Attachment E

Examples of increased price competition

Item	Noncompetitive unit price	Competitive unit price	Percent reduction	Total savings
Bomb fuze, M905, tail assembly	$15	$12	20	$168,780
Power supply, PP-2058/ULA-2(V)	1,239	834	32	27,118
Indicator pulse analyzer, IP-471/ULA-2(V)	4,113	3,072	25	88,890
Shroud, steering control module SP GAX-5766	750	538	28	27,560
AN/APN-153(V) doppler navigation radar	2,924	1,567	46	4,221,135
Extendible earth anchor, Harvey P/N44-56411	75	47	37	231,800
Oxytetracycline tablets	5	4	20	96,530
Voltage regulator, CN-514()/GRC	2,273	1,205	46	331,078
Case assembly, XM 188	2,392	1,622	32	13,090
Helicopter, 40 mm. grenade launcher, M5	18,827	12,518	33	1,072,545
Transistor test set, TS-1836()U	357	240	32	109,103
Accessory outfit, gasoline field range	123	98	20	44,577
Propellant loading, MK36, MOD 5	799	510	36	177,270
TALOS guidance control and airframe	138,091	99,679	28	3,534,870
Wing tank release, F-104	67	9	86	285,591
Attitude indicator	1,425	987	31	206,736
ASROC launcher	331,243	215,694	35	4,853,058

Attachment F

Cost Reduction Program—Audit Opinion—Yearend Fiscal Year 1966 Cost Reduction Status Report

We have reviewed the yearend fiscal year 1966 cost reduction status report under the provision of DOD directive 5010.6, May 22, 1964, and DOD instruction 7720.6, January 20, 1964. Our review, which gave consideration to the cost reduction audits performed by the Defense audit organizations, included selective evaluation of pertinent documents, records, and data and other auditing procedures deemed appropriate in the circumstances. A detailed examination of all items was not performed.

Based on this review and subject to the comments contained in the body of the report and the footnotes to the report attachments, it is our opinion that, with the exception of man-years saved (attachment D) explained below, the savings reported conform to the criteria of the governing directive and instruction.

The summary of manpower savings (attachment D) continues to include a substantial number of man-years as hard savings without corresponding reductions in authorized manpower spaces as required by change 8, dated June 10, 1966, DOD instruction 7720.6. As stated in the third quarter fiscal year 1966 audit opinion, we believe the discrepancies in manpower reporting will be corrected when the DOD components have completed implementation of change 8 which clarifies this requirement.

K. K. Kilgore,
Deputy Comptroller for Audit Systems.