

Appendix VIII

EXECUTIVE PROGRAM TO IMPROVE MANAGEMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT (ADPE)

MAY 4, 1966.

HON. LAWSON B. KNOTT, JR.
Administrator, General Services Administration,
Washington, D.C.

DEAR MR. KNOTT: Your letter of February 1, 1966, requested an early meeting to discuss the implementation of PL 89-306, and enclosed a background paper to be used in such discussions. Subsequent telephone conversations between you and Mr. Harold Seidman satisfied the immediate need for that meeting and it was agreed that our respective staffs should continue their joint efforts to develop a policy guidance paper that would set the direction of GSA's efforts under the legislation.

The completed policy guidance paper, which has been agreed to at the staff levels, is enclosed. It has my approval. The paper establishes the basic premise that major changes will be based upon a careful evaluation of alternative courses of action. That evaluation will explicitly weigh the benefits obtained from each alternative (including cost reduction and avoidance) against the costs incurred. Further, implementation of approved actions should take maximum advantage of existing capabilities in lieu of creating new capabilities. We regard the relationship between equipment hardware and software as a major obstacle to improving the effective use of automatic data processing equipment in the Federal Government and therefore request that priority attention be given to this matter.

We recognize that as the computer technology, sales practices, pricing structures, and user interests change, the problem related to effective ADP management also change. It is therefore necessary that this policy guidance document remain under constant review by our staffs so that necessary adjustments to the programs are made as required.

The complexities and interrelationships among these problems also require that all actions taken by the General Services Administration, National Bureau of Standards and the Bureau of the Budget be closely coordinated and include full consideration of the viewpoints of the using agencies. The Federal ADP Council sponsored by the Bureau of the Budget will serve as a principal means for obtaining these views. We are confident that these cooperative relationships will result in an effective action program to achieve improved ADP management.

Sincerely,

CHARLES S. SCHULTZE,
Director.

POLICY GUIDANCE TO THE GENERAL SERVICES ADMINISTRATION IN THE IMPLEMENTATION OF P.L. 89-306

Basic policy.—The provisions of P.L. 89-306 will be administered in a manner that is consistent with the prime objective of encouraging the use of ADP by Government agencies to achieve greater productivity and reduced costs in the discharge of their program responsibilities.

P.L. 89-306 provides for three major changes in the existing ADP program. First, to improve the Government's bargaining position it provides, through GSA, for advancement of the central-purchaser concept in acquiring ADP equipment and related services. Second, it provides for ADP service centers to promote joint use, now limited to the sharing-exchange program. Third, it provides, through a revolving fund, a financial mechanism for conducting the program, including procurement and joint-use arrangements.