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**REPORT TO THE  
COMMITTEE ON VETERANS' AFFAIRS  
HOUSE OF REPRESENTATIVES**

RELEASED

**Information On The Selection Of  
Independent Architect-Engineers  
By The Veterans Administration**

B-152306

**BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES**

904300



SEPT. 13, 1972



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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CR  
Dear Mr. Chairman:

In accordance with your request of March 1, 1972, and subsequent discussions with our representatives, we reviewed certain of the procedures the Veterans Administration (VA) followed in selecting firms to provide architect-engineer (A/E) services for 13 selected projects. These projects, estimated to cost about \$194 million, include seismic studies, the alteration and modification of existing facilities, and the construction of replacement facilities. Information concerning the selection procedures followed for the 13 projects is included in appendixes I through XII.

For 10 of the projects, an Architect-Engineer Selection Board--consisting of officials of VA's Office of Construction--convened to review the qualifications of firms within the geographic areas of the projects and to recommend to the Assistant Administrator for Construction those firms that they considered best qualified. The Assistant Administrator selects the firm. The number of best qualified firms the Board had recommended for each of the 10 projects ranged from four to 13. At the time of our review (1) A/E contracts for three of the 10 projects had been awarded to firms the Board had recommended (see apps. I, VII, and X), (2) A/E firms the Board had recommended had been selected for five of the seven projects for which no contracts had been awarded (see apps. I, II, III, V, and IX), and (3) an A/E firm considered but not recommended by the Board had been selected for another project for which no contract had been awarded (see app. VI). Plans for the remaining project had been revised so that independent A/E services were not required. (See app. XI.)

The Assistant Administrator selected A/E firms for three of the projects without Board recommendations. (See apps. IV, VIII, and XII.) We were informed that the Board had not convened to review the qualifications of prospective A/E firms for these three projects because of reasons peculiar to each project. A/E contracts were awarded to the selected firms for two of the three projects. The other project was revised so that independent A/E services were not required. (See app. IV.)

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## VETERANS ADMINISTRATION CENTER, BOISE, IDAHO

DESCRIPTION OF PROJECTS

The projects involve (1) the construction of a new clinical support facility connected to an existing hospital building and (2) an evaluation of certain existing buildings to determine whether they are of seismic-resistant construction and the preparation of plans for strengthening the buildings.

A VA official informed us that the VA staff had postponed preparing the preliminary drawings and specifications for the new clinical support facility until information from the seismic evaluation was reviewed.

ESTIMATED COST OF PROJECTS:

<u>CLINIC,</u>	<u>\$4,340,000;</u>
<u>SEISMIC EVALUATION,</u>	<u>172,000</u>

VA records indicated that as of May 31, 1972, VA had allocated about \$181,000 for the construction of the new clinical support facility but had not obligated any funds. In its fiscal year 1973 budget submission to the Congress, VA requested an additional \$4,159,000 for construction of the clinic. VA records showed that as of May 31, 1972, it had allocated about \$172,000 for the seismic evaluation and had obligated \$35,800.

BOARD ACTION

The Board met on November 17, 1971, to recommend qualified A/E firms for both projects. It considered the qualifications of 11 firms, including one joint venture consisting of three firms and one joint venture consisting of two firms. All firms considered had a home or branch office in Idaho except one, Walter Kidde Constructors, Inc., a subsidiary of Boise-Cascade, Boise. In memorandums dated December 1 and December 3, 1971, the Board advised the Assistant Administrator that it had concluded that nine of the firms were the best qualified to provide A/E services for the projects.

According to Office of Construction records, some factors the Board considered in evaluating the firms were:

1. Currency of the firm's qualifications statement (Standard Form 251).
2. Hospital design experience for the last 10 years.
3. Experience on large structures.
4. Total design experience for the last 10 years.

A VA official informed us that, for a firm to be recommended, the firm or consultants which the firm indicated it employed must have had experience in evaluating the ability of buildings, similar to those at the Boise VA center, to withstand seismic shocks. This official stated that the nine firms recommended met this experience requirement; however, we were unable to determine from the records the extent of such experience.

The following list shows the nine firms which the Board considered the best qualified and our comparison of the above criteria with information on file at VA for each firm.

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C2 The VA project director negotiates contract terms with the A/E firm selected by the Assistant Administrator. VA's procurement procedures do not provide for the selection of A/E firms under competitive negotiation procedures. General Accounting Office views on the desirability of competitive negotiations in the selection of A/E firms have been made known to the Congress on several occasions. My testimony on House bill 12807, before the Subcommittee on Government Activities, House Committee on Government Operations, on March 14, 1972, contains a summation of our views on the selection and award of A/E contracts and is included as appendix XIII.

As requested by your staff, we have not obtained formal comments from VA on this report. We plan to make no further distribution of this report unless copies are specifically requested, and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of the report.

We trust that the information we are furnishing meets the needs of your Committee.

Sincerely yours,



A. G. Ketting  
Comptroller General  
of the United States

C1 The Honorable Olin E. Teague  
Chairman, Committee on  
Veterans' Affairs  
House of Representatives

APPENDIX I

Firms the Board Recommended  
as Best Qualified to Provide A/E Services  
for the Clinical Support Facility and  
the Seismic Evaluation at the VA Center in Boise

Firm	(1)	(2)		(3) and (4)	
	Date of qualifi- cations statement	Hospital design experience in 10 years preceding statement date		Total design experience in 10 years preceding statement date (note a)	
		Number of projects	Cost (000,000 omitted)	Number of projects	Cost (000,000 omitted)
Walter Kidde Constructors, Inc.	2-71	-	\$-	148	\$478
Nat J. Adams & Associates, Chartered in joint venture with C. Edward Trout AIA & Associates	2-70 11-71	3 -	1 -	31 13	7 6
Alpha Engineers, Inc.	5-71	-	-	83	5
Bush Wilson Architects in joint venture with Smith & Monroe Engi- neers, Inc.; Haarstick, Lundgren & Assoc. Inc.; and Winsor/Faricy Architects (note b)	6-71	3	8	126	253
Cline, Smull, Hamill, Shaw & Associates	4-71	6	3	61	27
Culler, Gale, Martell, Ericson- Architects; Kenneth P. Norrie, Engineer	4-71	3	3	63	51
Dropping, Kelley, Hosford & La Marche-Architects	2-70	-	-	31	19
Hummel, Hummel, Jones & Shawver	2-70	2	2	84 <sup>c</sup>	37 <sup>c</sup>
Jensen & Wickman, Architects	6-71	-	-	24	64

<sup>a</sup>Data on the firms' experience relating to large structures was not readily available from Office of Construction A/E records. However, the data presented on general experience may be some indication of the size of projects with which the firms have been involved.

<sup>b</sup>Data concerning the experience of the component firms of this joint venture was not presented separately in the joint venture's qualifications statement.

<sup>c</sup>Office of Construction records indicated that this figure represented a partial listing of projects the firm worked on.

## APPENDIX I

### REASONS THE BOARD GAVE FOR NOT RECOMMENDING THE TWO OTHER FIRMS CONSIDERED

Two firms were not recommended because one was a mechanical engineering firm with no architectural or structural capability and the other was primarily a civil engineering firm whose experience was mostly in the design of sewage treatment plants.

### FIRMS EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file indicated that five of the 11 firms the Board considered had expressed interest in working on this project. The following list identifies the five firms and the action the Board took with respect to each.

