competitively is the nature of the specifications that we are using. It has been said in the past that our specifications are too restrictive in nature and thereby restrict competition. There is some validity in this statement. However, before you can understand why we have a problem in procuring competitively you must understand how items are selected for standardization and stockage in our DSA depot system. The items that are standardized by the Defense Medical Materiel Board and stockade in the DSA depot system were, for the most part, developed by industry or independent research organizations for use by the civilian medical profession and for sale in the marketplace. These items were presented to the Board for study and the determination was made that they would be stocked for use in our system. Therefore, the specifications that are developed of necessity describe a certain manufacturer's item. Most of the information used in writing these specifications was furnished by the developer. Therefore, even if we have a, pardon the expression, generic specification, in many cases it merely describes the generic equivalent of a brand name.

The Comptroller General has repeatedly held that specifications of this type are not bad so long as the specifications did not go beyond the minimum essential needs of the government. It must be assumed that as these items are selected for standardization by the Defense Medical Materiel Board, a physician or group of physicians have made the decision that the item being standardized meets the minimum essential needs of the government. Therefore the resulting specification must describe the item being standardized. Once again, the Comptroller General has held that if a specification describes a particular manufacturer's product, and if the product being described does not go beyond the minimum essential needs of the government, then the specification cannot be considered to be unduly restrictive.

In the past few weeks we have been taking a hard look at all of the items we have been procuring non-competitively from only one source. Many of these items are patented; also, a large number of the drug items require either an approved New Drug Application or licensing by the National Institutes of Health prior to manufacture. We have eliminated these three categories and are focusing our attention on those where there is no apparent reason for producers not bidding on these items. We have distibuted special procurement forecasts on these items with a letter to everyone on our bidders' list encouraging competition for these items. I encourage every one of you to take a hard look at these and see if there is something on the list that you have the capability to produce.

My next subject is one that has been dear to my heart for a long time. Many times you people have complained about the length of time it takes to make an award after the bids have been opened. For the most part this delay is caused by the fact that we do not pre-qualify bidders. Anyone can get on our bidder's list, or request solicitations as a result of reading the Commerce Business Daily, or even come in to the Center and pick up a copy of a bid. Because we do not pre-qualify bidders, when an individual submits a low responsive offer, and we have no experience as to his capability to produce an acceptable product, we must go through the exhaustive procedure of pre-award samples and surveys. This is the reason you are continually receiving requests for extensions of your bids. I know this bothers you because you must commit production capacity in the extent that you do receive the award. It bothers us, too, because increased procurement leadtime must be covered with inventory and this increases our investment. For several years we have been in the process of developing a system of pre-qualifying bidders, whereby only bids from qualified bidders will be considered, and manufacturers of unknown capability can be qualified outside of the procurement arena. This will allow us to make our awards faster, reduce inventory and be more responsive to your desires.

I would like to bring to your attention another item which will be of much interest. On 16 January 1968, the Defense Supply Agency Contractor Experience List (DSACEL) program was established. The purpose of this program is to assist Contracting Officers in the selection of responsible contractors by identifying firms whose performance under DSA contracts has been less than satisfactory. Contractors included on the DSACEL are not barred from bidding on or submitting proposals for future contracts. Contract performance records of firms included on the DSACEL will be reviewed quarterly. It is the desire of DSA that deficiencies which were the cause of