

CONTRACTING-OUT PROCEDURES

TUESDAY, AUGUST 8, 1961

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE FOR SPECIAL INVESTIGATIONS,
Washington, D.C.

The subcommittee met at 10:10 a.m., Hon. F. Edward Hébert (chairman of the subcommittee) presiding.
Mr. HÉBERT. The committee will be in order.

The chairman desires to make the following statement.
This morning we commence with the Department of the Army and will follow with the Department of the Navy and the Department of the Air Force, in our procurement study of a system which has the popular title of "contracting out." For definition we refer to an area which deals primarily in services performed by civilian contractors for the different services.

This subject sometimes leads into broad questions of policy per se. But the subcommittee's interest is not with policy but with practice and how the practice in given areas affects the capabilities, readiness, and efficiency in the performance of total military missions and, of equal importance, the cost of one practice versus another. It is, therefore, to questions of capabilities and cost that we address ourselves. Contracting out takes many forms. We shall consider some, but not necessarily all, of the types of services for which contracts are let; and we will concern ourselves, in part, with the transfer of services formerly performed by the military to civilian contractors.

In the field of equipment maintenance, we will have to consider whether or not the services performed contribute to the readiness posture and capabilities of the services, particularly in emergencies. Next, we will consider some of the things for which the services have contracted; as to whether or not they are or should be within the capabilities of the military themselves.

I think that this statement outlines, as briefly as is possible, the scope of this hearing.

These contracts are sometimes spoken of as "think" contracts. But on inquiry, we find a word has been coined; they are "effort contracts." We shall not, in the first instance, consider the capabilities of the "think" factories themselves, but we shall consider the subject matter of these contracts given out to civilian contractors. We will learn that these contracts must be asked for by the name "effort" because they have no end product; perhaps, not even a conclusion.

Now, we will discuss some of these subjects with the Department of the Army.

Now, Mr. Courtney, you have some witnesses?