1. Firm: Nat J. Adams & Associates, chartered in joint venture with C. Edward Trout AIA & Associates.  
Board action: Recommended.
2. Firm: Bush Wilson Architects in joint venture with Smith & Monroe Engineers, Inc.; Haarstick, Lundgren & Associates, Inc.; and Winsor/Faricy Architects.  
Board action: Recommended.
3. Firm: Cline, Smull, Hamill, Shaw & Associates.  
Board action: Recommended.
4. Firm: Jensen & Wickman, Architects.  
Board action: Recommended.
5. Firm: Walter Kidde Constructors, Inc.  
Board action: Recommended.

### FIRM SELECTED FOR THE PROJECT BY ASSISTANT ADMINISTRATOR

On December 20, 1971, Walter Kidde Constructors, Inc., was selected for this project by the Assistant Administrator.

DATES AND AMOUNTS OF CONTRACTS

Contracts limited to \$35,800 for the seismic evaluation and \$116,500 for the preparation of corrective plans were awarded to Walter Kidde Constructors, Inc., on January 31 and June 28, 1972, respectively. A VA official informed us that a contract for the design of the clinic had not been awarded as of May 31, 1972.

## APPENDIX II

### VETERANS ADMINISTRATION HOSPITAL, BRONX, NEW YORK

#### DESCRIPTION OF PROJECT

The project involves constructing a replacement hospital.

ESTIMATED COST OF PROJECT: \$65,000,000

In the fiscal year 1973 budget submission to the Congress, VA estimated that the project would require appropriations of \$3,600,000 for fiscal year 1973 for architectural services and \$61,400,000 in subsequent years for construction. VA records indicated that no funds had been appropriated for this project as of May 31, 1972.

#### BOARD ACTION

The Board met on March 9, 1972, to recommend the best qualified firms for the project. It initially considered the qualifications of 89 firms and in a memorandum dated March 15, 1972, advised the Assistant Administrator that it had concluded that 13 of these firms were the best qualified to provide A/E services for the project. On April 11, 1972, the Board added the joint venture of Vincent G. Kling & Partners and Warner, Burns, Toan & Lunde to its March 15, 1972, list of best qualified firms.

According to Office of Construction records, some of the factors which the Board considered necessary for selection were:

1. A main or working branch office in New York City.
2. Current qualifications information (Standard Form 251) on file with VA.
3. Hospital design experience, including at least one hospital costing \$5 million or more.
4. Design experience on hospitals totaling at least \$15 million.

5. A minimum of 30 employees if the firm was an architectural firm or a minimum of 45 employees if it was an A/E firm.

The following list shows the 14 firms which the Board considered best qualified and our comparison of the above criteria with information on file at VA for each firm.

APPENDIX II

Firms the Board Recommended  
as the Best Qualified to Provide A/E Services  
for the Proposed VA Hospital at the Bronx

Firms	(1)	(2)	(3)		(4)	(5)	
	Main or Branch office in New York City	Date of qualifications statement	Hospital design experience on projects costing \$5 million or more in 10 years preceding statement date	Cost (000,000 omitted)	Cost of hospital- related projects designed by A/E in 10 years preceding statement date (000,000 omitted)	Number of employees	
			Number			New York City office	Total
The Eggers Partnership- Architects & Planners	M	11-71	8	\$143	\$185	156	156
A. Epstein & Sons, Inc.	B	1-72	1	8	15	55	392
Gruzen & Partners	M	6-71	2	21 to 26 (estimated) <sup>a</sup>	24	80	89
Haines, Lunberg & Waehler	M	7-71	3	20	28	296	304
Kiff, Voss & Franklin, Architects-- The Office of York & Sawyer	M	3-71	Not available <sup>b</sup>		Not available <sup>b</sup>	75	75
Charles Luckman Associates	B	1-72	2	42	61	66	271
Perkins & Will Architects Inc.	B	12-71	25	273	353	8	568
Isadore & Zachary Rosenfield	M	8-71	5	41	119	20	20 <sup>c</sup>
Seelye, Stevenson, Value & Knecht, Inc.	M	1-71	3	40	40	114	194
Edward Durell Stone & Associates	M	12-71	2	15	21	90	118
Max O. Urbahn Associates, Inc.	M	4-71	9	287	383	103	105
Welton Becket & Associates	B	7-71	16	154	162	117	527
Westermann/ Miller/ Associates P.C.	M	9-71	8	133	202	42	42
Warner, Burns, Toan & Lunde in joint venture with Vincent G. Kling & Partners	None	1-72	5	121	135	250	250

<sup>a</sup>This estimate was obtained from a qualifications statement submitted by the firm in March 1972. The statement of June 1971, which is the source of figures in columns (4) and (5), is no longer in VA files.

<sup>b</sup>This firm did not submit complete information. However, according to VA records, the firm is a hospital specialist and in March 1971 was working on 16 hospitals costing \$117 million.

<sup>c</sup>The minutes of the Board's meeting indicated that, although this firm's staff was small, it had been recommended because it had extensive experience on large hospitals.

CLASSIFICATION OF REASONS  
THE BOARD GAVE FOR NOT RECOMMENDING  
THE 76 OTHER FIRMS CONSIDERED

	<u>Number of firms</u>
The firm had insufficient hospital design experience.	25
The firm had insufficient hospital design experience, and the firm or its New York office was too small.	16
The firm lacked broad architectural expertise.	13
The firm had insufficient hospital design experience and lacked broad architectural expertise.	10
The firm or its New York office was too small.	6
The firm had insufficient hospital design experience, its New York office was too small, and it lacked broad architectural expertise.	4
The firm had insufficient experience on large hospital projects.	1
The firm did not supply information on its New York office and was deficient in hospital design experience.	<u>1</u>
Total	<u>76</u>

FIRMS EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file indicated that the three firms listed below had expressed interest in working on this project. The action taken by the Board with respect to each firm is also shown.

1. Firm: The Eggers Partnership-Architects & Planners.  
Board action: Recommended.

APPENDIX II

2. Firm: Max O. Urbahn Associates, Inc.  
Board action: Recommended.
  
3. Firm: Kallen & Lemelson.  
Board action: Not recommended because, in the Board's opinion, the firm lacked architectural expertise. Office of Construction records indicated that the firm had 50 employees, none of whom were architects.

FIRM SELECTED FOR PROJECT BY  
ASSISTANT ADMINISTRATOR

On April 21, 1972, the Assistant Administrator selected Max O. Urbahn Associates, Inc., for this project.

DATE AND AMOUNT OF CONTRACT

A VA official informed us that as of May 31, 1972, an A/E contract had not been awarded for this project.

## VETERANS ADMINISTRATION HOSPITAL

COLUMBIA, SOUTH CAROLINA

DESCRIPTION OF PROJECT

The project involves constructing a new hospital building and new buildings for clinics and altering existing buildings for nursing home care, psychiatric services, and administrative services.

ESTIMATED COST OF PROJECT: \$26,218,000

In the fiscal year 1973 budget submission to the Congress, VA estimated that the project would require appropriations of \$1,485,000 for fiscal year 1973 for architectural services and \$24,733,000 in subsequent years for construction. VA records indicated that as of May 31, 1972, \$108,000 had been allocated for the project but that no funds had been obligated.

