

APPENDIX

DEVELOPMENT OF A NATIONAL SUPPLY SYSTEM

(Excerpted from statement and testimony of Administrator
Lawson B. Knott)⁵²

DEFENSE SUPPLY AGENCY/GENERAL SERVICES ADMINISTRATION AGREEMENT

"Last year we reported to the subcommittee that an agreement between GSA and DOD governing supply management relationships had been signed in late 1964. The agreement envisions the fitting together of supply management capabilities of DSA and GSA to form a coordinated national supply system for the Federal Government.

"This will provide the Federal Government with an efficient and economical system for the procurement and supply of personal property and will eliminate avoidable duplication. For example, there are presently some 1,100 items stocked both by GSA and DSA. We believe that little, if any, of this duplication will continue to exist under this dual management when the joint studies now underway are completed.

"During the past year, DSA and GSA have proceeded toward progressive implementation of this agreement. The DSA/FSS Material Management Review Committee (MMRC), established last year, completed its examination of 152 Federal supply classification (FSC) classes now managed by DSA to determine those which should continue to be managed by DSA and those which should be transferred to GSA. Fifty-three of these FSC classes studied were assigned to GSA and 99 remained with DSA. The 53 classes assigned to GSA will be transferred late this year.

PROGRESS IN CIVILIAN AGENCIES

"Integration of civilian agencies into the national supply system. Basic plans have been developed and actions taken to integrate the supply systems of several civilian agencies into the national supply system. The subcommittee was specifically interested in four agencies and selected commodity classes.

"We have made good progress in these areas:

"1. Analysis of cost and resource data on electronic, fuel and clothing and textiles indicates that it is feasible for DOD to support civil agencies for these items. We are now ascertaining what Government-wide savings would result from assignment of Government-wide supply support for these items to DOD.

"Chairman DOUGLAS. You are willing to give up jurisdiction on these items?

"Mr. KNOTT. Yes, sir; again, where they have the major capability, the major interest, it will avoid duplication and effect savings for the Government overall, then I think we should go in that direction.

⁵² Hearings, 1966, pp. 111-114.