

The implementation of these changes will be preceded by a careful study of alternative sources of action, and an evaluation of the potential impact which the selected action might have upon the prime objective stated above. These actions will recognize the specific responsibilities placed upon the using agencies by P.L. 89-306 for the determination of their ADP equipment requirements. Further, the Report on the Management of Automatic Data Processing in the Federal Government, approved by the President on March 2, 1965, provided a definitive blueprint for appropriate action in management and technological matters. This blueprint will remain under constant review and be updated to give effect to changing circumstances.

Existing capabilities should be used to the maximum in accomplishing approved actions, even though such facilities may exist in agencies not specifically identified in P.L. 89-306. For example, since the ADP inventory data for the Department of Defense represents about two-thirds of the total Government volume, consideration should be given to the possibility of using DOD's processing facilities to satisfy the information requirements of the General Services Administration, Bureau of the Budget, and other agencies. Likewise, the equipment selection office at Hanscom Air Force Base might be used for the selection of equipment for other agencies as it is now doing for a Commerce (Weather Bureau) computer. Procedures and reimbursement arrangements would be mutually agreed upon.

The interrelationship among using agencies and the central management agencies identified in P.L. 89-306, coupled with the dynamic nature of the ADP technology, require that a special effort be made to expedite policy development, modification, coordination and implementation. To provide a mechanism for this effort we plan to use the "Federal ADP Council." The Council will be used for consideration of certain proposed actions prior to implementation.

Initial guidelines.—Initial guidelines for specific actions to be taken in certain areas are set forth herein.

A. ADP revolving fund

The ADP revolving fund authorized by P.L. 89-306 shall be used to promote and facilitate the financing of arrangements for the joint use of ADP equipment and related services. GSA will however, explore various possibilities for enabling agencies to obtain needed data processing equipment and/or services at a reduced cost, which may lead to further uses of the fund. Among the possibilities to be studied are:

1. The establishment, operation, or monitoring the operation of ADP Service Centers in metropolitan areas or in areas where a concentration of ADP requirements exists.
2. The provision of central Government-wide system services in functional activities which are common to many or all Government agencies, such as legal retrieval systems.
3. The provision of equipment support services on a centralized or regional basis, such as maintenance, tape testing, cleaning and restoration; punch card and tape acquisition.
4. The establishment of central multiple-access computer facilities (or utilities), building upon the research and evaluation findings of the National Bureau of Standards, Department of Defense, and other agencies on the effectiveness of such systems.
5. The financing of procurements from the fund to take advantage of price reductions which have time limitations inconsistent with normal funding cycles.

The studies will include a discussion of the management and economic advantages and disadvantages expected to result from adoption of the recommendation. Studies will identify all related supporting costs.

B. Review of the ADP procurement process

1. GSA will evaluate the procurement processes currently employed by the Federal Government in acquiring data processing equipment or services, to determine the areas in which revised techniques, methods or practices will offer greater efficiency and economy in acquiring the end product. This evaluation will cover, among other things:

(a) A determination of the appropriateness of continuing the annual negotiation of schedules for lease, purchase and maintenance of equipment and services.

(b) A more precise definition of the software which the contractor agrees to supply and more specific penalty provisions for failure to deliver the promised software.