BOARD ACTION

The Board met on March 3, 1972, to consider the qualifications of 16 firms, including six joint ventures, each consisting of two firms. On March 8 and 9, 1972, the Board advised the Assistant Administrator that, using selection criteria, some of which are described below, it had concluded that six of the firms were the best qualified to provide A/E services for the project.

Subsequently the Board added to its list of recommended firms the joint venture of Love & Cobb, Architects, Columbia, and Lockwood Greene Engineers, Inc., New York, N.Y. The Board considered this joint venture at its March 3 meeting but did not recommend it for the project. Minutes of the Board's meeting indicate that it found that Love & Cobb, Architects, the firm located closest to the site of the project, lacked experience and staff to do the work and that Lockwood Greene Engineers, Inc., the firm which the Board believed would actually do the work, had limited hospital design experience.

## APPENDIX III

The Chairman of the Board told us that he could not remember why the Board had reconsidered the joint venture. He stated, however, that after reevaluation it was found acceptable because Lockwood Greene Engineers, Inc., had experience on hospital projects, similar to the Columbia project, which the Board had overlooked during its initial consideration of the firm.

According to Office of Construction records, some of the factors which the Board considered necessary for selection were:

1. A home or branch office in South Carolina.
2. Current qualifications information (Standard Form 251) on file with VA.
3. Recent experience on hospital projects of the type being planned for Columbia.
4. A minimum of 20 employees if the firm was an architectural firm or a minimum of 35 employees if it was an A/E firm.

The following list shows the seven firms which the Board considered best qualified and our comparison of the above with information on file at VA for each firm.

Firms the Board Recommended  
as the Best Qualified to Provide A/E Services  
for the VA Hospital at Columbia

(1) <u>Firm</u>	(2) <u>Home or Branch office in South Carolina</u>	(2) <u>Date of qualifications statement</u>	(3) <u>Experience on hospital projects of the type proposed</u>			(4) <u>Number of employees</u>	
			<u>Number</u>	<u>Cost (000,000 omitted)</u>	<u>Date of most recent project over \$5 million (note a)</u>	<u>In South Carolina</u>	<u>Total</u>
Jackson, Miller, & Associates in joint venture with Sherlock, Smith, & Adams, Inc.	H	7-70	5	\$35	Present	53	53
	None	8-71	10	30	"	-	46
Jones & Fellers Architects, Engineers & Planners	B	12-70	8	62	"	9	48
Lafaye Lafaye, & Associates in joint venture with The George S. Rider Company	H	7-71	3	17	"	21	21
	None	1-72	-	-	-	-	69
LBC&W Associates of South Carolina	H	1-72	10	67	Present	145	293
Odell Associates and Harrison & Pace	H	5-71	8	70	"	94	94
Hayes, Seay, Mattern & Mattern in joint venture with Cummings and McCrady, Inc.	None	1-72	5	18	1970	-	202
	H	3-72	2	3	-	22	22
Love & Cobb, Architects, in joint venture with Lockwood Greene Engineers, Inc.	H	3-71	2	5	-	4	4
	B	7-71	4	10	-	311	606

<sup>a</sup>The Board's criteria did not identify the specific cost of projects on which the firms must have had experience. Therefore, we have listed design experience on hospital projects over \$5 million as indicative of experience on large projects.

APPENDIX III

CLASSIFICATION OF REASONS  
THE BOARD GAVE FOR NOT RECOMMENDING  
THE NINE OTHER FIRMS CONSIDERED

	<u>Number of firms</u>
The firm lacked sufficient hospital design experience or experience on large projects.	5
The firm lacked sufficient hospital design experience and its staff was too small.	2
The firm did not have broad architectural expertise.	<u>2</u>
Total	<u>9</u>

FIRMS EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file indicated that the four firms listed below had expressed interest in working on this project. The Board action on each firm is also indicated.

1. Firm: Jackson, Miller & Associates in joint venture with Sherlock, Smith & Adams, Inc.  
Board action: Recommended.
2. Firm: Love & Cobb, Architects, in joint venture with Lockwood Greene Engineers, Inc.  
Board action: Recommended.
3. Firm: Price, Gill, Wilkens & Associates Architects, Engineers & Planners.  
Board action: Not recommended because the firm did not indicate that it would employ outside consultants for this type of project and, according to the Board, "The structure of the firm is such that they have insufficient architectural capabilities. \*\*\*" Office of Construction records indicated that the firm employed seven architects in a total staff of 90.

4. Firm: Geiger-McElveen-Kennedy in joint venture with Samborn, Stekete, Otis & Evans.

Board action: Not recommended because, in the Board's opinion, the firm had insufficient hospital design experience. Office of Construction records indicated that the combined hospital experience of the firms included 10 projects costing \$12 million.

FIRM SELECTED FOR PROJECT BY ASSISTANT ADMINISTRATOR

On June 8, 1972, the Assistant Administrator selected the joint venture of Love & Cobb, Architects, and Lockwood Greene Engineers, Inc., for the project.

DATE AND AMOUNT OF CONTRACT

A VA official informed us that as of June 30, 1972, an A/E contract had not been awarded for this project.

APPENDIX IV

VETERANS ADMINISTRATION HOSPITAL

DURHAM, NORTH CAROLINA

DESCRIPTION OF PROJECT

A VA official informed us that the project, as originally planned, would have added two floors to the existing hospital to provide outpatient facilities. He stated that VA had recently revised the plans for the project so as to provide for locating outpatient facilities in a two-story prefabricated structure, adjacent to and connected with the existing hospital, and renovating certain outpatient-related areas within the existing hospital.

ESTIMATED COST OF PROJECT: \$2,812,000

VA records indicated that as of May 31, 1972, VA had allocated about \$2,345,000 for this project but had not obligated any funds. VA has estimated that the project will require additional funding of about \$467,000 in fiscal year 1973.

BOARD ACTION

A VA official informed us that the Board had not convened to recommend qualified firms for this project.

FIRMS EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file indicated that the following firms had expressed interest in working on the project:

1. L.E. Wooten and Company in joint venture with Holloway and Reeves, Architects.
2. S. Thomas Shumate, Jr., AIA.

FIRM SELECTED FOR PROJECT BY ASSISTANT ADMINISTRATOR

On August 19, 1971, the Project Director recommended to the Assistant Administrator that, to meet the proposed

construction schedule for this project, the normal A/E selection procedure not be used. He also recommended that Odell Associates, Inc.--a firm which was then working on an air-conditioning project at the Durham VA hospital--be selected for this project because the firm was already familiar with the existing mechanical and electrical systems in the hospital.

On August 23, 1971, the Assistant Administrator concurred in the Project Director's recommendations and selected Odell Associates, Inc., as A/E for the project. VA notified the firm in writing of its selection on September 7, 1971. However, on April 3, 1972, the Project Director notified the firm that, because VA had revised its project plans to provide for the construction of a prefabricated building, the services of an independent A/E would not be required.

#### DATE AND AMOUNT OF CONTRACT

A VA official informed us that VA's own staff would provide any A/E services that were required for the renovation of existing facilities and that there were no plans to award an A/E contract for the project.

## APPENDIX V

### VETERANS ADMINISTRATION HOSPITAL

FAYETTEVILLE, NORTH CAROLINA

#### DESCRIPTION OF PROJECT

This project involves the installation of air conditioning in several buildings at the VA hospital.

