

advertising to obtain the benefits of formal advertising where inadequate specifications preclude the use of conventional formal advertising. Another source of significant savings is being obtained by awarding contracts on a multiyear basis, where our requirements are sufficiently predictable, so as to obtain the benefits of lower unit prices on larger quantities. Savings of over \$50 million were obtained last year through the use of this technique. In the area of new weapons systems development and production, we are continuing to make progress through the application of advanced procurement planning, and the use of "total package procurement," where a single contract is awarded to cover the full cycle from design through development and production.

Second: In the field of training and career development, perhaps the single most important factor in effective procurement is the skill of the individual negotiator and buyer. We have now established 43 DOD-wide procurement training courses (that is, one school offers training available to all Defense personnel). During fiscal year 1967 over 8,300 students completed one or more of these courses. We are now concentrating on providing increased promotional opportunities for personnel specializing in the procurement field. Beginning last March, we instituted a system of selecting personnel for promotion to key jobs under which the best candidates in all Departments and DSA are assured of consideration as job openings occur.

#### B. SUPPLY MANAGEMENT POLICIES

We would now like to comment, Mr. Chairman, on several aspects of our inventory management programs, including particularly—

1. Southeast Asia supply support;
2. Improvements in integrated management of common supplies;
3. Other improvements in inventory management;
4. The special problem of short shelf life items; and
5. Control of contractor-held equipment and supplies.

In each of these important areas we believe that our actions have been responsive to the recommendations of GAO and this committee.

In respect to Southeast Asia supply support, our major attention in supply management during the past 2 years has, of course, been concerned with timely support of the forces in Vietnam. In order to accomplish the logistic buildup to support these forces, we have transported approximately 8 million short tons of equipment and supplies and 1 million men to Vietnam. During the buildup phase—due to the absence of usage data tailored to the climate, terrain and missions—we chose the conservative course of providing complete "supply packages" to move with units as they deployed. These packages contained all of the items which it was anticipated each unit might need.

This first phase has been highly successful. General Westmoreland has stated:

Never before in the history of warfare have men created such a responsive logistical system . . . not once have the fighting troops been restricted in their operations against the enemy for want of essential supplies.