

and purchase those parts which have a procurement lead time short enough to permit competitive or direct procurement from the parts manufacturers in time to meet carrier outfittings schedules. For the remaining parts, those having a relatively long procurement lead time, we proposed that a study be made to determine whether, with adequate planning, it is also practicable for the Navy to assume procurement responsibility for some, if not all, of those parts.

The Department of the Navy in a letter dated September 27, 1966, expressed agreement with our proposal and stated that it would take such steps as are necessary to increase purchase of aeronautical spare parts in support of carrier outfittings on a competitive basis or directly from parts manufacturers. On December 28, 1966, the Department also advised us that it plans to purchase more than 46 percent of the total value of spare parts required for support of A-7A type of aircraft on a competitive or direct basis.

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SAVINGS AVAILABLE THROUGH EXPANDED USE OF REGIONAL CONTRACTS FOR THE REPAIR AND MAINTENANCE OF SELECTED OFFICE MACHINES, GENERAL SERVICES ADMINISTRATION

The General Accounting Office has made a review of the General Services Administration program for obtaining repair and maintenance services for selected Government-owned office machines. The review showed that opportunities existed for savings on the repair and maintenance of office machines through the use of contracts with local repair firms instead of through the use of national Federal Supply Schedule contracts with machine manufacturers. Our findings are summarized in this letter and described in detail in the accompanying report.

The General Services Administration makes available repair and maintenance services for office machines to Federal agencies through national contracts negotiated with the office machine manufacturers and published in Federal Supply Schedules and through regional contracts awarded on a competitive bid basis to local repair firms. The national and regional contracts generally provide several basic plans for servicing office machines, including repairs and services made on a per-call basis at an hourly charge, and maintenance inspections and services, including any necessary replacement parts, at a fixed annual fee.

Our review showed that the prices paid for repair and maintenance services for adding machines, calculators, comptometers, and electric typewriters under the national contracts were higher than the prices charged for the same types of services under regional contracts and under separate arrangements made by Federal, State, and local government activities, and commercial concerns with selected local repair firms.

On the basis of our review, we believe that the services furnished under regional contracts and under separate arrangements were satisfactory and that the price differences were not justified by service considerations. We estimate that Federal agencies could have saved up to \$1.2 million during fiscal year 1965 for repair and maintenance