

Mr. MALLOY. Well, under this type of competition, all of the contractors contending for the contract, compete for the opportunity to do the development work and the production, all in one contract.

Mrs. GRIFFITHS. And how much are you going to breakout of these items and let other people bid on eventually, and how soon?

Mr. MALLOY. Well, it is hard to say how much we should breakout of a given total package procurement. We have, as we indicated in the Secretary's statement, a breakout program specifically for spare parts, and we have other policies that cover breakout of any item where this is in the Government's advantage.

PROCUREMENT OF COMPUTERS

Mrs. GRIFFITHS. How do you purchase new computers? And from whom?

Mr. MORRIS. We have had a very firm policy for several years, under which we endeavor to obtain competition among the several computer manufacturers at the time a new system is being designed. If there is any departure from that, meaning that we go sole source to only one manufacturer, this must come up on a case-by-case basis to me personally for approval. (See app. 10, p. 556.)

DEVELOPMENT OF SPECIFICATIONS BY IBM

Mrs. GRIFFITHS. Well, now, I would like to give you a few things to disapprove.

I understand that for all practical purposes IBM has written specifications and supplied the computers, and that if you break these out, broke out the parts, you would save an astounding sum of money.

I understand further that one computer manufacturer makes an item about as big as that table which would replace in the IBM system an item about half the size of this room. That the IBM part has so many moving parts that it is necessary to buy it in duplicate for one computer.

Why don't you stop this?

Mr. MORRIS. We would be very pleased to investigate the case—

Mrs. GRIFFITHS. Or look into it and supply the information?

Mr. MORRIS. Could you give us more detail?

Mrs. GRIFFITHS. I am telling you. It is IBM. I will give you the name of the part afterward.

Mr. MORRIS. Fine.

DOD DOES NOT OBJECT TO GAO NAMING CONTRACTORS HOLDING EQUIPMENT

Mrs. GRIFFITHS. Now, I would like to ask you this. Do you have any objection to the fact that GAO is going to supply the names of these 21 contractors that are using Government-owned equipment on their own commercial products?

Mr. MORRIS. No, ma'am.

Mrs. GRIFFITHS. Then I would like you also to supply the names of the contracting officers that are permitting this. And the names of any property people. Do you have some property person in the plants?

Mr. MORRIS. Yes.