curement actions found that $55 million or about 70 percent, 69 percent to be precise, were not really competitive at all.

Then he went on to say that:

Our survey tests of $174 million in procurements classified as noncompetitive showed that about $103 million or 59 percent was procured noncompetitively because of determinations that technical data were either not adequate or not available.

He makes an illustration of that and concludes, "However, we found that adequate technical data to support a competitive procurement was on hand. Under these circumstances it would seem to me that Congress would be better informed, the public would be better informed, you would have a better understanding of what competitive procurements means, if we were more precise and accurate in our definition of what procurement is. Don't you feel that that is correct?

Mr. IGNATIUS. Yes, I would like to respond to those comments. First this was a draft report which my office received only last night, Mr. Chairman, and therefore I am not able to comment on the report as such.

Chairman PROXMIRE. I understand, because it was just brought to our attention last night.

Mr. IGNATIUS. Mr. Malloy just learned about it this morning.

Let me, however, speak to these points, because they are important ones that he has raised. First he points out that we may be overstating competition because we may count something as competitive when only one bid is received. I would like to read from the Armed Services Procurement Regulation.

Chairman PROXMIRE. Of course our quarrel is with the regulation.

Mr. IGNATIUS. Sir?

Chairman PROXMIRE. Our quarrel—my quarrel—is with the regulation.

Mr. IGNATIUS. What I would like to do is read it and then attempt to give you my view on it.

Chairman PROXMIRE. All right.

COMPETITIVE BIDDING

Mr. IGNATIUS. Then the committee certainly will want to question me or to judge for itself. What it says is:

"This may include awards"—may include awards—"made following the solicitation of two or more sources for price proposals where only one proposal was received and accepted as the lowest evaluated price."

This has been in effect since 1959 in the Department, and what it is intended to cover, Mr. Chairman, is a situation like this:

Supposing the last time we bought something we solicited three companies, and let's say the low bid for the item was $5. We went out again, and solicited three companies. We got a bid of $4.90, only one bid. Now under that circumstance, we had a baseline of a $5 price that was established when we had three bids.

The procurement was made in a competitive atmosphere, that is to say three companies were solicited. In fact, only one responded, but the price of $4.90, in this hypothetical example, was slightly less than the last time it had been bought competitively.