, private corrections facilities have also enjoyed rapid growth in recent years. In 1993, privately managed prison facilities increased by 21.7 percent according to the Private Adult Correctional Facility Census, a biannual report written by the Private Corrections Project Director of the University of Florida. With 73 facilities now under private management, prison privatization appears to be a growing trend.

City and state governments are also contracting out social and health services. One of the leaders in private, community-based care is Massachusetts. In the past 2 years, two state hospitals have been closed and patients transferred to private hospitals, nursing homes, and community-based clinics and service agencies. According to an NGA study, Massachusetts was able to save more than \$60 million and deflected \$140 million in capital expenditures through this consolidation. Also, an estimated 5,000 new private sector jobs were created. Moreover, on the basis of a customer survey, the state found that the quality of care also improved. New York City and Indianapolis are contracting out welfare-to-work training. According to the Reason Foundation, government officials point to a number of potential advantages of private sector welfare-to-work programs, including (1) a more cost-effective program, (2) more customer-oriented services, (3) greater use of technology and innovation, and (4) clearer performance accountability.

Public-Private Partnerships

Another important form of privatization at the city and state level is public-private partnerships. Such partnerships enable government agencies to share the costs and operations of risky or expensive investments with the private sector to the mutual benefit of both sectors. According to a 1993 NGA study, public-private partnerships are used when the public and private sectors share a common interest in the undertaking, and public and private resources are pooled or responsibilities are divided in a way that complement each other. In a 1995 study, the Reason Foundation reported that governments are increasingly establishing partnerships with the private sector to finance, design, build, and operate major infrastructure projects. It cited the following five reasons for this trend:

- Public-private partnerships enable governments to tap into commercial capital that is not currently being invested in infrastructure.
- The private sector can provide needed technical expertise to reduce the development time of major projects.
- The period during which capital is tied up is reduced, which translates directly into savings in capital costs for a project.
- The private sector shares the risk of the investments with the taxpayers and thereby introduces a strong market discipline into the project's development.
- In contrast to state and city infrastructure enterprises, those developed as public-private partnerships commonly pay federal, state, and local taxes.

The five cities we visited--Boston, Chicago, Cleveland, New York, and Philadelphia--had established public-private partnerships as an integral part of their economic development programs to revitalize neighborhoods and to retain and attract businesses. For example:

- Boston established a public-private partnership to revitalize the Charleston Navy Yard. The city, with state and federal assistance, leveraged \$25 million in public investment, of which \$10 million was from the city, and received additional funding of more than \$500 million from private investments.
- Between 1990 and 1994, public-private partnerships helped Chicago leverage \$150 million in city funds for over \$1 billion of economic development projects, with additional funding provided through low-interest loans from the business community.
- Cleveland formed public-private partnerships with local businesses, neighborhood organizations, and foundations. These partnerships have stimulated housing development in poor and blighted neighborhoods and built Cleveland's new sports arena and convention center, earning national praise.

New York City and Philadelphia have also begun public-private partnerships to revitalize city neighborhoods. While the five cities continue to be faced with a declining revenue base, officials in these cities believe that their public-private partnerships have provided them with an important source of revenue and support to better prepare for the cities' long-term futures.

Other Privatization Initiatives

As I have mentioned, a variety of approaches can be used to privatize government operations. Except for contracting out, the ICMA and the Council of State Governments found minimal application of these approaches by state and city governments. However, a joint study of the National Association of Comptrollers and Apogee Research, a research firm, found that rather

than adopting piecemeal approaches to privatization, an increasing number of states are exploring the possibility of applying various forms of privatization across the full range of state services, assets, and infrastructures. Studies have documented examples of how different forms of privatization have been successfully used by states and cities.

Asset Sales

The ICMA found that cities have sold assets that are obsolete and no longer needed by the government, with vacant land and buildings being the most frequently sold assets. For example, a Mayor's asset management task force concluded in 1994 that Los Angeles should explore options for the sale or lease of various city assets. Also during their financial crises, Boston and Cleveland sold assets to compensate for lost property tax revenues or to subsidize their city operating budgets. New York City has proposed selling the city's radio and television licenses.

Internal Markets

The Reason Foundation reported that a number of cities are experimenting with a trend called internal markets, which allows city departments to purchase internal services from private firms if they can get a better deal than that offered by a city agency. After adopting internal markets for its city units, Milwaukee found that city costs were cut and services improved. Also, the city's internal units were spurred to adopt more businesslike practices.

