Fixed Price Versus Cost Reimbursement Contracts

Fixed price contracts decreased slightly to 78.9 percent in fiscal year 1967. Notable progress has been made in the use of fixed price contracts during the past several fiscal years. Since fiscal year 1961 the increase has been 21 percent.

TABLE 12.—NET VALUE OF MILITARY PROCUREMENT ACTIONS, BY TYPE OF CONTRACT PRICING PROVISIONS,[1] FISCAL YEARS 1952-67

[Dollar amounts in millions]

Fiscal year	Total net value of actions	Type of contract			
		Fixed price		Cost reimbursement	
		Dollars	Percent of total	Dollars	Percent of total
1952	$34,028	$27,954	81.1	$6,074	17.9
1953	29,285	23,358	79.8	5,927	20.2
1954	10,942	7,708	70.4	3,234	29.6
1955	13,661	10,366	75.9	3,295	24.1
1956	16,101	11,221	69.7	4,881	30.3
1957	17,997	11,995	66.6	6,002	33.4
1958	22,162	13,389	60.4	8,773	39.6
1959	22,873	13,520	59.1	9,353	40.9
1960	21,182	12,160	57.4	9,022	42.6
1961	22,857	13,243	57.9	9,614	42.1
1962	25,780	15,667	60.8	10,113	39.2
1963	26,225	17,013	64.9	9,212	35.1
1964	25,328	18,029	71.2	7,299	28.8
1965	24,331	18,619	76.5	5,711	23.5
1966	33,515	26,551	79.2	6,964	20.8
1967	39,249	30,974	78.9	8,275	21.1

[1] Includes Army, Navy, and Air Force, but excludes Armed Services Petroleum Purchasing Agency. Beginning Jan. 1, 1957, data for the Military Petroleum Supply Agency, the successor to ASPPA, are included. Includes oversea procurement except for Army prior to fiscal year 1958. Excludes intragovernmental procurement. Excludes procurement actions less than $10,000 in value. Also excludes some Navy letters of intent (on which pricing provisions had not been determined) during fiscal year 1952.

Source: "Military Prime Contract Awards and Subcontract Payments or Commitments, July 1966–June 1967," Office of the Secretary of Defense.

Utilization of Military Stocks

From fiscal year 1958 through fiscal year 1966 the amount of intraservice and interservice utilization rose steadily from $213 to $1,859 million. During fiscal year 1967, the total was $1,540 million, a reduction of approximately $300 million, which is attributed to the fiscal year 1966 reutilization of spares from the Air Force missile phaseout programs.

TABLE 13.—UTILIZATION OF DOD ASSETS, FISCAL YEARS 1958-67

[In millions]

Utilization of DOD assets	Fiscal year									
	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
DOD interservice supply support program (wholesale)	$32	$119	$141	$228	$353	$420	$396	$357	$231	$348
Intraservice utilization of military service declared excess property	117	232	408	616	637	626	769	[1] 799	[1] 1,240	812
Interservice utilization of military service declared excess property	64	134	117	131	122	111	160	304	388	380
Total	213	485	666	975	1,112	1,157	1,325	1,460	1,859	1,540

[1] Includes reutilization of supply system inventories.

Source: Office of the Secretary of Defense.