ESTIMATED COST OF PROJECT: \$1,780,000

VA records indicated that as of May 31, 1972, VA had allocated \$125,000 for the project but had not obligated any funds. In its 1973 budget submission to the Congress, VA requested appropriations of \$2,651,000 for fiscal year 1973 to complete the project. The request exceeds the above estimated project cost because the estimated cost of the project was revised after the budget submission.

#### BOARD ACTION

The Board met on August 9, 1971, to recommend qualified firms for this project. It considered the qualifications of 31 firms, each of which had a home or branch office in North Carolina. On August 10, 1971, the Board advised the Assistant Administrator that it had concluded that seven of the firms were the best qualified to provide A/E services for the project.

According to Office of Construction records, some of the factors the Board considered in evaluating firms were:

1. Number of employees.
2. Present workload.
3. Design experience of all types for the last 10 years.
4. Hospital and air-conditioning-design experience for the last 10 years.

The following list shows the seven firms the Board recommended, the dates they submitted qualifications statements, and our comparison of the above criteria with information on file at VA for each firm.

APPENDIX V

Firms the Board Recommended  
as the Best Qualified to Provide A/E Services  
for the Air-Conditioning Project  
at the VA Hospital in Fayetteville

Firm	Date of qualifi- cations state- ment	(1)		(2)		(3)		(4)	
		Number of <u>employees</u>		Projects on which firm was working at statement date		Total design experience in 10 years preceding statement date		Design experience in 10 years preceding state- ment date	
		North Caro- lina	Total	Number	Cost (000,000 omitted)	Number of projects	Cost (000,000 omitted)	Cost of air con- ditioning projects	Cost of hospital projects
Odell Associates, Inc.	1-71	92	92	52	\$245	90	\$156	\$ -	\$37
Lyles, Bissett, Carlisle & Wolff Architect-Engineers- Planners	8-70	60	234	57	140	483	252	7 <sup>a</sup>	56
J. N. Pease Associates	2-71	137	137	92	85	78	122	1	26
Register & Cummings Engineers, Inc.	3-71	19	88	33	119	32	49	Not available	
Six Associates, Inc.	11-69	52	52	22	37	49	116	-	16
Watson Engineers, Inc. (subsidiary of Lyles, Bissett, Carlisle & Wolff)	2-69	43	43	41	24	129	33	7	6
Wiley & Wilson, Engineers-Architects- Planners	11-70	5	155	89	75	212	161	10	-

<sup>a</sup>This represents experience of subsidiary, Watson Engineers, Inc.

APPENDIX V

CLASSIFICATION OF REASONS  
THE BOARD GAVE FOR NOT RECOMMENDING  
THE 24 OTHER FIRMS CONSIDERED

	<u>Number of firms</u>
The firm's capability was limited.	8
The firm was a small architectural firm with no A/E capability.	7
The firm had insufficient experience.	3
The firm was too small.	2
The firm was mainly a civil engineering firm with insufficient experience or capability.	2
The firm employed no engineers.	1
The firm was mainly a civil engineering firm.	<u>1</u>
Total	<u>24</u>

FIRM EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file indicated that one firm, Wiley & Wilson, Engineers-Architects-Planners, had expressed interest in working on this project. The Board recommended the firm.

FIRM SELECTED FOR THE PROJECT BY  
ASSISTANT ADMINISTRATOR

On August 23, 1971, the Assistant Administrator, selected Odell Associates, Inc., for the project.

DATE AND AMOUNT OF CONTRACT

On June 28, 1972, VA authorized Odell Associates, Inc., to proceed with a cost-benefit study of alternative methods of installing air conditioning at the hospital. A VA official informed us that a contract for the design of the air-conditioning system would be awarded after the completion of this study.

APPENDIX VI

VETERANS ADMINISTRATION CENTER

JACKSON, MISSISSIPPI

DESCRIPTION OF PROJECT

The project involves the construction of a six-story research and training building.

ESTIMATED COST OF PROJECT: \$4,401,000

VA records indicated that as of May 31, 1972, VA had allocated about \$252,000 for this project but had not obligated any funds. In its fiscal year 1973 budget submission to the Congress, VA estimated that the project would not require an appropriation for fiscal year 1973 but would require \$4,149,000 in subsequent years.

BOARD ACTION

The Board met on October 28, 1970, to consider the qualifications of 14 firms which had home or branch offices in Mississippi, including one joint venture consisting of three firms. On October 29, 1970, the Board advised the Assistant Administrator that it had concluded that five of the firms were the best qualified to provide A/E services for the project.

According to Office of Construction records, some of the factors the Board considered in evaluating firms were:

1. Number of employees.
2. Present workload.
3. Design experience of all types for the last 10 years.

The following list shows the five firms which the Board considered best qualified, the dates they submitted qualifications statements, and our comparison of the above criteria with information on file at VA for each firm. The list also presents this comparison for the firm which the Assistant Administrator selected for the project. The Board did not recommend this firm.

APPENDIX VI

Firms the Board Recommended  
and Firm the Assistant Administrator Selected for  
the Research Addition at the VA Center in Jackson

	(1)	(2)		(3)			
		Number of employees		Projects on which firm was working at statement date		Design experience in 10 years preceding statement date	
		In Mississippi	Total	Number	Cost (000,000 omitted)	Number of projects	Cost (000,000 omitted)
<b>Firms recommended:</b>							
Barlow & Plunkett Architects-Engineers in joint venture with Ellerbe Architects and North, Beasley & Swayze (note a)	9-70	13	13	17	\$ 25	82	\$ 26
	9-70	-	440	43	336	36	153
	9-70	8	8	15	24	13	8
Benham-Blair & Affiliates, Inc.	1-70	17	304	36	121	721	582
Brewer, Godbold & Associates, Ltd.	5-70	20	20	22	8	177	39
Melvaney Associates	7-70	22	22	10	4	18	40
Ware-Lewis Partnership	3-70	36	36	18	17	145	52
<b>Firm selected but not recommended:</b>							
Pritchard & Nickles, Architects & Engineers	4-70	10	10	17	6	147	18

<sup>a</sup>Office of Construction A/E records indicated that statistics on the experience (columns 2 and 3) of the firms in this joint venture represented a partial list of projects the firms worked on.

APPENDIX VI

CLASSIFICATION OF REASONS  
THE BOARD GAVE FOR NOT RECOMMENDING  
THE NINE OTHER FIRMS CONSIDERED

	<u>Number of firms</u>
The firm was very small and did not have the capability to perform the work.	4
The firm did not have the capability to perform the work.	3
The firm was very small, had no hospital or laboratory experience, and lacked the capability to perform the work.	1
The firm did not have current information on file.	<u>1</u>
Total	<u>9</u>

FIRMS EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file indicated that the four firms listed below had expressed interest in working on this project in time for Board consideration. Board action on each firm is also shown.

1. Firm: Cooke-Douglass-Farr, Architects & Engineers.  
Board action: Not recommended because the Board believed that the firm was very small and did not have the capability to perform the work. Office of Construction records indicated that the firm had a staff of four..
2. Firm: Barlow & Plunkett, Architects-Engineers, in joint venture with Ellerbe Architects and North, Beasley & Swayze.  
Board action: Recommended.
3. Firm: Malvaney Associates.  
Board action: Recommended.

4. Firm: Birchett & Montgomery, Architects.  
 Board action: Not recommended because the Board believed that the firm was very small and did not have the capability to perform the work. Office of Construction records indicated that the firm had a staff of six.

In addition, two firms wrote to VA expressing interest in working on the project after the October Board meeting and were not considered by the Board.

