

among the agencies. Nearly a thousand people in Government have received instruction in the things they can do to cut out the costly devices that would otherwise be sold to them when they set up a new office. Buzzers and call directors and that type of thing.

We have saved well over a million dollars per year in terminal equipment.

Chairman PROXMIRE. All right. Go ahead.

COMPETITIVE VERSUS NEGOTIATED PROCUREMENTS, TRUTH IN NEGOTIATIONS ACT

Mr. KNOTT. To get to the competitive versus negotiated procurements Truth in Negotiations Act—although the requirements of the Truth in Negotiations Act of 1962 (Public Law 87-653) are applicable by its terms only to those agencies subject to the Armed Services Procurement Act, GSA, as a matter of procurement policy, has incorporated the provisions of the act in the Federal procurement regulations thereby making the statutory procedures mandatory on all Government agencies in the executive branch.

Chairman PROXMIRE. That is good.

Mr. KNOTT. Both our Federal Supply Service and Public Buildings Service are implementing directly the cost or pricing data provisions of the regulations. As a result of a GAO report of July 1967 which noted some instances where construction contracts entered into after June 1964 did not contain the prescribed defective pricing data clause, the Public Buildings Service issued clarifying instructions to contracting officers for guidance and such contracts will hereafter contain this clause.

In negotiations with architects, for example, where the fee exceeds \$100,000, we get into dollar details and apply the regulation to those negotiations.

GSA HAD 76 PERCENT ADVERTISED SUPPLY PROCUREMENT IN 1967

The regulations emphasize that procurements shall be made by formal advertising whenever such method is feasible or practicable even though the circumstances present would otherwise satisfy the statutory requirements for negotiations. We are firm in continuing this policy. In fiscal year 1967, 76 percent of GSA supply procurement dollars were expended under publicly advertised, competitive bidding procedures. This includes awards made to small business firms under restricted advertising procedures but does not include orders placed by other agencies under term contracts and Federal supply schedule contracts.

Chairman PROXMIRE. How does this compare? Is this more competitive advertised bidding than before?

Mr. KNOTT. It runs about the same. It has not improved a great deal. We have a considerable amount of supplies still under the Federal supply schedules, and those are difficult to handle in that form.

On small business, while we continue to try to emphasize that, mergers have not helped us a great deal on that. There has been