VI CONTENTS

Letter from Chairman Proximite to Hon. Robert S. McNamara, Secretary
of DefenseIgnatius, Hon. Paul R., Assistant Secretary of Defense:
Statement
Cost reduction program
Contracts awarded on basis of competition as a percent of
total dollar value of contract awards (chart) Table: Department of Defense cost reduction program
Table: Anticipated savings, fiscal year 1967, 1968-69
May 1966 committee report recommendations
Property administration
Utilization of personal property inventories
Special program for management of short-shelf-life items
Supply standardizations and inventory item reduction
Real property management disposalSurplus sales and use of receipts
Reliance on private industry
Common agencies
Common agencies Defense Communications Agency (DCA)
Military Sea Transportation Service (MSTS)
Military Traffic Management and Terminal Service
(MTMTS) Military Airlift Command (MAC)
Project 81
Conclusion
Testimony
TestimonyConflicting statements on competitive, by GAO and DOD
Competitive bidding
ASPR to be reviewed
Procurements of \$2,500 and under
7,600,000 procurements under 32,000 in fiscar year 1000
Procurement of tires
Definition of competition
Truth in Negotiations ActAccountability for contractor inventory held
Accountability for contractor inventory held
Reporting use of equipment
Tools of \$1,000 reported to DIPEC.
Concern about its system
Concern about its systemVietnam construction contract for \$1.2 billion
Cost-plus award fee
Legality of Vietnam contract
Auditing the Vietnam contract
Contract audit and administration
Audit separate from operation
Advertised procurement 15.1 percent of total
Need for sound negotiation
Need for sound negotiationStatement of Comptroller General
Indictment of our procurement process
DoD required certificates before Truth in Negotiations Act
Law not applicable to all negotiated contractsCost breakdowns not required where adequate competition is
Cost preakdowns not required where adequate compension is
deemed present Contractors must certify as to cost and pricing information
Judgment factor as to adequate competition
Judgment factor as to adequate evidence on costing in files
Special committee working on problem
Issuance of Form DD633Requirements of Public Law 87-653
Requirements of Public Law 87-653
Relating certificate to the factsStatements contradicting Comptroller General
Suggested changes in the law?
Changes due in regulations
Law applicable to 18,000 cases per year
DoD cooperates with GAO
Similar standards needed