FIRM SELECTED FOR PROJECT BY  
ASSISTANT ADMINISTRATOR

On December 3, 1970, the Assistant Administrator selected Prichard & Nickles, Architects & Engineers, Tunica, Miss., for this project. The Board had considered this firm but had not recommended it for the project because, in the Board's opinion, it was a very small organization incapable of this type of work. The Office of Construction A/E project file indicated that the firm (1) had a staff of 10, (2) was working on 17 projects costing \$6 million, (3) had completed 147 projects costing \$18 million in the preceding 10 years, and (4) had no experience on this type of project in the preceding 10 years.

DATE AND AMOUNT OF CONTRACT

On June 15, 1972, Pritchard & Nickles, Architects & Engineers, was given authority to proceed with the project for an agreed-upon fee of \$192,000. A VA official informed us that a formal contract had not been awarded for the project as of that date.

## APPENDIX VII

### VETERANS ADMINISTRATION CENTER

LEAVENWORTH, KANSAS

#### DESCRIPTION OF PROJECT

The project involves the installation of air conditioning in several buildings at the VA center.

ESTIMATED COST OF PROJECT: \$3,318,000

VA records indicated that as of May 31, 1972, VA had allocated about \$188,000 for this project and had obligated about \$178,000 for A/E services. In its 1973 budget submission to the Congress, VA estimated that appropriations of \$3,130,000 would be required for the project in fiscal year 1973.

#### BOARD ACTION

The Board met on July 24, 1970, to recommend qualified A/E firms for the project. It considered the qualifications of five firms in Kansas and Missouri and on July 27, 1970, advised the Assistant Administrator that it had concluded that four of the firms were the best qualified to provide A/E services for the project.

According to Office of Construction records, some of the factors the Board considered in evaluating the firms were:

1. Number of employees.
2. Present workload.
3. Design experience of all types for the last 10 years.
4. Hospital and air-conditioning-design experience for the last 10 years.

The following list shows the four firms the Board recommended, the dates they submitted qualifications statements, and our comparison of the above criteria with information on file at VA for each firm.

Firms the Board Recommended  
for A/E Services for the Air-Conditioning Project  
at the VA Center at Leavenworth

Firm	Date of qualifications statement	(1) Number of employees		(2) Projects on which firm was working at statement date		(3) Total design experience in 10 years preceding statement date		(4) Experience in last 10 years on air-conditioning projects	
		In Kansas or Missouri	Total	Number	Cost (000,000 omitted)	Number of projects	Cost (000,000 omitted)	Number	Cost (000,000 omitted)
Van Doren, Hazard, Stallings, Schnacke- Engineers- Architects	1-70	96	116	45	\$ 84	764	\$391	None	\$-
Black & Veatch	2-70	761	776	104	822	167	842	None	-
Burns & McDonnell Engineering Company	3-70	328	336	50	503	73	457	Not available <sup>a</sup>	
Burgess, Latimer & Miller P.C.	Not available <sup>b</sup>	50 <sup>b</sup>	50 <sup>b</sup>	Not available		Not available		Not available	

<sup>a</sup>Office of Construction records did not indicate the number of these projects the firm worked on, but they did indicate that it had experience on a large number of them.

<sup>b</sup>This firm did not have a current qualifications statement on file with VA. However, in a letter to VA dated June 4, 1970, the firm stated it had a staff of over 50.

## APPENDIX VII

### REASON THE BOARD GAVE FOR NOT RECOMMENDING THE OTHER FIRM CONSIDERED

The Board did not recommend one firm because it believed that the firm did not have a large enough staff to do the job.

### FIRMS EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file indicated that one firm, Burgess, Latimer & Miller P.C., had expressed interest in working on the project. The Board recommended the firm.

### FIRM SELECTED FOR PROJECT BY ASSISTANT ADMINISTRATOR

On August 14, 1970, the Assistant Administrator selected Black & Veatch as A/E for this project.

### DATE AND AMOUNT OF CONTRACT

An A/E contract for \$177,847 was awarded to Black & Veatch on February 7, 1972.

## VETERANS ADMINISTRATION HOSPITAL

LOMA LINDA, CALIFORNIA

DESCRIPTION OF PROJECT

This project involves the construction of a 630-bed hospital in California to serve veterans in the Riverside-San Bernardino area.

ESTIMATED COST OF PROJECT: \$33,531,000

VA records indicated that as of May 31, 1972, VA had allocated \$720,000 for this project and had obligated about \$699,000. In its fiscal year 1973 budget submission to the Congress, VA estimated that the project would require appropriations of \$2,841,000 for fiscal year 1973 for site acquisition and architectural services and \$30,690,000 in subsequent years for construction.<sup>1</sup>

BOARD ACTION

The Board did not convene to recommend qualified firms for this project.

FIRMS EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file indicated that the following firms had expressed interest in working on the project:

1. Heitschmidt/Mounce/Associates, Architects.
2. Bruce and Hansen, Architects.
3. Reid and Tarics Associates, Inc.
4. Parkin Architects, Engineers, Planners.

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<sup>1</sup>A VA official informed us that the \$720,000 available for the project as of May 31, 1972, had been temporarily transferred from another project and would be returned when the fiscal year 1973 appropriation was received.

## APPENDIX VIII

5. Pedersen and Stice and Associates AIA.
6. Arthur Froehlich, FAIA and Associates, in joint venture with Ellerbe Architects.
7. M.A. Nishkian and Company.
8. William L. Pereira Associates.
9. Benham - Kite and Associates.
10. Robert Clements and Associates.
11. Charles Luckman Associates.
12. Eugene Kinn Choy/Barton Choy/Associates.
13. Lunden and Johnson, Architects, Planners.
14. Neptune and Thomas Associates.
15. Harrison, Beckhart and Mill Architects.
16. Stone, Marraccini and Patterson in joint venture with Building Systems Development, Inc.
17. John Carl Warnecke and Associates in joint venture with Architects Collaborative.
18. Welton Beckett and Associates.
19. Adrian Wilson Associates.
20. W.C. Kruger and Associates, Architects - Engineers, Inc.
21. Anshen and Allen, Architects.
22. Daniel, Mann, Johnson, and Mendenhall in joint venture with Frank L. Hope and Associates, Architects and Engineers.

23. Caudill, Rowlett, & Scott in joint venture with Langdon and Wilson and with William Blurock and Partners.
24. Harnish, Morgan & Causey, Architects, in joint venture with Perkins and Will; with Arbogast, Jones, Theiss Associates; and with Evans and Steinmann, AIA.
25. Johnson and Nielson Associates in joint venture with Theraldson, Matthewson, Argabright and Doby.
26. Hatch, Heimerdinger and Assoc. Inc., in joint venture with The Eggers Partnership - Architects & Planners.
27. Albert C. Martin and Associates.

#### FIRMS SELECTED FOR PROJECT

The joint venture of Stone, Marraccini and Patterson and Building Systems Development, Inc., San Francisco, Calif., was selected for the project after it was recommended to the Associate Deputy Administrator by the Assistant Administrator in a memorandum dated October 26, 1971.

The joint venture had performed a research study for VA to apply the principles of systems integration to the design of VA hospital facilities. VA officials informed us that this method of design emphasized modular construction to achieve adaptability, to facilitate maintenance, and to shorten construction time. The proposed hospital at Loma Linda is the first VA hospital project which will be designed in accordance with the system developed by the joint venture.

