

ing Office made an initial review. They found that in many of our offices, not all of them but in many of our offices, they had not yet requisitioned the form and they were using the old form.

As a matter of fact, when the General Accounting Office people found this, they came over to my office, not even bothering to write a report, and reported this to me verbally. We checked it and found there was some substance to the information we had been provided by the General Accounting Office.

Forthwith, within a week or two, we published to all contracting officers within the Department of Defense an instruction over Mr. Ignatius' signature, in which we told people again that they must now stop using the old form, and use the new form.

Now, you could comply with the law using the old form, but the new form made it more precise in terms of what people were supposed to do. That is the story.

Chairman PROXMIRE. Let me make sure I understand the situation. Maybe I shouldn't have gotten off on the form situation. Are you telling this committee this morning that there is now and has been for some time compliance, full compliance with the Truth in Negotiating Act, the contractors are stating their cost accurately, that it is current and that it is complete in virtually all cases?

REQUIREMENTS OF PUBLIC LAW 87-653

Mr. MALLOY. Mr. Chairman, Public Law 87-653 requires three basic actions. It requires that we request the contractor submit cost and pricing data in the areas in which the law applies.

The law also requires that the contractor sign a certificate that that data that has been submitted is current, accurate and complete.

And it further requires that contracts that are subject to the law contain a clause which gives the Government a contractual right for a contract adjustment in the event it is later determined that the data were not in fact current, accurate and complete.

Now as to these three basic provisions of the law, we always have and continue to get cost or pricing data. We have been getting these certificates and we have been including the contract adjustment cost in all of the contracts which in our judgment are subject to the law. There should be no question about our getting cost data in connection with noncompetitive procurements. This is the way we negotiate a non-competitive procurement.

In the normal situation, you will receive a quotation from a contractor with a cost breakdown, because we ask for that information when we send out our requests for proposals to him. We take—

Chairman PROXMIRE. I agree with you that there is no question you should get it. Are you getting it?

Mr. MALLOY. Yes, sir, we are.

Chairman PROXMIRE. You are getting it?

Mr. MALLOY. We are getting cost and pricing data generally.

Chairman PROXMIRE. What is your answer to the charge that there is not compliance, what is your answer to the charge that there is not comprehensive compliance? I am trying to find the words he used again, but I did read them in my inquiry of Mr. Ignatius.