

50 companies are involved in the specialization in research, design, development, and manufacture of peripheral devices for computer systems that are compatible to almost any digital computer system in the Government operation. Some of these companies have achieved product line status with the major computer manufacturers. However, a great majority do not enjoy this very special and privileged relationship and are threatened with loss of their business in the future unless a change is made to Government procurement practices involving procurement of complete computer systems and equipment from only the computer manufacturer.

This freeze by the Federal Government is stimulated by the lack of control over appropriated funds received from Congress. Some elements of the Department of Defense and the U.S. Office of Education receive appropriated funds and in turn give them out to major universities for special computer requirements and little if any control over the funds are maintained. As an example, one element of the Department of Defense granted funds to a major State university and an independent was asked to assist on the memory application which he did for some 8 to 9 months and all communications indicated he would receive the memory contract and then silence from the university. After pressure was applied, it was learned the computer manufacturer who received the computer contract knew he would not receive the memory contract so he literally gave a new memory device to the program professor and the comment received from those in the university who were solely responsible for the program stated that they did not bother to ask the independent to requote in that they felt he could not compete with such an offer from the computer manufacturer. What is felt and what is proper procurement ethics are two entirely different practices and too many times the term "felt" and not adhering to any procurement ethics is the rule rather than the exception in today's Government procurement philosophy.

The Department of Defense element involved when confronted became very antagonistic and the procurement method by the university was condoned until the independent confronted them with the possibility of taking the incident to Congress and letting Congress decide if the proper control of appropriated funds had been adhered to and if proper procurement policies were being maintained. They very rapidly changed their "holier than thou" attitude. The element within the U.S. Department of Education grants funds piecemeal in a majority of cases and does not communicate funding information properly and certain universities with computer programs which are to be paid by appropriated funds cannot procure from independents because all funds are not available nor is any specific PERT time scale made available when such funds will be allowed and therefore must turn to a major computer manufacturer who will permit little if nothing down in respect to funds for 12 to 24 months or until Government funds are actually available for such programs at that university to spend and independents just are not that rich nor are the majority of computer manufacturers.

Another stimulant to lockout of independents by the Federal Government is allowing free service to be accepted by the Federal Government from large computer manufacturers which even the computer