In his October memorandum the Assistant Administrator urged that the joint venture be selected for the Loma Linda project to achieve the full advantages of the new design method.

On November 18, 1971, the Associate Deputy Administrator approved the recommendation, and subsequently the firm of Stone, Marraccini and Patterson in joint venture with Building Systems Development, Inc., was selected.

## APPENDIX VIII

### DATE AND AMOUNT OF CONTRACT

A VA official informed us that a two-phase A/E contract was awarded to Stone, Marraccini and Patterson in joint venture with Building Systems Development, Inc., on May 8, 1972. Phase I of the contract, which provides for the preparation of block plans and preliminary design, amounts to \$620,000. The firms will proceed with phase II at VA's option. This phase involves the preparation of working drawings and specifications and amounts to \$1,720,000.

## VETERANS ADMINISTRATION HOSPITAL

LOS ANGELES, CALIFORNIA<sup>1</sup>DESCRIPTION OF PROJECT

This project involves the construction of a 940-bed hospital to replace a number of facilities which are sub-standard or unable to withstand seismic shocks.

ESTIMATED COST OF PROJECT: \$48,118,000

VA records indicated that as of May 31, 1972, VA had allocated \$1,478,000 for this project but had not obligated any funds. In its fiscal year 1973 budget submission to the Congress, VA estimated that the project would require appropriations of \$20,040,000 for fiscal year 1973 for architectural services and initial construction and \$26,600,000 in subsequent years for additional construction.

BOARD ACTION

The Board met on February 23, 1972, to recommend qualified firms for the project. It considered the qualifications of 84 firms, including four joint ventures, each of which consisted of two firms. On February 24, 1972, the Board advised the Assistant Administrator that, using the selection criteria described below, it had concluded that 12 of the firms were the best qualified to provide A/E services for the project. On March 15, 1972, the Board added the joint venture of Perkins & Will Architects, Inc., and Arbogast, Jones, Theiss Associates, to its list of recommended firms after receiving notification from the firms that they wished to be considered jointly for the project.

According to Office of Construction records, some of the factors which the Board considered necessary for selection were:

1. A home or working branch office in California between Fresno and San Diego.

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<sup>1</sup> Formerly called Veterans Administration Hospital, Wadsworth.

APPENDIX IX

2. Current qualifications information (Standard Form 251) on file with VA.
3. A local office with hospital design experience on projects costing \$5 million or more.
4. A minimum of 15 professional and subprofessional employees if the firm was an architectural firm or a minimum of 30 professional and subprofessional employees if it was an A/E firm.

The following list shows the 13 firms which the Board considered the best qualified and our comparison of the above criteria with information on file at VA for each firm.

APPENDIX IX

Firms the Board Recommended  
as the Best Qualified to Provide A/E Services  
for the VA Hospital at Los Angeles

Firm	(1) Home or Branch office between Fresno and San Diego	(2) Date of qualifi- cations statement	(3) Hospital design experience on projects costing \$5 million or more in 10 years preceding statement date				(4) Number of employees	
			In California		In other areas		California office (note a)	Total
			Number	Cost (000,000 omitted)	Number	Cost (000,000 omitted)		
Allison, Ribble, Robinson and Ziegler	B	7-71	-	\$(b)	7	\$113	50	385
Benham - Kita & Associates, Inc. (subsidiary of Benham - Blair & Associates, Inc.	B	1-71	1	6	3	57	34	278
Daniel, Mann, Johnson, & Mendenhall	H	1-71	2	29	2	32 <sup>c</sup>	349	589
Harnish, Morgan, & Causey	H	11-71	4	29	-	-	32	32
Charles Luckman Associates	H	1-72	2	42	-	-	161	271
Samuel E. Lunden, FAIA, & Joseph L. Johnson, AIA	H	9-71	2	80	-	-	38	38
Albert C. Martin and Associates	H	11-71	4	84	-	-	358	358
Neptune & Thomas Associates	H	9-71	4	89	-	(c)	39	44
Nielson, Moffat, & Wolverson	H	7-71	2	36	-	(c)	25	25
William L. Pereira Associates	H	9-71	5	58	-	-	162	205
Welton Becket and Associates	H	7-71	10	103	6	54	281	549
Adrian Wilson Associates	H	1-71	1	17	1	13	98	490
Arbogast, Jones, Theiss Associates, in joint venture with Perkins & Will Architects, Inc.	H None	7-70 12-71	1 -	7 -	- 23	- 249	27 -	58 568

<sup>a</sup>This column represents the number of employees in the firm's California office between Fresno and San Diego.

<sup>b</sup>We found no indication in the firm's qualifications statement that its local California office had any hospital design experience on projects costing \$5 million or more. A VA official informed us that, in spite of the firm's lack of experience, the Board felt that the firm's local office was capable of doing the work.

<sup>c</sup>Figures in column (3) for these firms were obtained from qualification statements submitted after the statements which are the sources of the information presented in columns 1, 2, and 4. These latter statements are no longer in VA files.

APPENDIX IX

CLASSIFICATION OF REASONS  
THE BOARD GAVE FOR NOT RECOMMENDING  
THE 72 OTHER FIRMS CONSIDERED

	<u>Number of firms</u>
The firm or its local office did not have sufficient hospital design experience.	32
The firm or its local office was too small.	13
The firm had insufficient hospital design experience; the firm or its local office was too small.	8
The firm lacked broad architectural expertise; it had insufficient hospital design experience.	8
The firm lacked broad architectural expertise.	5
The firm lacked broad architectural expertise; the firm or its local office was too small.	2
The firm lacked broad architectural expertise; the firm or its local office was too small; the firm had insufficient hospital design experience.	2
The firm had not submitted complete information.	1
The firm had not submitted complete information and appeared to have insufficient experience.	<u>1</u>
Total	<u>72</u>

FIRMS EXPRESSING INTEREST IN THE PROJECT

The Office of Construction A/E project file indicated that the five firms listed below had expressed interest in working on this project. Board action on each firm is also indicated.

1. Firm: Adrian Wilson Associates.  
Board action: Recommended.

2. Firm: Welton Becket and Associates.  
Board action: Recommended.
3. Firm: Samuel E. Lunden, FAIA, and Joseph L. Johnson, AIA.  
Board action: Recommended.
4. Firm: Arbogast, Jones, Theiss Associates, in joint venture with Perkins & Will Architects, Inc.  
Board action: Recommended.
5. Firm: Hatch, Heimerdinger, & Assoc., Inc. in joint venture with The Eggers Partnership-Architects & Planners.  
Board action: Not recommended because the Board believed that the firm's local office was too small to do a project of this size. Office of Construction records indicated that Hatch, Heimerdinger, and Assoc., Inc., had seven employees, all in California, and that The Eggers Partnership-Architects & Planners had 156 employees, all in New York.

#### FIRM SELECTED FOR PROJECT

By memorandum dated February 25, 1972, the Assistant Administrator recommended to the Associate Deputy Administrator that the Los Angeles VA hospital be constructed according to a plan used for a VA hospital in San Diego and that the A/E firm which had developed the San Diego plan-- Charles Luckman Associates, Los Angeles--be selected to provide A/E services for the Los Angeles project. The Assistant Administrator expected that use of the San Diego plan would advance the completion of the hospital and would increase its flexibility. The Associate Deputy Administrator approved the recommendation on April 5, 1972, subject to the resolution of some difficulties which adoption of the plan would entail.