Voucher Programs

Voucher programs permit eligible clients to purchase government services from private providers. The NGA found that states were using vouchers to provide day care and other services. The ICMA reported the greatest increase between 1982 and 1988 in the cities' use of vouchers was for mass transit systems and day care facilities. Cities also used vouchers for the operation of shelters and food programs for the homeless and for health and human services. The Reason Foundation has identified examples of school voucher programs operated in five metropolitan areas around the nation, assisting more than 4,000 children from low-income families.

Franchises

States and cities have awarded franchises to one or more private providers for the right to provide services formerly in the public realm. Customers pay the provider, and the government generally retains responsibility for ensuring that firms meet price and quality criteria. According to the ICMA, the most common franchises are for solid waste collection and utility operations. However, examples can be found in cultural and recreational areas as well. New York City, for example, was losing \$2 million per year on its five publicly run golf courses. It now receives \$1 million in rent for the courses from a national golf management firm.

IMPEDIMENTS TO PRIVATIZATION

In 1994, the District of Columbia awarded \$203 million for contracts of more than \$100,000. These contracts were for government services and functions ranging from halfway house management to refuse collection to the housing of District inmates in a privately run prison. In 1995, the District of Columbia established a privatization task force to examine the potential benefits of privatizing certain District government services. The District can take advantage of the lessons other city and state governments have learned in implementing their privatization programs. However, there are a number of impediments, such as resistance to privatization, the lack of adequate financial and performance information, and poor procurement and contract administration practices, that the District needs to take into consideration as it designs its privatization program.

Resistance to Privatization

The first impediment is resistance to privatization in principle. According to a 1987 joint survey by the ICMA, the Privatization Council (now the National Council for Public-Private Partnerships), and an independent accounting firm, the most common reasons why city and county governments resist privatization are union or employee resistance, the loss of public control, politics, and a lack of belief in the benefits of privatization. The Council of State Governments reported in 1993 that the strongest and most persistent opposition to privatization in many states has come from union resistance.

We have found similar concerns at the federal level, where the contracting out process, while common, has been and continues to be controversial.² In more than 100 reviews we and others have done, managers characterized the decision-making process as time consuming, difficult to implement, disruptive, and threatening to both managers and employees.

This resistance to privatization, and to contracting out in particular, has spawned restrictive or prohibitive legislation at the city, state, and federal levels, which is generally intended to protect the jobs of government employees. For example, we testified in March 1995 that Congress has enacted many restrictions on cost-comparison studies between the federal workforce and private contractors.³ Restrictive legislation has also been enacted in the District. Specifically, legislation passed by the City Council in 1993 restricts the city from contracting out city services unless a minimum savings of 10 percent can be documented for proposed privatization contracts. Also, the city must give all affected employees a 6-month notice of the privatization, and the contractor is required to offer employment to all affected

²OMB Circular A-76 establishes the federal policy that governs how contracting-out decisions are made in the government. However, this policy has never been adopted legislatively.

³Government Contractors: An Overview of the Federal Contracting-Out Program (GAO/T-95-131, Mar. 29, 1995).

employees at wage and benefit rates comparable to those they currently receive. Such provisions may discourage potential bidders, whose comparative advantage is often in better using technology and incentives to reorganize work.

To mitigate employee opposition to privatization, cities and states need to develop strategies. A 1993 Reason Foundation study identified three key strategies--minimizing layoffs, easing the transition to a competitive environment, and providing structural incentives for privatization--used by cities and states. To minimize layoffs, cities and states have worked within their rates of personnel attrition, encouraged contractors to give government employees the right of first consideration when hiring, offered early retirement incentives, and allowed government organizations to bid on the functions being considered for privatization. Cities and states have found that the transition to a competitive environment can be eased by keeping employees informed and involved throughout the privatization process, providing training and assistance in developing competitive bids, assisting employees with career paths, and identifying new career opportunities. Structural incentives include making pension funds more portable, allowing employees to share in the savings from privatization, and offering employees ownership in the privatized enterprise through employee stock ownership plans.

Inadequate Financial and Performance Information

Another impediment to privatization is a lack of adequate financial and performance information. Successful contracting out programs require good financial and management information systems to develop accurate cost information in order to make the decision whether to contract out and to track savings and performance over time. Without good cost and performance information, government officials may make bad privatization decisions and be unable to determine whether services are being performed efficiently, whether by government employees or private providers. The lack of convincing cost savings data strengthens the political arguments against privatization.

