

NEGOTIATED AND ADVERTISED PROCUREMENT ACTIONS

Negotiated procurements for fiscal year 1966 were 85 percent of total awards with business firms in the United States, up 3 percent from the previous year. Significantly, the DOD states that when items can be procured competitively the savings are about 25 percent.

TABLE 10.—*Net value of military procurement actions, with business firms for work in the United States, classified by method of procurement, fiscal years 1951–66*

Fiscal year	Total net value (millions)	Formally advertised procurement		Negotiated procurement	
		Millions	Percent	Millions	Percent
1951	\$30,823	\$3,720	12.1	\$27,103	87.9
1952	41,482	4,479	10.8	37,003	89.2
1953	27,822	3,089	11.1	24,733	88.9
1954	11,448	1,789	15.6	9,659	84.4
1955	14,930	2,386	16.0	12,544	84.0
1956	17,750	2,815	15.9	14,935	84.1
1957	19,133	3,321	17.4	15,812	82.6
1958	21,827	3,115	14.3	18,712	85.7
1959	22,744	3,089	13.6	19,655	86.4
1960	21,302	2,978	14.0	18,324	86.0
1961	22,992	2,770	12.0	20,222	88.0
1962	26,147	3,412	13.1	22,735	86.9
1963	27,143	3,538	13.0	23,605	87.0
1964	26,221	3,889	14.8	22,332	85.2
1965	25,281	4,660	18.4	20,621	81.6
1966	34,026	5,147	15.1	28,879	84.9
Total, 1951–66	391,071	54,196	13.9	336,874	86.1

Source: "Military Prime Contract Awards and Subcontract Payments or Commitments, July 1965–June 1966," Office of the Secretary of Defense.

Three types of negotiation authority account for 44 percent of all procurement in fiscal 1966 as compared to 54 percent in fiscal 1965. The results for fiscal years 1965 and 1966 follow:

Contract awards by statutory authority (excerpt from table 11) ¹

	Percent	
	1965	1966
Impracticable to secure competition by formal advertising	14.4	15.5
Experimental, developmental, test, or research	16.6	21.1
Technical or specialized supplies requiring substantial initial investment or extended period of preparation for manufacture	23.0	16.2
Total	54.0	43.8

¹ Over 35 percent of all negotiated procurement was obtained by price competition in fiscal year 1966.