

livery requirements on a businesslike basis without jeopardizing commercial accounts. This system has been effective with regard to most volume stock items and has produced advantageous prices as well as promoting industry confidence in doing business with the Government on a sound and realistic basis. We have achieved a situation analogous to that which commercial firms normally establish with respect to continuing supply relationships. In other words, we do business with industry on a basis to which they are accustomed and need not adjust in order to deal with the Government.

The same term contracting method has recently been applied successfully to items delivered directly to using agencies, such as appliances, furniture, heavy duty storage racks, wire rope, etc. However, in buying vehicles, bulk paper products, and other items where close production scheduling is essential to attracting advantageous prices, consistent with normal industry practices definite quantity procurements are made.

Term contracts are also utilized in connection with the Federal Supply Schedules program where using agencies place orders directly against contracts made by GSA. These contracts take full advantage of industry distribution systems in meeting Government supply needs and minimize the necessity for Government distribution of the items involved. Here, again, the Government is doing business with industry on the same basis as industry does business with its other customers. Adequate provision is made for using agencies to make direct purchases for emergency needs.

Taken on a total basis, approximately 80 percent of GSA's buying programs provide for direct delivery from the supplier to use point. This has resulted from a policy of designing our programs to make items available at the point of use when needed at the lowest overall cost to the Government, utilizing industry distribution to the maximum extent feasible and not undertaking distribution through Government warehouse system unless overall advantages will accrue.

Motor vehicles, office furniture and furnishings, typewriters, and automatic data processing equipment, and related maintenance services are examples of items covered by the FSS schedules. The centralized procurement of ADP equipment envisioned by H.R. 5171 would be consistent with the foregoing functions and should produce further economies to the Government through "bulk" buying.

2. CENTRALIZED SERVICES FOR OTHER AGENCIES

The authority which H.R. 5171 would vest in GSA is similar to several other existing GSA activities:

(a) *Supply distribution system*

GSA stores and distributes to other agencies thousands of line items of supply. Its supply distribution complex includes 46 depots, annexes, and retail stores. The operation is financed through a General Supply Fund (revolving) which, last year did \$446.9 million in business.

(b) *Motor pool*

The GSA interagency motor pool is an example of an equipment pool provided for use of Federal agencies by GSA. In fiscal year 1962, the motor pool provided 24,359 vehicles which traveled 249 million miles. During the past 6 years, the average utilization per vehicle year increased from 7,907 to 11,684 miles, while the cost per mile decreased from 11.7 to 7.7 cents during the same period.

(c) *Printing and reproduction*

As authorized by the Joint Committee on Printing, GSA operates six field printing and duplicating plants for use by other Federal agencies as well as by GSA activities.

(d) *Telecommunications*

Telecommunications service for the Federal agencies is provided by GSA through the Federal Telecommunication System. The objective of FTS is to provide a unified system of day-to-day and emergency communications services for all Federal civilian agencies, compatible with military systems. The scope of the system encompasses all civilian agency telecommunications system planning, engineering, management, and operation of facilities and services.

Telephone, teletypewriter, data transmission, facsimile, and all forms of communications services necessary for Federal civilian agencies will be provided largely through utilization of the facilities of common carriers. Centralized