A number of studies, including our work at the federal level, have noted the accounting difficulties, such as the inability to identify indirect costs, and inaccurate and incomplete information, associated with evaluating costs and savings of contracting out decisions. It is particularly important for the District to address this impediment in designing its privatization program because, as we testified before this Subcommittee on the District's financial situation last week, the District's financial information and internal controls are poor, the entire financial management system needs major improvements, and the lack of effective practices and procedures makes the system even more ineffective.⁴

Indianapolis and other cities are attempting to overcome this impediment by introducing activity-based costing, an accounting technique that identifies the full costs of each function

⁴District of Columbia: Improved Financial Information and Controls Are Essential to Address the Financial Crisis, (GAO/T-AIMD-95-176, June 21, 1995).

on an outcome basis in order to facilitate measuring the quality and efficiency of service delivery. Another way to compensate for poor data is to split performance of a function between contractors and city employees to allow side-by-side comparisons on a continuing basis.

Poor Procurement and Contract Administration Practices

Our work at the federal level indicates that poor procurement and contract administration practices can be a continuing impediment to effective contracting out programs. Poorly worded performance work statements can contribute to contract revisions and cost escalations that quickly outdate cost comparisons used to make the decision to contract out. In addition, such practices limit competition and make performance difficult to assess. Inadequate oversight and monitoring of contractor performance can result in reduced levels of performance or cost overruns.

On the basis of our review of reports of city auditors, we found that the District has long-standing problems with its procurement and contract administration practices that are similar to those at the federal level. The District's Office of Inspector General conducts an annual operational audit of the city's procurement activities. For the past 9 years, this office found the same deficiencies in the city's procurement system. These deficiencies include the excessive use of emergency and sole-source procurements, exceeding contract authority, improper splitting of procurements, and the lack of adequate contract planning, administration, and monitoring.

The District of Columbia Auditor reported similar deficiencies in August 1994 following its review of the Alcohol and Drug Abuse Administration's contracting practices. This official further reported that the Economic Development Finance Corporation, a public/private partnership established to assist small businesses and spur economic development in the District, was ineffective and was not exercising sufficient fiduciary controls over its expenditures. The city auditors discussed their concerns with the city's contracting practices during testimony before this Subcommittee in March 1995.

We understand that the District's Privatization Task Force is charged with recommending needed procurement reforms as part of its development of a privatization program. This will be an essential step if the District is to avoid what has been a significant impediment at the federal level.

CONCLUSION

Despite the impediments associated with building an effective privatization program, the basic policy of relying on competition and using the private sector where it is cheaper and more effective makes sense and is generally accepted. We should not lose sight of the underlying objectives of government to seek greater effectiveness and efficiency in its operations, as we

examine how the District can take advantage of the private sector in delivering needed goods and services to its residents.

This concludes my prepared statement, Mr. Chairman. I will be pleased to answer any questions you or the Members of the Subcommittee may have.

FORMS OF PRIVATIZATION

The following forms of privatization and their definitions are taken from a National Governors' Association report, An Action Agenda to Redesign State Government, issued in 1993. While not all-inclusive, they do provide a representative list of the variety of privatization techniques available to government agencies.

Asset Sales: The sale of a government-owned enterprise or facility usually is pursued to remove the state from property management duties or to generate a much-needed influx of quick cash to balance the budget. Typically, the sale requires legislative approval.

Contracting Out: The government enters into an agreement with a profit or nonprofit entity to provide a good or service.

Deregulation: Regulation of a service that is monopolized by government is eliminated to allow for the private provision of service.

Direct Competition: Government producers compete directly with private suppliers, enabling government agencies to choose between in-house and outside suppliers.

Franchise: Franchise agreements are similar to contracting out, except that users of the service pay the provider directly.

Grants and Subsidies: Government provides funds or in-kind contributions to a private organization to reduce the expense of providing the service.

Long-Term Lease: The government leases a facility or enterprise to a private party for a specified period. Maintenance, operation, and payment terms are spelled out in the lease agreement. Sale-leasebacks, sale-service contracts, and lease-service contracts are some lease options.

Public-Private Partnerships: When the public and private sectors share a common interest in the success of a particular undertaking, it is possible to leverage public resources with private enterprise, effort, and investment. In such a joint venture, public and private resources are pooled or responsibilities divided in such a way that efforts compliment one another.

Self-Help: Communities band together to take over a government service or asset.

