

Consolidation of contract administration services functions within DSA involved the merging of 165 military service and DSA contract management offices into approximately 100 offices. Despite the many problems associated with a conversion effort of such magnitude, the transition was made with full consideration of the functional transfer rights and interests of the approximately 20,000 employees identified by the military services and DSA as performing contract administration services functions. During this period, contract administration functions and operations were continued without interruption or impairment of the Government's interest.

DCAS is responsible for providing a wide variety of support services to the purchasing offices of the military services, NASA, and other Federal agencies and certain foreign governments. These services include preaward surveys, review of contractor purchasing systems, quality assurance and inspection, property administration, production surveillance and reporting, transportation, payments to contractors, industrial security and other functions required in connection with industry performance on defense contracts. Responsibility for initial award of contracts and for all decisions with respect to the nature and quantity of items and services to be purchased remains with the military service, DSA and NASA buying offices; DCAS performs those contract administration functions that can best be handled at or in close proximity to the contractor's plant. In addition to retaining responsibility for contract awards, the military services are responsible for the administration of those categories of contracts not included in the mission assignment to DCAS; for example, contracts involving perishable subsistence items, basic research studies, military and civilian construction, repair, and overhaul of naval vessels. Military services are also responsible for administration of those contracts in specific plants assigned by DOD under the plant cognizance program.

The defense industrial security program is unique in the field of contract administration services in that its responsibility includes not only those facilities in which DCAS has contract administration responsibility, but also all facilities where the military departments have retained plant cognizance responsibility. In addition to having responsibility for security administration of all DoD classified contracts, the Defense industrial security program provides the same service for classified contracts awarded by eight other departments and agencies of the government; namely, the Departments of State, Commerce, and Treasury, the National Aeronautics and Space Administration, Federal Aviation Agency, General Services Administration, Small Business Administration, and the National Science Foundation.

In the consolidation of the Defense industrial security program, procedures for processing personnel security clearances were centralized from approximately 110 cognizant security offices into the Defense Industrial Security Clearance Office (DISCO). Centralization of the personnel clearance function has resulted in improved management efficiency and the ability to insure greater uniformity in clearance determinations. Moreover, the centralized operation lends itself to future adaptation to automatic data processing.

In consolidating CAS functions, it was anticipated that savings would accrue from three factors: (1) the merging of offices, (2) the