

I will not detain you long. I know that my colleagues, Mrs. Griffiths and Mr. Moorhead, have done a fine job in questioning you.

COMPETITIVE PROCUREMENT OF TIRES

Let me ask a couple of things. In the testimony we got from the Comptroller General, he said that there was an instance of automobile tires which are a classic example of what should be procured on a competitive basis. Here you had a fairly standard product and several competing companies. It was not until the Comptroller General pointed this out and emphasized it and highlighted it that the GSA proceeded to make these purchases on a competitive basis. I asked him whether or not he did not feel—whether this was not a helpful function by the Comptroller General, but that it should be the responsibility of the procuring agencies to analyze every procurement and determine whether or not it would fit into a competitive category and insist on competition.

I am wondering, first, why it took the prodding of the Comptroller General to secure this type of competitive procurement; and second, if there has been a comprehensive effort to analyze all procurement with this kind of criteria to determine whether we want to use competition more than we do.

Mr. KNOTT. That is, as he pointed out, a classic example. I don't think it is too typical. The Comptroller General, as pointed out in my statement, has been very helpful in many of these areas, including the tire procurement. We have discussed this matter with him and the decision we reached was that we would stock tires. We tried to avoid stockage as much as possible as distinguished from having items on schedule which agencies can buy directly from the schedule. But we decided that we would be ahead of the game in terms of cost and savings to stock them. This is a decision that we have reached on tires.

Looking back, I think we should have perhaps reached that decision earlier.

COMPETITIVE RENTAL OF AUTOMOBILES

Chairman PROXMIRE. I am not talking about stocking, I am talking about competitive procurement so it will be open to all suppliers to bid on and you could take the lowest bid. I think there is also a reference by the Comptroller General to the rental of automobiles and a finding that this was found to be most economical when done on a competitive basis.

Mr. KNOTT. I believe that was the Department of Defense.

Chairman PROXMIRE. I think maybe you are right.

Mr. KNOTT. Do you want to discuss this, Mr. Abersfeller?

Mr. ABERSFELLER. Mr. Chairman, prior to both Mr. Knott and me assuming our present positions there was a study conducted in General Services Administration by an expert in automobile tires. This study concluded that the way we had been buying tires at that time under the schedule was in fact the best way. It lay there then for a couple of years until we assumed our present positions and concurrently—

Chairman PROXMIRE. You mean that advice by the expert was not followed or was followed?