

The rule was established in 1959 to accommodate situations of that kind, where to a reasonable man in effect a competitive price was achieved even though only one bid in fact was submitted.

Chairman PROXMIRE. No. 1, I think that I would certainly challenge that as competitive, because the \$4.90 figure may or may not be competitive in any real sense, because of efficiencies, because of lower costs, because of all kinds of things that might have developed, that \$4.90 may be way out of the ball park.

It would just seem not only a matter of commonsense but a matter of common understanding that where you do not get actual competition it is not competition, even though you can make assumptions that it has some elements of competition within it. Competition it would seem to me, and I think to the overwhelming majority of people, means that you have two or more people trying to compete for procurement. If you only have one, only one responds, it is not competitive. I understand your viewpoint.

Mr. IGNATIUS. This, as I say, has been consistently followed since 1959.

ASPR TO BE REVIEWED

Chairman PROXMIRE. I hope you will reconsider that regulation.

Mr. IGNATIUS. We will certainly look at it. We will do more than that. We will try to determine whether there is any abuse of this. It is certainly not our intention to overstate. We made a sincere effort to increase the amount of procurement that we have awarded competitively.

Chairman PROXMIRE. You see the point I am making is not just the point that a Senator makes here in criticizing your work. It is a point, as I say, that is documented by the Comptroller General, who has gone into great detail and has experts making this assessment, and when he concludes—when they conclude—and as you know, they are careful in their conclusions, that such a large proportion of this is noncompetitive that you classify as competitive, it seems to me it should shake the notion that you continue with calling this competitive bidding.

Mr. IGNATIUS. Let me say once again that it is a draft report, we have not had a chance to look at, and I am sure the Comptroller General would certainly say, were he here, that often when draft reports are submitted, and the agency, whether it is Defense or any other agency of the Government, has had an opportunity to comment on it, the final reports are often modified in the light of the comments. We accept these reports in a constructive way, Mr. Chairman, and will certainly look at it in that manner, but I did want to state that this is a practice that has been followed for a number of years, and to give the reason why.

PROCUREMENTS OF \$2,500 AND UNDER

Now I would like to turn to the area of procurements of \$2,500 and under, and here I think there is a matter of some importance.

We require in procurements of a dollar amount of \$250 to \$2,500 that three bids be obtained if at all possible, and we don't require that more than three bids be obtained, because of the time involved in getting them. We try to have more streamlined procedures for our small