Service Shedding: The state reduces the level of service or stops providing the service altogether. In many cases, the private sector steps in to provide the service on a for-profit basis.

APPENDIX

APPENDIX

Value Capture Transactions: The government taps the new value resulting from the infrastructure project. An infrastructure project is privately undertaken and financed, with an agreement that revenues from a new fee or tax levied on development that is a consequence of the infrastructure project will be awarded to the infrastructure's developer.

Volunteers: Volunteers provide all or part of a service.

Vouchers: The government pays for a service and gives individuals redeemable certificates or vouchers to purchase the service in the open market.

RELATED GAO PRODUCTS

Government Contractors: An Overview of a Federal Contracting-Out Program (GAO/T-GGD-95-131, Mar. 29, 1995).

Government Contractors: Contracting Out Implications of Streamlining Agency Operations (GAO/T-GGD-95-4, Oct. 5, 1994).

Air Traffic Control: Status of FAA's Plans to Close and Contract Out Low-Activity Towers (GAO/RCED-94-265, Sept. 12, 1994).

Navy Maintenance: Assessment of the Public and Private Shipyard Competition Program (GAO/NSIAD-94-184, May 25, 1994).

Public-Private Mix: Extent of Contracting Out for Real Property Management Services in GSA (GAO/GGD-94-126BR, May 16, 1994).

Department of Energy: Challenges to Implementing Contract Reform (GAO/RCED-94-150, Mar. 21, 1994).

Government Contractors: Measuring Costs of Service Contractors Versus Federal Employees (GAO/GGD-94-95, Mar. 10, 1994).

Energy Management: Improving Cost-Effectiveness in DOE's Support Services Will Be Difficult (GAO/RCED-93-88, Mar. 5, 1993).

Goddard Space Flight Center: Decision to Contract for Plant Operations and Maintenance (GAO/NSIAD-93-92, Jan. 12, 1993).

Federal Contracting: Cost-Effective Contract Management Requires Sustained Commitment (GAO/T-RCED-93-2, Dec. 3, 1992).

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Government Contractors: Are Service Contractors Performing Inherently Governmental Functions? (GAO/GGD-92-11, Nov. 18, 1991).

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OMB Circular A-76: Legislation Has Curbed Many Cost Studies in the Military Services (GAO/GGD-91-100, July 30, 1991).

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A-76 Program Issues (GAO/T-GGD-90-12, Dec. 5, 1989).

Civilian Agency Procurement: Improvements Needed in Contracting and Contract Administration (GAO/GGD-89-109, Sept. 5, 1989).

Army Procurement: Fort Benjamin Harrison's Commercial Activity Study Should Be Redone or Updated (GAO/NSIAD-89-90, Feb. 24, 1989).

Federal Productivity: DOD's Experience in Contracting Out Commercially Available Activities (GAO/GGD-89-6, Nov. 28, 1988).

Army Procurement: No Savings From Contracting for Support Services at Fort Eustis, Virginia (GAO/NSIAD-89-25, Oct. 31, 1988).

Air Force Contracting: Contracting For Maintenance of Training Aircraft at Columbus Air Force Base (GAO/NSIAD-88-136BR, Apr. 6, 1988).

Federal Productivity: DOD Functions With Savings Potential From Private Sector Cost Comparisons (GAO/GGD-88-63FS, Apr. 8, 1988).

Contracting Out for Commercial Activities and Services Under OMB Circular A-76 (GAO/T-GGD-88-7, Jan. 7, 1988).

Federal Workforce Provisions for Comparing Government and Contractor Retirement Costs Should Be Changed (GAO/GGD-88-25, Dec. 17, 1987).

Federal Productivity: Potential Savings From Private Sector Cost Comparisons (GAO/GGD-87-30, Dec. 31, 1986).

DOD Functions Contracted Out Under OMB Circular A-76: Costs and Status of Certain Displaced Employees (GAO/NSIAD-85-90, July 12, 1985).

Information From Previous Reports On Various Aspects of Contracting Out Under OMB Circular A-76 (GAO/NSIAD-85-107, July 5, 1985).

DOD Functions Contracted Out Under OMB Circular A-76: Contract Cost Increases And The Effects On Federal Employees (GAO/NSIAD-85-49, Apr. 15, 1985).

Increased Use of Productivity Management Can Help Control Government Costs (GAO/AFMD-84-11, Nov. 10, 1983).

