

Chairman PROXMIRE. How much do we own, do you have any record of that?

Mr. ABERSFELLER. Not in detail; but we own more than 50 percent of the installed equipment.

Mr. KNOTT. It is only very recently that we have begun to buy it. I don't know. I would like to check that and give you a figure on it.

Chairman PROXMIRE. Will you do that?

Mr. KNOTT. Fine.

(The information referred to follows:)

#### GSA STATEMENT ON VALUE OF COMPUTER INVENTORY

The Government owns \$73,600,000, at acquisition cost, of first generation vacuum-tube-type computers, according to GSA inventory records. These records exclude digital computers used in military tactical programs and for classified purposes which are generally later than first generation models. GSA is unable to support Mr. Gainsbrugh's statement that the Government has \$1.5 to \$2 billion in obsolete ADP equipment which is assumed to include only first generation computers.

The inventory of business-type (digital) computers, exclusive of those used in military tactical programs and for classified purposes which generally are not obsolete, amounts to only \$1.3 billion including all generation models.

Representative GRIFFITHS. I would like to go back to this negotiation. Do you mean that where the seller of an item is a seller in large quantities, and has set a price on the item, you then accept that price for yourself? Or do you mean if the seller has established a commercial price for the item and you buy a thousand you are willing to pay the price for all 1,000 that he is asking for one?

Mr. ABERSFELLER. No.

Representative GRIFFITHS. What do you mean?

Mr. ABERSFELLER. He does not have to reveal cost-and-pricing data with regard to the procurement of the item. We would never just accept his price. In other words, there is a difference between requiring cost-and-pricing data as contrasted with the price that you finally settle on with the vendor for the product. We would use his commercial price in the quantities that he sells to the wholesalers or others as a benchmark from which to move. But we would not accept that as a price.

#### QUANTITY OF IDENTICAL BIDS

Representative GRIFFITHS. How often do the prices that you are offered between companies really show very little variance?

Mr. ABERSFELLER. Well—

Representative GRIFFITHS. I recall we once went over this and it is surprising how many competing firms have bid the same price exactly.

Mr. ABERSFELLER. Let me take typewriters. Typewriters are on our schedule—they vary from \$120 for manuals to \$190, on the schedule. We are able by competitive procurement—and we do make many here—to reduce the prices there again by 25 to 30 percent when we buy competitively. For instance—

Representative GRIFFITHS. In what quantities?

Mr. ABERSFELLER. For a thousand typewriters; and here we get back again to the chairman's point on competition. In this case, Remington's bid price on the thousand typewriters was \$114.50 on the competitive formally advertised competition. Under the negotiated