

DSA/GSA ITEM TRANSFERS AND CIVIL AGENCY SUPPORT

Under terms of the Department of Defense/General Services Administration agreement of December, 1964, DSA and GSA have been moving forward in the transfer of supply items in the 52 Federal supply classes which will be managed by GSA for the entire Federal Government. According to present plans, on 1 July 1967 we will complete transfer to GSA of a wide range of items in these classes. This will involve approximately 17,000 items managed on a centralized and decentralized basis. Stocks of these items and any other items transferred in the future, will be inventoried prior to transfer to assure accuracy of records. Other classes and/or individual items will be examined under the terms of the criteria contained in the agreement to identify those which are more economically manageable under central Federal-wide GSA control, without impairing support of essential military programs.

Another feature of the DoD/GSA agreement was the provision that DSA consider support of all Government agencies with electronics, medical, fuel, clothing and textiles, and subsistence supplies whenever definite economic benefits will accrue to the Government and no adverse effect on support of the military services will result.

We have completed evaluation of support to Federal agencies for these five commodity areas. As a result, DSA support of civil agencies in the areas of fuel and electronics has been found advantageous and feasible, and has been approved by the Secretary of Defense and the Administrator of General Services. Fuel support is primarily a procurement function and involves no adverse effect on our military service support. It is planned that it will be phased in over a 10-month period beginning 6 months from completion of coordination with the civil agencies which GSA expects to accomplish by June of this year. Tentative scheduling for electronics support provides for phase-in over a 12-month period beginning July 1, 1968, to assure civil agency support without adverse impact on our present heavy workload in the electronics area.

In the clothing and textile commodity, where there is substantially less commonality, savings are less significant and workload impact greater. In view of our already heavy operational commitments in support of Defense, it is planned to limit extension of DSA support of civil agencies to specific cases clearly justified by cost savings and assurance of no impairment of DSA military support. From time to time, in coordination with GSA, we will review the feasibility of DSA support of all civil agencies for clothing and textiles.

The medical and nonperishable subsistence areas involve a relatively heavy additional workload for us. Moreover, study of these areas does not evidence significant economies under a Government-wide support arrangement. This is due largely to the present lack of substantial commonality in civil agency and DoD items of supply. For these reasons, we have recommended that complete support for all Government agencies not be undertaken at this time. However, in view of the fact that an increase in commonality could, in turn, provide the potential for Government-wide savings, we plan to accomplish a technical review of DoD/civil agency medical and nonperishable sub-