

Criteria for storage and issue:

(a) The item shall be physically adaptable to storage and issue and of such a character that it is feasible to forecast overall requirements of the use points served with reasonable accuracy;

(b) Rate of use and frequency of ordering at use points shall be sufficient to warrant storage and issue;

(c) The rate of deterioration or obsolescence shall be sufficiently low to avoid unnecessary loss; and

(d) Conditions exist where any of the following factors require supply through storage and issue (except that dangerous commodities of high weight and density, or commodities highly susceptible to damage normally should not be considered for supply through storage and issue unless one or more of such factors are determined to be of overriding importance)—

(1) Where price advantage through bulk buying is sufficient to render storage and issue more economical, all costs, both direct and indirect, considered;

(2) Where close inspection or testing is necessary to secure quality, or where repetitive inspection and test of small lots are prohibitive from the standpoint of cost or potential urgency of need;

(3) Where advance purchase and storage are necessitated by long procurement leadtime;

(4) Where an item is of special manufacture or design and is not readily available from commercial sources;

(5) Where an adequate industry distribution system does not exist to assure availability at use point;

(6) Where volume purchases are necessary to secure timely deliveries and advantageous prices;

(7) Where market conditions are such that supply through storage and issue is required to assure adequate supply; and

(8) Where stocking of supplies and equipment necessary for implementation of emergency plans is required for an indefinite period.

Criteria for use of open-end supply schedules:

(a) The items shall be such a character that—

(1) Handling on a storage and issue basis is not economically sound;

(2) Rate of use and frequency of ordering at use points is estimated to be sufficient to warrant the making of indefinite quantity requirement contracts; and

(3) It is either not feasible to forecast definite requirements for delivery to specific use points (as in the case of new items initially being introduced into a supply system), or no advantage accrues from doing so; and

(b) Industry distribution facilities are adequate properly to serve the use points involved; and

(c) Conditions exist where any of the following factors requires the maintaining of indefinite quantity requirements contracts—

(1) Advantage to the Government is greater than would be secured by definite quantity procurements by individual offices or agencies (the determining consideration being one of overall economy to the Government, rather than one of direct comparison of unit prices of individual items obtained through other methods of supply); or no known procurement economies would be effected but the requirements of offices or agencies can best be served by indefinite quantity requirements contracts;

(2) Acute competitive bidding problems exist because of highly technical matters which can best be met on a centralized contracting basis; and

(3) The item is proprietary or so complex in design, function, or operation as to be noncompetitive and procurement can best be performed on a centralized contracting basis.

Question. With respect to the charge that Government agencies fail to distinguish properly between "price" and "cost", will you supply figures showing all elements of cost for GSA "storage and issue" of common type supplies, i.e.,