

## COMPETITION POSSIBLE ON SMALL PURCHASES

Mr. STAATS. I think what we are really saying are two things: One is that the reporting may be subject to misinterpretation as to the actual extent to which we have competition.

But, secondly, we feel particularly in this under \$2,500 category there may be some opportunities for very substantial savings through competition because of it being in that area that the problem you are pointing out probably would not exist. It would be mostly for smaller type items.

Mr. WEITZEL. In the other example the Comptroller General gave, nearly half the amount of the contract was saved when they canceled the sole source contract with the prime contractor and went down to the source of supply.

## VARIANCE IN NAVY AND AIR FORCE METHODS

I recall a report which we made several years ago involving an aircraft bearing, I believe it was, which the Air Force was buying competitively and the Navy would not, and we finally persuaded them to buy it competitively. But they still insisted on a quality assurance, which cost them money, because they just did not trust these people and they said they did not want to trust their pilots' lives to bad bearings. Well, of course, neither the Air Force nor the Comptroller General wanted this kind of a situation.

Senator SYMINGTON. So?

Mr. WEITZEL. So finally the Navy did go to competitive procurement, and I hope none of the planes came down because of it. [Laughter.]

## RULES AND THEIR INTERPRETATION

Senator SYMINGTON. Then the criticism if not concerning the clarity of the rules laid down, has to do with the functioning of the various buyers under the rules; is that correct?

Mr. NEWMAN. They are all involved.

One of the biggest problems we have, Senator, as you well know, is people, and we have a constant turnover. The training of people is a problem.

In this whole procurement area, we went into supply, and, gentlemen, these problems are going to be with us as long as we live because the Department of Defense is doing everything it possibly can. There are some areas like the first one mentioned in our statement under "Supply Responsiveness" concerning the Army's need to change its organization. That is a separate problem.<sup>6</sup>

The Air Force does not have this problem; but the Air Force has problems, gentlemen. I mean they have problems in manpower, and they have problems of buying and inventory problems. But they are not as gigantic as those that exist in the Army area.

Senator SYMINGTON. Has that anything to do with centralization or decentralization?

Mr. NEWMAN. Yes, it does. As a matter of fact, I would prefer not to comment on it here. I might say it is the first time we have performed such a broad survey. Personally we are proud of it, because

<sup>6</sup> See p. 4, *supra*.