

Department of Defense cost reduction program, fiscal year 1966—Continued

[In millions of dollars]

Summary of area	Realized hard savings			Cost avoidance and unrealized decision savings	Total savings ¹	Fiscal year 1966 goal	Fiscal year 1967 goal
	Budgeted savings	Fund savings	Total				
I. Buying only what we need—Continued							
B. Increased use of excess inventory—Con.							
3. Excess contractor inventory:							
Army.....	\$3		\$3		\$3	\$4	\$3
Navy.....		\$28	28		28	5	
Air Force.....		(2)	(2)		(2)	8	1
Total.....	3	26	29		29	17	4
C. Eliminating goldplating:							
Army.....	48	36	84	\$76	160	70	136
Navy.....	44	62	106	8	114	132	160
Air Force.....	71	39	110	84	194	150	200
DSA.....	5	19	24	3	27	12	20
Total.....	168	156	324	171	495	364	516
D. Inventory item reduction:							
Army.....	(4)	(4)	(8)		(8)		
Navy.....	(1)	(4)	(5)		(5)	1	
Air Force.....	68	(3)	65		65	62	62
DSA.....	17	13	30		30	19	37
Total.....	80	2	82		82	82	99
Total buying only what we need.....	1,290	375	1,665	817	2,482	2,823	2,405
II. Buying at the lowest sound price:							
A. Shift from noncompetitive to competitive procurement:					per cent dol-	per cent dol-	per cent dol-
Army.....	65		65		43.9 65	49.0 116	43.0 40
Navy.....	128	59	187		38.4 187	40.4 155	40.4 207
Air Force.....	167	116	283		25.8 283	21.4 167	21.4 207
DSA.....	3	13	16		92.1 16	91.6 3	91.6 3
Total percent competitive ²					44.4	40.5	42.0
Total amount of savings.....	363	188	551		551	441	457
B. Shift from CPFF to fixed or incentive price:					per cent dol-	per cent dol-	per cent dol-
Army.....	1111		111	123	13.8 234	10.0 151	15.0 180
Navy.....	142		142	(9)	14.2 133	8.5 151	10.4 153
Air Force.....	347		347	66	6.7 413	12.5 368	7.0 368
Total percent CPFF ³					9.9	9.8	9.8
Total amount of savings.....	4 600		4 600	180	780	670	701
C. Direct purchase breakout:							
Army.....		1	1		1		
Navy.....	2	6	8		8	5	6
Air Force.....		5	5		5	1	1
Total.....	2	12	14		14	6	7
D. Multi-year procurement:							
Army.....		30	30		30	22	35
Navy.....		23	23		23	12	30
Air Force.....		17	17		17	6	10
Total.....		70	70		70	40	75
Total buying at lowest sound price.....	965	270	1,235	180	1,415	1,157	1,240

See footnotes at end of table, p. 123.