

tion to the lowest level where a proper decision can be made is necessary to take account of local conditions, maintain adequate flexibility, and avoid hopeless clogging of higher headquarters in paperwork.

Illustrations of the types of contract services in this category include maintenance of office machines, motor vehicle maintenance done in local garages, and custodial services.

The discussion of policy, budgetary review, and management procedures applicable to the contract services resource leads to an important point concerning the programming of resources to accomplish the Air Force workload—whether those sources are contract services, military personnel, or civil service employees. This point is particularly significant in light of your expressed interest in the question of replacement of military and civilian personnel with contract services.

The relationship of military, civilian, and contract service resources must be reviewed in terms of the Air Force as a whole, not just in terms of a particular activity. This view is necessary because of the manner in which resources are obtained.

Based on Air Force requests and review by higher authority, the Air Force is given a total quantity of military manpower, civilian manpower, and dollar resources. Once established, there is little flexibility in the total amounts. We must then distribute these resources to subordinate levels in a fashion to insure maximum utilization of amounts available in each category and the accomplishment of the most important workloads first.

This distribution process is not a one-time effort, but a continuous one. For while the total resource available in each category is relatively inflexible, workloads are changing continuously. We must adjust our resources within totals available to meet these changes. This is a never-ending process.

For example, at one of our Air Force Logistic Command facilities, it was necessary to increase the in-service civilian capability for missile management. Not having additional civilian manpower available, it was determined that the necessary authorizations could be obtained from the engine maintenance shop where the work being done was eligible for contracting under policy and criteria. What appeared to be solely a replacement of civilians by contract from the standpoint of the engine shop was, in fact, a realignment of resources to meet a vital requirement without change in total civilians available to the Air Force.

I believe this example illustrates why the relationship between in-service and contract resources and the question of replacement must be looked at in terms of the total Air Force rather than the individual case if it is to be meaningful.

Since the committee has also expressed an interest in cost comparisons, I would also like to touch briefly on this subject. This complicated matter is one with which the Air Force has wrestled for years. In areas such as depot maintenance where plant and equipment are involved, exact valid comparisons are, frankly, not feasible. Not only the Air Force, but other congressional investigations have found this to be the case. This situation is caused by several factors.

First, it is normally impossible to find two work projects—one in-service and one on contract—that are exactly comparable. Both work