B. During fiscal year 1967, 42.9 percent of the total procurement dollars was awarded on a price competitive basis. This is an outstanding achievement in view of the increased procurement volume and the urgency associated with many procurements as a result of Southeast Asia activity.

III. Examples

A few examples of the savings achieved from price competition are as follows:

Items	Noncompetitive unit price	Competitive unit price	Percent reduction	Savings
Electron tube	$2,538	$1,745	31.25	$396,400
Radio set	15,123	7,260	52.00	3,985,162
Night vision sight	1,573	984	37.45	884,130
Cluster bomb dispenser and container	710	310	56.34	7,276,056
Multiplexer equipment	4,806	2,808	41.58	272,700
Energy absorbers	24,557	9,926	59.58	1,020,459

II.B. DIRECT PURCHASE BREAKOUT

I. Scope and objective

Spare parts or components of major end items and systems can often be purchased at substantial savings direct from item manufacturers rather than from prime contractors for major equipments and systems in which the spares or components are used. The objective of this area is to encourage direct purchase from the item manufacturer when appropriate.

II. Goals and accomplishments

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:

[In millions]

	Fiscal year 1967		Fiscal year 1968	Fiscal year 1969	Fiscal years 1967–69	
	Goal	Realized	Estimated	Estimated	Total	Goal
Army	$1	$1	--------	--------	$1	$1
Navy	6	6	--------	--------	6	6
Air Force	3	4	$4	$4	12	8
Total	10	11	4	4	19	15

III. Examples

The following examples are illustrative of the savings realized from direct purchase breakout:

Items	Prime's price	Manufacturers' price	Percent reduction	Savings
90 spare parts	$8,500,000	$5,000,000	41	$3,500,000
Compensator, machine trim	2,500	1,801	28	244,500
Modification kit, radar scope	624	177	72	116,900