

APPENDIX III

AGENCY REPORTS ON H.R. 5171

1. General Accounting Office

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., May 15, 1963.

HON. WILLIAM L. DAWSON,
Chairman, Committee on Government Operations,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your letter of April 1, 1963, acknowledged April 2, and letter of May 3 from the chairman of your Government Activities Subcommittee, requesting our comments on H.R. 5171.

The bill would amend title I of the Federal Property and Administrative Services Act of 1949, as amended, 5 U.S.C. 630-630g-1 (supp. IV), by adding a new section 111 which would grant authority to the Administrator of General Services to coordinate and control the purchase, lease, maintenance, and use of electronic data-processing equipment by Federal agencies, and to operate or provide for the operation of such equipment by delegation of authority or otherwise.

In carrying out his responsibilities under this section, the Administrator is authorized to provide electronic data-processing equipment suitable for efficient and effective use by Federal agencies through purchase, lease, transfer of equipment from other Federal agencies or otherwise, and to provide for the maintenance and repair thereof by contract or otherwise. The Administrator is further authorized to transfer such equipment between Federal agencies, to require joint utilization thereof by two or more Federal agencies, and to establish equipment pools and data-processing centers for such joint use when necessary for its most efficient and effective utilization. The Administrator, in his discretion, may delegate authority to lease, purchase, maintain, or operate (1) general classes of equipment, (2) equipment of special design needed to fulfill some unique requirement or special purpose of a particular Federal agency, and (3) equipment necessary for national defense and security.

The bill would establish an electronic data-processing fund, without fiscal year limitation, which would be used to finance the administrative expenses and costs incident to the procurement and utilization of electronic data-processing equipment. This revolving fund would be financed primarily from advances and reimbursements from available appropriations and funds of any agency (including the General Services Administration), organization, or persons utilizing such equipment and services rendered to them at rates determined by the Administrator to approximate the costs thereof. The capital of the fund would consist of appropriations as may be required together with the value, as determined by the Administrator, of supplies and equipment transferred to the Administrator less any liabilities assumed on account thereof.

In our report to the Congress dated March 6, 1963 (B-115369), on the "Financial Advantages of Purchasing over Leasing of Electronic Data-Processing Equipment in the Federal Government," we pointed out that there is need in the Federal Government for an effective mechanism to coordinate and control the purchase, lease, maintenance, and utilization of EDP equipment. Accordingly, we recommended to the President of the United States that he establish such an office in his organization. We are of the opinion that overall policy guidance and direction of the Government's data-processing programs can be most effectively accomplished through the efforts of a small, highly placed central management office in the executive branch of the Government. However, we recognize that there are various ways in which central control can be exercised over the procurement and utilization of this type of equipment. H.R. 5171 provides such an alternate method. We are not opposed to the method set forth in H.R. 5171; however, we feel that the mechanism proposed in H.R. 5171 for carrying out the detailed operations of coordination and control needs to be subject to the policy guidance and overall direction of the office of the President.

With reference to the policies and procedures set forth in the bill we offer the following comments for consideration.

1. We suggest that the word "electronic" as used in the bill be deleted and the word "automatic" be substituted therefor in order to place a wider range of equipment within the scope of authority of the General Services Administration.