



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE

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CHICAGO, ILLINOIS 60607

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MAR 27 1975

Mr. Paul K. Kennedy, Director
Veterans Administration Hospital
Downey, Illinois 60064

Dear Mr. Kennedy:

We have completed a review of energy conservation efforts undertaken at the Veterans Administration Hospital, Downey, Illinois. Our objectives were to determine how effectively the Hospital has implemented energy conservation measures and to identify potential areas for effective long-range energy conservation through more efficient operating procedures and capital improvements. Specifically, we were concerned with the development of an adequate energy-use information system, controls to reduce energy consumed in buildings and by vehicles, and the impact of energy conservation on operations.

The Hospital has made little or no progress in reducing energy consumption. A comprehensive long-range plan to identify areas requiring attention and to monitor energy conservation on a continuing basis is needed. Such a plan should include an adequate energy-use information system that would accurately measure the conservation efforts by the Hospital.

The extent to which the Hospital achieved energy savings could not be accurately measured because reports of energy consumption were incomplete and inaccurate. For example, mileage on vehicles leased from the General Services Administration was not considered in measuring energy consumption in fiscal year 1974. Also, reported reductions in gasoline consumption for fiscal year 1975 to date were misleading because fiscal year 1973 base line data were not adjusted to reflect the disposal of three vehicles in fiscal year 1975. In addition, although the Hospital reported savings in the use of steam, the reductions were based on an estimate by the Great Lakes Navy

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Public Works Center on consumption in 1967, adjusted for temperature changes. We believe that the Hospital needs to develop an information system that will accurately reflect energy consumption and measure the success of their conservation efforts.

The establishment of an energy conservation program is a requirement under VA Central Office directives. Field installations are required to initiate surveys of energy needs and implement administrative and technical measures to minimize energy consumption.

To comply with Central Office directives, the Hospital appointed a number of energy conservation coordinators, issued guidelines and instructions on energy conservation, and took various other steps to conserve energy. However, no studies were made to identify areas needing attention, and the limited reductions in energy consumption fell short of the goals established by the Central Office. Further, internal management controls to effectively monitor energy conservation were also lacking.

To illustrate, we observed two unoccupied buildings that were excessively heated and unnecessarily lighted. Although the VA Central Office established a 10-percent overall reduction in energy usage as a goal for fiscal year 1974 as compared to fiscal year 1973, the use of electricity was reduced by only 5-percent during 1974 and gasoline consumption on VA-owned vehicles decreased by only 4-percent during the same fiscal year.

The energy conservation program was not given more attention, Hospital officials explained, because their efforts in 1974 were directed primarily towards expanding the predominantly neuropsychiatric services to include general medical and surgical hospital services.

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We acknowledge the cooperation extended to our representatives during the review. Your comments on the matters discussed herein will be appreciated.

A copy of this report is being forwarded to the Director of Field Operations, Region 4, Veterans Administration Central Office, Washington, D.C.

Sincerely yours,

G. F. Stromvall

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Regional Manager