

dealing with the complex management problems that we face. We suggest that copies of this policy guidance be made a part of the record at this point. (See pt. 2, app. VIII, p. 404.)

In many respects, the key to improving the management of our huge investment in computers is the availability of good information on the basis of which effective management actions can be taken. With the help of agencies who are large users of this equipment, we have recently completed the development of a revised information system which will provide more comprehensive and up-to-date information about the current and projected status of our inventory equipment, and related data on personnel and costs. This new system, which is intended to serve the operating departments and agencies as well as the central management agencies, is prescribed by Circular A-83 and becomes effective on June 30, 1967. You will be interested in the fact that the system embraces not only computers operated by Government agencies, but also those operated by certain Government contractors who perform work on a cost-reimbursement basis. This action is consistent with a recent revision in the Armed Services Procurement Regulation which require such contractors to observe certain management practices in the acquisition of this equipment.

Continuing attention is being given to the improvement of the Government's procurement processes. The General Services Administration has initiated a review of the effectiveness of existing policies and procedures to determine whether revisions would be beneficial. In this connection, a recent pilot test of the use of commercial leasing arrangements resulted in rental savings of \$69,000 per year for punched-card equipment used by the Department of Agriculture. Consequently, this method of procurement will now be used more extensively, but only when outright purchase of the equipment is not warranted. About 50 percent of our present inventory of computers is currently owned by the Government, with the result that rental expenditures of \$200 million per year are being avoided.

In a further effort to hold procurement costs to a minimum, aggressive programs are being conducted to assure that maximum practical use is being made of existing computers before additional ones are acquired. This is being accomplished by the extensive sharing of computers among Government agencies, which is facilitated by a nationwide sharing exchange program administered by the General Services Administration; and by the redistribution of excess equipment which in fiscal year 1966 resulted in the reutilization of equipment valued at \$70 million.

One of the major obstacles to the sharing and redistribution of equipment is the incompatibility that exists among equipment of different makes and models, often making it too costly to transfer work from one computer to another. This is one illustration of the importance of the responsibility assigned by Public Law 89-306 to the Department of Commerce for recommending the establishment of appropriate Federal computer hardware and software standards. This objective is being pursued primarily through active participation in the standards program of the United States of America Standards Institute under which American standards are developed and approved for voluntary use. Seventeen such standards have been approved in the field