

Mr. SIEPERT. We do not have an a priori case of being able to prove economy in the absence of having a new contractor on board—

Dr. DEBUS (interposing). There's a hidden economy, Mr. Gurney. Inasmuch as those people who are now engaged—technically highly qualified technicians—can free some of their time to be applied to the technical systems, management and operation, and can be freed from the administrative and paperwork procedures, we gain manpower. It will not show in numbers, but it will show in the technical talent we can apply totally to our basic management, and this is very badly and sorely needed.

Mr. GURNEY. I understand that. That was my concept of efficiency. That's all.

The CHAIRMAN. Al, you people have been working these studies for years. You know just exactly which company does a good job, and you can probably take a pencil right now and list the degrees of efficiency of the existing contracts.

Suppose one of these companies that is less efficient spends \$100,000 in writing up their proposal, and the efficient one spends \$50,000—we are told over and over, more and more, that the companies have all the good men writing proposals and the second-rate men doing the work. How are you going to decide this when you get down to the stack of stuff I have seen about this high (indicating)? Who is going to go through 500 or 600 pages of detailed statistics and whatnot?

Mr. SIEPERT. A Source Evaluation Board of Kennedy Space Center people which will also include—

The CHAIRMAN (interposing). And you know these companies. How are you going to decide?

Mr. SIEPERT. We do not know which one is better in a competition for the same piece of business. We know how good that contractor was on a particular contract that he had. Let's take one as a case in point. You have RCA doing communications, and you have Federal Electric doing instrumentation. Federal Electric also has extensive communication capabilities. They are in that line of business. However, KSC has not had any actual experience with FEC in that area. The question of which of these contractors, if they should choose to compete against each other, would have the best proposal would be based on the Source Evaluation Board's appraisal of the content within that proposal. This would be supplemented by, and checked against, any information that we could obtain on how this contractor had done similar work for other governmental customers. We are not dependent only upon personal information concerning a contractor's work with KSC or with NASA.

So, the Source Evaluation Board can and should approach its task without a preconceived notion that the proposal is unimportant compared to the known experience of the company with KSC business. The proposal is very critical in the competition. And that is why American industry puts its good people on it, just as you say.

Mr. GURNEY. What about this concept? Have you thought of this? I mean, ordinarily when the person is doing a particular job, like one of those seven, and is competent, he learns how to do this job better as time goes on, and becomes more efficient. That's the human way things work. However, instead of putting it out for competitive bid every