

auspices of the Office of Emergency Planning, has developed a plan whereunder a 30-day inventory of certain medical items will be located at and rotated by community hospitals.

INVENTORY LOSSES

The problem of inventory losses is of special concern to GSA, and one to which we give special and continuing attention. Inventory losses from all causes for the period July 1, 1966, through March 31, 1967, amounted to less than 1 percent of the inventory, and we look for improvement in the year ahead.

Turning now to the matter of advertised versus negotiated procurements, in fiscal year 1966, procurement dollars expended by GSA totaled \$724.7 million, excluding \$64 million procured from mandatory Government sources.

83 PERCENT ADVERTISED BIDDING

Eighty-three percent or \$602 million of the total, including total small business set-asides, was expended on a publicly advertised competitive bid basis.

Seventeen percent or \$122.7 million of the total expended on a negotiated basis includes \$25.3 million procured under multiple-award schedule contracts and \$97.4 million in other negotiated procurements including:

Fifty-one million four hundred thousand dollars in purchases under \$2,500.

SMALL BUSINESS

Forty-six million dollars in purchases partially set aside for small business and surplus labor areas, purchases under authority of AID not requiring or permitting advertising, and purchases under our own authority to negotiate where the public exigency would not permit of the delay incident to formal advertising.

While this \$97.4 million in procurements by GSA are properly reportable as negotiated, I wish to emphasize to the subcommittee that the methods and procedures under which these procurements are made require the maximum publicity and competition consistent with the particular circumstances of each transaction.

FEDERAL SUPPLY SCHEDULES

In addition, GSA enters into Federal supply schedule contracts on both a negotiated and publicly advertised basis for use by all Government agencies. The contractors reported that orders received under these contracts during fiscal year 1966 totaled \$1.02 billion, of which \$200 million were under publicly advertised schedule contracts and \$820 million were under negotiated multiple-award schedule contracts. It is interesting to note that that \$820 million is made up this way, that \$358 million is for ADP equipment and \$80 million for office machines \$111 million for automotive parts, \$75 million for printing equipment and \$58 million for photographic copying equipment and supplies.