

Chairman PROXMIRE. Well, that certainly is not satisfactory. They have a very large and a very able staff. They have done a fine job in many other respects for this committee and for the Government Operations Committee and others.

Senator DOMINICK. Yes; they have.

This was an interesting pattern, though, Mr. Chairman.

In a number of cases that I speak about in these speeches that I put into the record, on each question, where the contract was awarded to a high bidder, and the low bidder and small businessman was eliminated, it resolved primarily around what the Army procurement people called technical evaluation. This means their evaluation of the competency of the bidder, the competency of the personnel, and the type of proposal which has been made to the Army.

In each case, the GAO has indicated that it does not have the qualified staff in order to make an independent evaluation of this judgment factor, and therefore they have to accept the judgment factor, and since this is the major item in the overall evaluation of the bids, the Army is in a position of being the last resort. You do not really have a review.

Chairman PROXMIRE. What is this—the first case?

Senator DOMINICK. This is the Custom Packaging case that I am talking about. But there are others where the same comments have been made by GAO.

Chairman PROXMIRE. Custom Packaging case—that was the case involving the firm in Aurora, Colo.?

Senator DOMINICK. Right. That is the flamethrower.

Chairman PROXMIRE. Now they did not study the Bendix case?

Senator DOMINICK. As far as I know, we have not had any study of that.

Chairman PROXMIRE. All right. We will recommend that the GAO follow up on it, and do all we can to see they check that out. That would have other elements than the competence or financial responsibility of the bidders. Because there were major firms, you say, which in effect were disqualified because of the very limited requirements, and also because Bendix was free to specify that they would have their own people on the premises of the so-called follower.

Senator DOMINICK. Right.

Chairman PROXMIRE. To follow up everything that went on. We can understand why the major firms would drop out under these circumstances.

Senator DOMINICK. They would not like it, I am sure.

Chairman PROXMIRE. I think that this is most helpful, Senator Dominick, because there is no questioning your point. The policy of the Congress is clearly expressed that competitive bidding should be the means of procurement. The amount of competitive bidding has declined. It has declined in recent years. Between 1961 and 1967 Secretary Morris testified that competitive bidding had gone up somewhat.

The Defense Department takes a pretty broad view of competitive bidding. They include not only advertised competitive bidding, but what they call competitive negotiated procurement.

Senator DOMINICK. Between a preselected group of firms.