Synopsis Of GAO Reports Involving Contracting Out Under OMB Circular A-76 (GAO/PLRD-83-74, May 24, 1983).

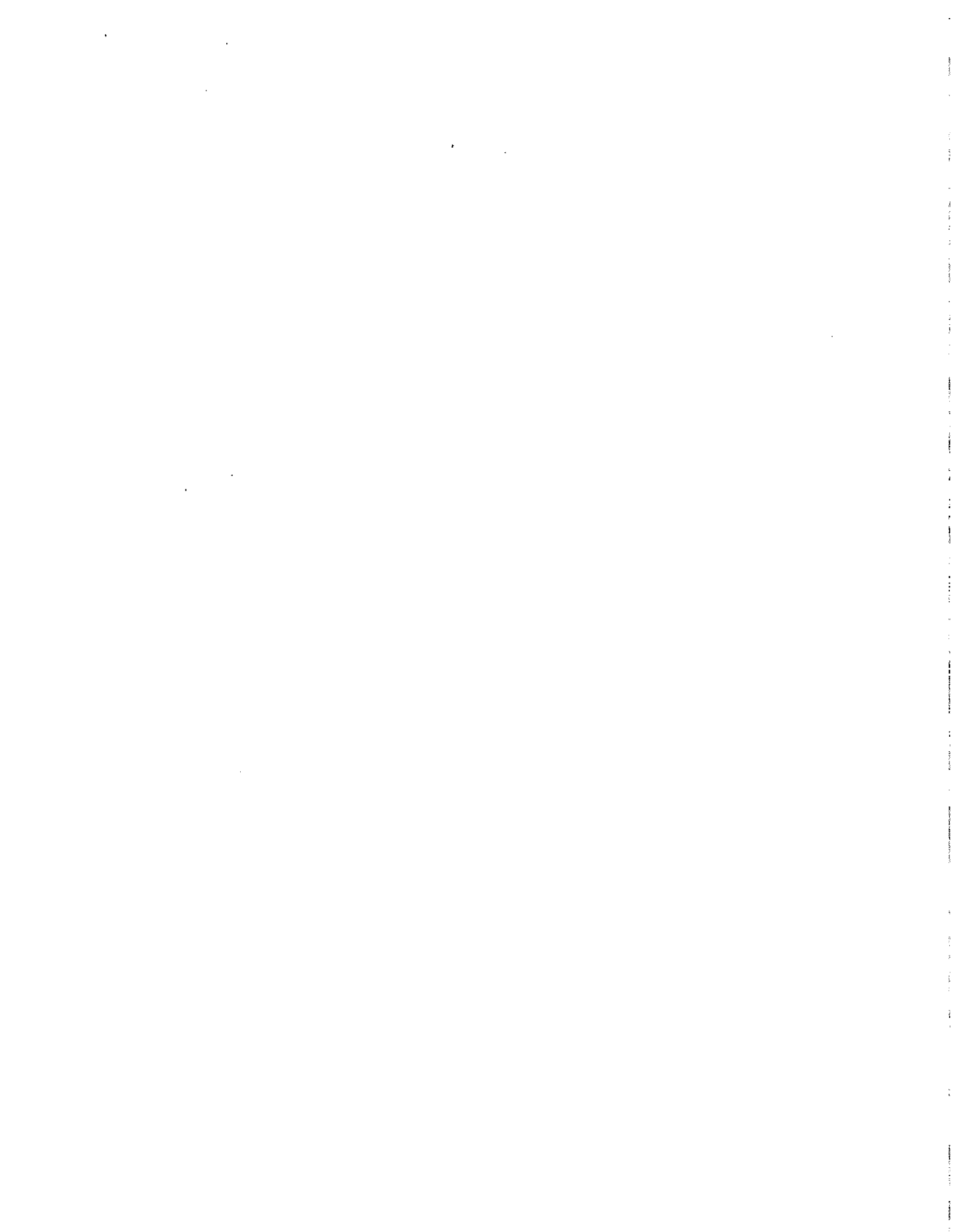
Review of DOD Contracts Awarded Under OMB Circular A-76 (GAO/PLRD-81-58, Aug. 26, 1981).

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Civil Servants and Contract Employees: Who Should Do What for the Federal Government? (GAO/FPCD-81-43, June 19, 1981).

Factors Influencing DOD Decisions to Convert Activities From In-house to Contractor Performance (GAO/PLRD-81-19, Apr. 22, 1981).

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