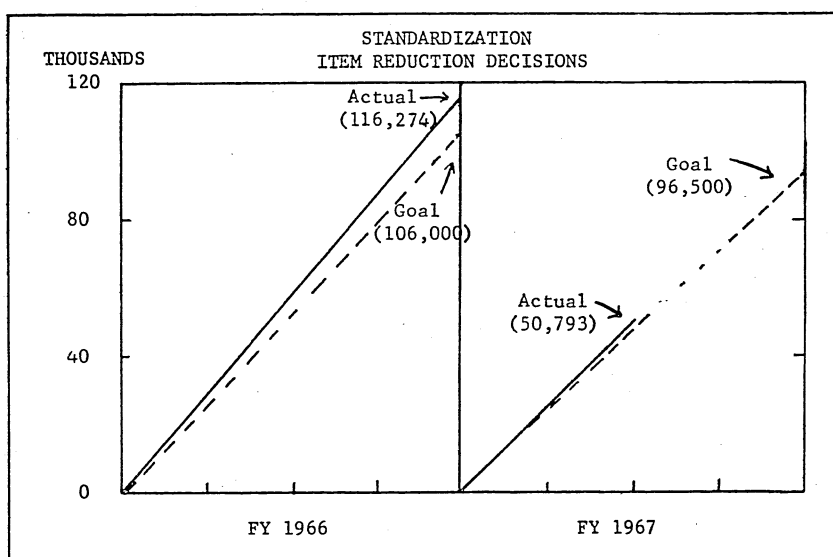


This represented 36 percent of the fiscal year 1967 item review goal of 328,000 items and 53 percent of the reduction decision goal of 96,500 items.

FIGURE 9



CONTRACT ADMINISTRATION SERVICES

The Defense Contract Administration Services (DCAS) mission was assigned to DSA after extensive study and represents one of the most significant efforts of the Defense Department to improve logistics management. The consolidation does not embrace, or affect, the procurement function itself, but rather the administration of contracts in the field after they have been executed by the contracting offices of the military departments and DSA. A prime objective of the merger was to provide a "single face to industry."

During 1962 and part of 1963, a study known as Project 60 was conducted under the policy guidance of high-level Department of Defense military and civilian personnel. The study indicated the existence of considerable overlap and duplication in contract administration services functions among the military services under the Army Materiel Command, the Office of Naval Material, and the Air Force Systems Command; and further indicated the feasibility of consolidating the functions for centralized management. A pilot test region established at Philadelphia, Pa., in April 1964, demonstrated the feasibility and potential advantages of consolidating contract administration services functions on a nationwide basis. On the basis of the success of the pilot test, the Secretary of Defense, on June 4, 1964, assigned responsibility for these functions to DSA.

A national planning group, composed of temporary duty personnel from the military services and DSA, developed a national implementation plan (NIP) which was approved by the Secretary on December 28,