

NATIONAL SUPPLY SYSTEM

Accomplishments toward integrating into the national supply system the wholesale supply systems maintained by other civilian agencies during the past year may be summarized as follows:

GSA has assumed direct wholesale level supply support for common use items of larger postal installations. This is some 220 items involving \$4.2 million annually and this involves 2,000 first-class post offices who have revenues of over \$200,000 a year.

Agreement has been reached with the Veterans' Administration for transfer to GSA of all common-use items in the VA wholesale supply system except for nonperishable subsistence, medical supplies, and certain clothing and textile items. This transfer will be completed by July 1, 1967. This involves about 1,200 items with an annual volume of \$8.4 million.

DOD/GSA RELATIONSHIP

I am pleased to report that the cooperative relationships between the Department of Defense and GSA with respect to the national supply system have continued at a high level during the past year. At the hearing last year we reported that DSA/FSS Material Management Review Committee had completed review of 152 Federal supply classes managed by DSA. Since that time the following progress has been made:

Fifty-two classes consisting of about 17,000 items will be transferred to GSA on July 1, 1967, with one additional class, paper and paperboard, to be transferred later. The remaining 99 items stay with DSA.

Forty-seven additional classes designated for integrated management within DOD will shortly be scheduled for review.

The Department of Defense has agreed to assume Government-wide supply support for fuel and electronics and has agreed to assume supply support to selected agencies for certain common-use items of clothing and textiles, medical, and subsistence.

Concurrent with the extension of DSA perishable subsistence support to civilian agencies, a joint task group of military and civil hospital personnel has reviewed perishable subsistence requirements of military and civilian agency hospitals and agreed upon uniform specifications for more than 300 hospital feeding items. This standardization will significantly increase the range of items available from DSA for use by both military and civilian hospitals.

CROSS-UTILIZATION OF LONG SUPPLY

A formal agreement which will provide for cross-utilization of long-supply items stocked in both GSA and DOD systems is in final stages of coordination. Meanwhile, GSA and DSA have established interim arrangements to interchange information on dual stocked items in long supply. We have effected cross-servicing on nine items so far.

A GSA regulation (FPMR No. E-3) was issued on September 28, 1966, establishing a policy for utilization of long-supply items by civilian agencies. We are working with the agencies to develop detailed procedures assuring implementation of the policy.