

ECONOMY IN GOVERNMENT—SUPPLEMENTARY MATERIALS

Appendix I

QUESTIONS AND ANSWERS

(The following letter was sent to Comptroller General Staats subsequent to the hearings which concluded May 16, 1967:)

MAY 23, 1967.

HON. ELMER B. STAATS,
Comptroller General of the United States,
Washington, D.C.

DEAR MR. STAATS: At the conclusion of the hearings of the Subcommittee on Economy in Government of the Joint Economic Committee on May 16, 1967, permission was granted to the members to submit additional questions to the witnesses so the answers might be placed in the official printed hearings.

The following questions have been directed to your agency. May we have the answers for the record by May 31, 1967.

Sincerely,

WILLIAM PROXMIRE, *Chairman.*

QUESTIONS FOR GENERAL ACCOUNTING OFFICE

From: Chairman William Proxmire.

During field investigations, staff noted that the DCAS is having difficulty with discount vouchers. Some companies state "½% discount-10 days" on invoices which causes DCAS in some cases to spend what seems to be excessive overtime pay to try to meet this condition. Could GAO work with DCAS on this to arrive at a practical solution?

It was also noted that contract administration officials found that the lack of standardization in contract forms and conditions cause excessive work and expense by both the Government and the contractors. Whose responsibility is this?

(Response by Comptroller General Staats to the foregoing follows:)

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., June 2, 1967.

HON. WILLIAM PROXMIRE,
Chairman, Subcommittee on Economy in Government,
Joint Economic Committee.

DEAR MR. CHAIRMAN: Reference is made to your letter dated May 23, 1967, requesting answers to two questions for inclusion in the official printed hearings of the Subcommittee on Economy in Government of the Joint Economic Committee.

The first question is whether the General Accounting Office could work with the Defense Contract Administration Services to arrive at a practical solution relating to excessive overtime costs in trying to pay contractor invoices offering one-half percent discount—10 days. The General Accounting Office will make every effort to assist the Defense Contract Administration Services to resolve this matter.

In our recent report to your Subcommittee on the Survey of the Defense Contract Administration Services (B-161328, May 8, 1967), we noted the need for improvement in the payment of contractors' invoices. We said that there were indications that delays were being experienced in paying invoices and that cash