#### DATE AND AMOUNT OF CONTRACT

A VA official informed us that as of May 31, 1972, a contract had not been awarded for this project.

VETERANS ADMINISTRATION CENTER

LOS ANGELES, CALIFORNIA

DESCRIPTION OF PROJECT

This project involved an evaluation of the ability of selected buildings and structures within the Los Angeles VA center to withstand seismic shocks. In phase I of the project, the A/E was to determine whether the buildings and structures were of seismic-resistant construction. In phase II the A/E was to prepare diagrammatic sketches and cost estimates for a system of strengthening the buildings and structures.

ESTIMATED COST OF PROJECT: \$111,000

VA records indicated that as of May 31, 1972, VA had allocated about \$111,000 for this project and had obligated about \$109,000.

BOARD ACTION

The Board met on May 3, 1971, to consider the qualifications of 48 firms, including one joint venture consisting of two firms. On May 4, 1971, the Board advised the Assistant Administrator that it had concluded that 12 of the firms were the best qualified to provide A/E services for the project.

According to Office of Construction records, some of the factors the Board considered in evaluating firms were:

1. Number of employees.
2. Present workload.
3. Design experience on all types of projects for the past 10 years.
4. Hospital design experience for the past 10 years.

A VA official informed us that, for a firm to be recommended, it must have had experience in evaluating the ability of schools in the Los Angeles area to withstand

seismic shocks and in designing the reinforcement of buildings where necessary. The Board's memorandum to the Assistant Administrator indicated that each of the 12 firms recommended had met this experience requirement; however, we were unable to determine from the records the extent of such experience of the firms recommended.

The following list shows the 12 firms the Board recommended, the dates they submitted qualifications statements, and our comparison of the above criteria with information on file at VA for each firm.

APPENDIX X

Firms the Board Recommended  
as the Best Qualified to Provide A/E Services  
for the Seismic Evaluation Project at Los Angeles

Firm	Date of qualifica- tions statement	(1)		(2)		(3)		(4)	
		Number of employees		Projects on which firm was working at statement date Number	Total design experience in 10 years preced- ing statement date Number of projects	Hospital design experience in 10 years preceding statement date Number of projects	Cost		
		Los Angeles office	Total				(000,000 omitted)	(000,000 omitted)	
Robert E. Alexander, FAIA, & Associates	1-71	8	8	3	\$ 7	10	\$ 48	-	\$ -
Arbogast, Jones, Theiss Associates	7-70	27	58	23	73	113	108	17	27
Austin, Field, & Fry, AIA, Architects & Engineers, Inc.	1-71	34	34	16	28	45	84	1	1
Daniel, Mann, John- son & Mendenhall	1-71	349	589	235	1,761	1,145	5,612	11	41
Arthur Froelich, FAIA, & Associates	5-69	28 <sup>a</sup>	32	11	54	59	203	3	12
Holmes & Narver, Inc.	3-70	216	1,605	9	27	172	464	-	-
King-Benioff- Steirmann-King	11-69	18 <sup>b</sup>	18	21	19	74	35	1	1
Koebig & Koebig, Inc.	5-70	83	96	32	139	109	206	-	-
Albert C. Martin and Associates	8-69	320	320	73	877	294	583	19	106
Jack Miller & Associates in joint venture with E-JD Asso- ciates (note c)	4-71	17 <sup>d</sup>	17	5	25	61	7	21	8
M.A. Nishkian & Company	4-70	64	64	11	53	79	170	4	7
Adrian Wilson Associates	7-68	98	490	149	521	493	924	13	68

<sup>a</sup>This figure is the number of employees in the firm's Beverly Hills, Calif., office.

<sup>b</sup>This figure is the number of employees in the firm's Sherman Oaks, Calif., office.

<sup>c</sup>Separate information on each firm was not presented in the joint venture qualifications statement.

<sup>d</sup>This figure is the number of employees in the firm's Encino, Calif., office.

REASONS THE BOARD GAVE FOR NOT RECOMMENDING  
THE 36 OTHER FIRMS CONSIDERED

The Board indicated that it had not recommended the 36 other firms it considered because the firms did not have experience in seismic evaluation and the subsequent designing of the reinforcement of schools in the Los Angeles area.

FIRMS EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file did not indicate that any firms had expressed interest in working on this project.

FIRM SELECTED FOR PROJECT BY  
ASSISTANT ADMINISTRATOR

On May 28, 1971, the Assistant Administrator selected Adrian Wilson Associates as A/E for this project.

DATE AND AMOUNT OF CONTRACT

A contract for phase I of the project was awarded on July 8, 1971, for \$40,000 and was amended to \$44,300 on August 10, 1971. On November 10, 1971, a contract amounting to \$55,000 was awarded for phase II of the project and was amended on December 1, 1971, to \$62,500.

## APPENDIX XI

### VETERANS ADMINISTRATION HOSPITAL

#### NEWINGTON, CONNECTICUT

#### DESCRIPTION OF PROJECT

The project, as originally planned, consisted of alterations to one building, including installation of an intensive-care unit, a pulmonary emphysema unit, and a nuclear medicine unit; alterations and remodeling of a second building; construction of a chapel in a third building; alterations to the auditorium; and expansion of the warehouse. Revised plans, however, have eliminated the nuclear medicine unit; some remodeling in the second building; and all work on the chapel, auditorium, and warehouse.

#### ESTIMATED COST OF PROJECT

VA's original estimated project cost was about \$3,830,000. However, a VA official informed us that certain project revisions have been made (see project description) which will significantly reduce the project cost. A VA official informed us that, as of June 7, 1972, a revised estimated project cost was not available. VA records indicated that as of May 31, 1972, VA had not received an appropriation for this project.

#### BOARD ACTION

The Board met on October 8, 1971, to recommend qualified firms for the project as it was originally planned. The Board considered the qualifications of 17 firms and on October 12, 1971, advised the Assistant Administrator that five were the best qualified to provide A/E services for the project.

#### FIRMS EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file did not indicate that any firms had expressed interest in this project.

FIRM SELECTED FOR PROJECT BY  
ASSISTANT ADMINISTRATOR

A VA official informed us that, due to the present reduced scope of the project, it would not be necessary to use the services of an independent A/E. He stated that VA's own staff would provide all A/E services. Therefore, it was not necessary for the Assistant Administrator to select an A/E firm. Office of Construction records indicated that the revised project would be included in VA's construction program for fiscal year 1973.

DATE AND AMOUNT OF CONTRACT

A VA official informed us that there were no plans to award an A/E contract for this project.

VETERANS ADMINISTRATION HOSPITAL

RICHMOND, VIRGINIA

DESCRIPTION OF PROJECT

The project involves alterations to provide an eight-bed combined medical-coronary-intensive-care unit and a six-bed surgical intensive-care unit.

ESTIMATED COST OF PROJECT: \$391,000

VA records indicated that as of May 31, 1972, VA had allocated about \$21,000 for this project and had obligated about \$20,000 for A/E services. VA has estimated that the project will require additional funding of \$370,000 in fiscal year 1973.

BOARD ACTION

A VA official informed us that the Board had not convened to recommend qualified firms for this project.

FIRMS EXPRESSING INTEREST IN PROJECT

The Office of Construction A/E project file did not indicate that any A/E firms had expressed interest in this project.

