1967 programed procurement of the Polaris A–3 was canceled as a result of the advance in the operational availability date of the Poseidon missile system scheduled to replace the Polaris.

C. *Reduction in T–28 trainer aircraft procurement.*—A Navy internal audit report disclosed low utilization of T–28 aircraft assigned for proficiency flying at some installations. This report triggered a Navy-wide review of aircraft requirements for proficiency flying. The Navy-wide review disclosed that a quantity of the T–28 aircraft being used for proficiency flying could be transferred to the Basic Training Command and used to satisfy a procurement requirement for pilot training aircraft. Planned procurement of T–28 prop trainers in the amount of $18.2 million was canceled as a result of this action.

D. *Reduction in procurement of BLU–32/B and Napalm B (fire bombs).*—The Air Force, through an intensive review of requirements, asset positions and use data, was able to cancel a programed fiscal year 1967 procurement of 29,400 fire bombs and 11,300,200 pounds of Napalm B. This action produced savings of $5.2 million in fiscal year 1967.

E. *Termination of contract for power sharing gear box.*—The Air Force conducted a complete reanalysis and cost-effectiveness reevaluation of the requirement for a power sharing gear box which had been contracted for a cost of $1,500,000. As a result, the Air Force concluded that the benefits to be gained did not warrant the expenditure of $1.5 million. The contract was terminated at a cost of $54,126 and funds amounting to $1,350,373 were released for use on higher priority requirements.

I.A.2. INITIAL PROVISIONING

I. Scope and objective

A. Initial provisioning is the process of determining the range and quantity of items required to support and maintain end items of equipment for an initial period of time. Follow-on provisioning (a subsequent provisioning of the same equipment from the same contractor) and reprovisioning (a subsequent provisioning of the same equipment from a different contractor) are refinements of initial provisioning which are included in the scope of this area.

B. The primary objective of this area is to initiate management improvement actions which will reduce the amount of appropriated or revolving funds required during the initial provisioning phase. This objective can be achieved from two types of actions: (1) Those which decrease the quantity or range of items procured during initial provisioning phases; and (2) those which reduce the cost of items procured during initial provisioning even though no reductions are made in the quantities procured.

II. Goals and accomplishments

A. A summary of savings already realized and those expected to be realized during fiscal year 1968 and fiscal year 1969 from actions taken during fiscal year 1967 is as follows: