

same plant. Before they established this service, there was very little integration between their activities. Now this apparently will help correct it, but to come to the key question, who would do the price adjustment?

Mr. BAILEY. It is my understanding that this is done by the administrative contracting officer in final settlement of a particular contract.

Representative CURTIS. You mean the original people that did the contracting in the beginning?

Mr. BAILEY. I beg your pardon; the original one, yes, sir, the procurement contracting officer rather than the administrative contracting officer.

Representative CURTIS. That is right; yes.

Well, I have gone over it. This is something I think that is very important in talking about it as you do—training of procurement personnel.

One of the great things to me I think is that they talk with each other. Frankly, I think the contract administration service officer ought to be very much involved in any renegotiations.

In fact, there ought to be a very close coordination between the original procuring officer and the servicing officer, and I think that we have got some weakness there. But I wanted to explore that briefly because I think this is one of the problems here, getting our personnel trained, and then being certain that those in various specialties don't become so specialized that they don't coordinate with each other, because this is a big operation.

Finally on this one subject, I would hope that sometime GAO would look into this system we have with the Renegotiation Board, which I think is really very stupid.

It is on the assumption that procurement servicing and adjustment are going to be done on a crash basis rather than on a planned basis, or on the assumption that there is a bunch of crooks involved, and I think the Renegotiation Board process, which comes under Ways and Means jurisdiction, is a very irrational way of proceeding, and I have argued it for years.

But other than some people that have to put up with it; namely, Defense contractors, we don't seem to be able to get much attention paid to it, the reason being this lack of coordination, not that the Renegotiation Board people aren't fine people. But they are dealing in subjects that they have had no experience in, the details of the contract.

Most of the reason for renegotiation is that you are dealing with some item that is new, that no one has had any experience with, and so they don't have their cost figures. But if that is the problem, then those who are best able to do the price adjustment are those who have been involved in it, rather than an independent board that has had no experience with it, at least those are arguments that I would advance.

ITEM BREAKOUTS FOR ADVERTISED BIDDING

Let me ask this: Following through on this Truth in Negotiation Act, and also what is negotiated, did you pay any attention to the caveat that they should to the extent possible, there should be component or item breakouts from negotiated contracts into which in turn can be procured on an advertised bid basis?