

ize the Administrator of the General Services Administration to coordinate and otherwise provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of electronic data-processing equipment by Federal departments and agencies."

The bill would add a new section 111 to title I of the Federal Property and Administrative Services Act of 1949, as amended (5 U.S.C. 630), which would centralize GSA control over all electronic data-processing equipment required by Federal agencies. Financing would be provided by a revolving fund established by the section. Original capitalization of the fund would be by appropriation and transfer of assets, which would be reimbursed through user charges. According to a report of the Comptroller General to the Congress, dated March 6, 1963, entitled "Study of Financial Advantages of Purchasing Over Leasing of Electronic Data-Processing Equipment in the Federal Government," there would be very substantial savings to the Government of it purchased more of its requirements for electronic computers instead of leasing as was the case with respect to 86 percent of Federal requirements in the fiscal year 1962. The report recites, as an example, that if 523 of the approximately 1,000 electronic data-processing systems installed or planned for installation in the Government on a lease basis by the end of fiscal year 1963 were purchased instead, potential savings would be about \$148 million over a 5-year period and over \$100 million annually thereafter. The Comptroller General's report concludes that "the only practical way in which the kind of coordinated management can be practiced to achieve the possible financial savings cited is through the establishment of a small, highly placed central management office in the executive branch of the Government."

In order to achieve for the Government the full use potential of automatic data-processing equipment, the requirements for which have shown stupendous growth during recent years, to assure full coordination of procurement by and use within Government, and to obtain for the Government the most economical cost possible, it is essential that centralized management and control over the procurement and use of all such equipment be established. We believe that GSA is not only the logical but the appropriate agency to provide such a central management for the Government. Provision of this service for all Federal agencies by GSA would be consistent with the declared purpose of the Congress in creating GSA to provide for the Government an economical and efficient system of procurement of personal property and nonpersonal services, including related services such as contracting, the utilization of available property, the disposal of surplus property and records management. The utilization of automatic data-processing equipment has become so vital to the successful performance of these and many other functions of Government that they no longer can be successfully handled without the use of such equipment.

As the volume of Government transactions required to be handled continues to grow during the ensuing years and as automatic data-processing equipment becomes more technologically sophisticated, its potential for even greater application in the transaction of Government business affords the principal means by which the ever-increasing volume of Government business may be successfully carried out without proportionate increases in staff costs. At the same time it must be recognized that Government utilization of such equipment either as owner or lessee entails substantial costs.

Accordingly, to achieve for the Government the maximum economic benefits from the use of such equipment, it is highly desirable that prompt action be taken to assure (1) proper economic evaluation of such equipment now in use and proposed in the future; (2) maximum utilization of all such equipment owned or leased by the United States including arrangements for multiple agency use; and (3) that the total Government requirements for such equipment is fully brought to bear, both as to price and terms, in negotiating contracts with manufacturers for its use through purchase, lease, or other arrangements.

In our judgment the many related purposes can best be achieved through centralization of coordination and control of all aspects of the matter in a single agency.

GSA is an organization already existing within Government which possesses considerable know-how in this complex field and into which pool equipment operations and available personnel that may now be fragmented throughout Government can be integrated to the extent necessary to provide for the Government an efficient and economical system for the purchase, lease, maintenance, and use of electronic data-processing equipment. Provision of this centralized service