

"FORMALLY ADVERTISED" IS TRULY COMPETITIVE

Mr. ABERSFELLER. We really don't draw that kind of distinction. We draw a distinction between formally advertised, which we consider to be truly competitive.

GSA REPORTS 83 PERCENT FORMALLY ADVERTISED

Chairman PROXMIRE. What portion are formally advertised?

Mr. ABERSFELLER. 83 percent.

Chairman PROXMIRE. You have the best record.

Mr. ABERSFELLER. We have one of the best records, if not the best record; yes, sir. The remaining 17 percent, of course, is what we call negotiated. That includes about \$50 million of procurement under \$2,500.

Chairman PROXMIRE. You call these negotiated?

Mr. ABERSFELLER. Yes.

Chairman PROXMIRE. So your definition is that a competitive bidding is formally advertised competitive bidding where all suppliers can come in who can meet the standards.

Mr. ABERSFELLER. Yes, sir.

Chairman PROXMIRE. And a lower price schedule.

Mr. ABERSFELLER. Yes, sir.

SHOULD HAVE UNIFORM DEFINITION

Chairman PROXMIRE. Any reason you know of why this cannot be universal in Government agencies?

Mr. ABERSFELLER. The definition? I think we ought to have a uniform approach.

TRUTH IN NEGOTIATIONS ACT

Chairman PROXMIRE. That is good to hear. Have you had any experience with the Truth in Negotiation Act, Public Law 87-653?

GSA INCORPORATES PROVISIONS OF PUBLIC LAW 87-653 IN REGULATIONS

Mr. ABERSFELLER. Yes, sir. As you know, the law itself is not applicable to General Services Administration and for that matter most civil agencies, but GSA did incorporate the provisions of the law in the Federal Procurement Regulations.

Chairman PROXMIRE. So you require when you negotiate that the contractor specify his prices are accurate, current, and complete. You have to meet the three criteria. You insist on that?

Mr. ABERSFELLER. Unless there are exemptions, Senator.

Chairman PROXMIRE. How common are these exemptions?

Mr. ABERSFELLER. In the kind of things we do they are quite prevalent.

Chairman PROXMIRE. Why?

COMMERCIALLY MARKETED ITEMS EXCLUDED

Mr. ABERSFELLER. The item is marketed commercially and that is an accepted exception.