FIRM SELECTED FOR PROJECT BY  
ASSISTANT ADMINISTRATOR

On September 16, 1971, the Project Director recommended to the Assistant Administrator that Vosbeck, Vosbeck, Kendrick and Redinger, Alexandria, Va., be selected as A/E for this project. VA had already engaged the firm to modernize the spinal cord injury wards at the Richmond VA Hospital. The Project Director said that the firm was becoming familiar with the conditions at the hospital and that it would be in the best interest of the Government to retain the firm for the intensive-care project. The Assistant Administrator approved the recommendation on September 29, 1971.

DATE AND AMOUNT OF CONTRACT

An A/E contract for \$20,080 was awarded to Vosbeck, Vosbeck, Kendrick and Redinger on March 31, 1972.

COPY

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

FOR RELEASE ON DELIVERY  
Expected at 10 A.M. EST  
Tuesday, March 14, 1972

STATEMENT OF  
ELMER B. STAATS  
COMPTROLLER GENERAL OF THE UNITED STATES  
BEFORE THE  
SUBCOMMITTEE ON GOVERNMENT ACTIVITIES  
COMMITTEE ON GOVERNMENT OPERATIONS  
HOUSE OF REPRESENTATIVES  
ON  
H.R. 12807, 92d CONGRESS  
PROCUREMENT OF ARCHITECTURAL AND ENGINEERING SERVICES

Mr. Chairman and Members of the Subcommittee:

We appreciate the invitation to appear before your Subcommittee to give our views on H.R. 12807, 92d Congress, which would amend the Federal Property and Administrative Services Act in order to establish Federal policy concerning the selection of firms and individuals to perform architectural, engineering, and related services for the Federal Government.

As you know, Mr. Chairman, we testified before your Subcommittee on June 4, 1970, on H.R. 16443, 91st Congress, a similar bill to H.R. 12807. During that testimony we went into considerable detail as to the background of the report we made to the Congress on April 20, 1967, entitled "Government-Wide Review of the Administration of Certain Statutory and Regulatory Requirements Relating to Architect-Engineer Fees." In that report we dealt with the 6-percent fee limitation on architect-engineer services and the method of procurement of A-E services.

With respect to the 6-percent fee limitation we concluded that the present statutory fee limitations are impractical and unsound principally because:

--The limitations are governed by estimated construction costs which do not necessarily relate to the value of

the A-E services rendered.

--Estimated construction costs may not be known at the time the limitations must be applied.

--Some A-E contracts do not involve programmed construction projects.

--The limitations may not be meaningful in that they can be partially avoided by agencies using in-house resources to perform services that have generally been contracted to A-E firms.

--A-E fees in terms of percentages of construction cost vary widely and thus render impracticable the establishment of a percentage at an appropriate level to limit effectively the fee for the majority of contracts.

We recommended to the Congress that the statutory provisions limiting fees be repealed.

With respect to the procurement of A-E services, we found, as stated in our report, that there was a failure on the part of the Government agencies to select A-E contractors under the competitive negotiation procedures as required by Public Law 87-653, as codified at 10 U.S.C. 2304(g), and the Federal Procurement Regulations.

However, we advised the agencies that our Office would take no action until the Congress had an opportunity to consider the matter. We recommended that Congress clarify its intent as to whether the competitive negotiation requirements of Public Law 87-653 are to apply to the procurement of A-E services.

## APPENDIX XIII

We have given careful study to the provisions of H.R. 12807 and we believe it establishes a method of procurement of architect-engineer services which, in our opinion, does not allow for sufficient competition.

We recognize the need for the Federal Government to assure itself that the architect-engineer services it needs will be of the highest quality, but we do not believe the procedures that would be established under H.R. 12807 are best designed to assure this quality. We are of the opinion that the well-recognized concept of competitive negotiation can be successfully applied to the procurement of architect-engineer services as it has been with similar professional services without adversely affecting the quality of the service to be furnished.

It is necessary in dealing with the procurement process to distinguish very clearly between formal competitive "bidding" and competitive "negotiation." While the rigid formalized rules applicable to advertised procurement generally require award to the lowest (price) responsive, responsible bidder, the flexibility inherent in the concept of negotiation permits an award to be made to the best advantage of the Government, "price and other factors considered." Negotiation permits, and indeed requires, the contracting officials of the Government to consider those "other factors" of the procurement which, in a proper case, may result in an award to one offeror as opposed to another less qualified offeror submitting a lower price.

The award of an architect-engineer contract may and properly should be made to the offeror whose proposal promises the greatest value to the Government in terms of performance and cost, rather than to an offeror who merely proposes to perform at the lowest price. Performance, of course, should include such matters as appropriate such as design concept and life cycle costs of the facility to be constructed.

As an overall average, architect and engineering costs represent a small percentage, probably not more than five percent, of the total cost of construction. It is, therefore, obvious that the Government's interest is primarily with the total construction cost, whether the design will be both functional and esthetic, and whether the design is such as to reduce to the maximum extent operation and maintenance costs over the intended life of the facility. In the debate which has taken place on this subject over the past few years, I fear that this point may not have been properly emphasized. It would be shortsighted indeed to concentrate too heavily on the cost of the architect and engineering services if this meant that the total life-cycle cost of the facility would thereby be increased or if the design was less than satisfactory from the standpoint of its intended use, its general conformity with community plans, and other considerations.

H.R. 12807 would provide for the selection in order of preference of no less than three firms on the basis of their qualifications and performance data to be submitted annually. Negotiations would then be conducted with the firm having the highest ranking. If a contract could not be negotiated at a fair and reasonable price then negotiations would be conducted with the second most qualified firm, etc. This procedure standing alone forecloses competition between A-E's on a particular project.

Section 904(a) of the bill contains a proviso stating: "That if deemed appropriate the agency head may, before selecting the highest qualified firm, request alternative methods of approach to the solution of the problem and concepts of the scope of services required." While we are not certain as to the meaning of this language we read it to say that in particular cases

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the agency head can request alternate concept proposals from more than one firm. However, even if this were done there is no provision for competing price proposals assuming technical proposals are rated equal.

In summary, we do not recommend enactment of H.R. 12807. We believe there can and should be more competition between A-E's in the design concept area and that in those cases where two or more A-Es are found to be technically equal in their proposals consideration should be given to the prices proposed to be charged by the A-Es. Further, if there is to be legislation, we would urge that the laws relating to the 6-percent fee limitation be clarified by appropriate amendment.

We believe you are aware that in the past we have recommended that Congress not enact legislation dealing with the procurement of A-E services until the Commission on Government Procurement reports its findings and recommendations. The Commission staff has given a great deal of time to the question of how A-E services should be procured, and study groups dealing with the subject have come up with differing recommendations. I do not know how the Commission itself will come out on this issue but it seems appropriate for Congress to have the benefit of the Commission's views before enacting legislation. The Commission report will be available later this year.

One further point I wish to mention is that I believe one of the problems in securing competition among A-Es is codes of ethics of the various professional societies which consider it unethical for members to enter into price competition for professional services. From articles appearing in the press, my understanding is that the Department of Justice has had this matter under study and that in October 1971 the American Society of Civil Engineers dropped this provision from its code of ethics. I don't know what other codes of professional

societies the Department may have under consideration but the Commission on Government Procurement will undoubtedly explore this development before reaching its conclusions.

Accordingly, I would hope that the Committee would defer consideration of the subject until the Commission has reported.