

scene—whether he has any equipment or whatever—he is there, and he is in business, he has an advantage whether he is doing business with the Government or with private industry or what-have-you.

Mr. RUMSFELD. Yes. But, this is Government equipment we are talking about.

Mr. HUGHES. First, whether he has any Government equipment or not, if the man is on the scene and in business and known, and, so on, he is ahead. That is a very hard thing to deal with.

Now, with respect to the Government equipment—it seems to me the essential thing here is that the value of the equipment be properly factored into the bidding process. If one man has access to Government equipment and the other does not, the contracting officer has a responsibility to, in judgment terms, and in financial terms, appraise the situation. People are human, and I am sure it is not done accurately in all instances. However, I am sure, in most instances, at least an effort is made.

Mr. RUMSFELD. But there is no way you can factor in the time element. There is absolutely no way. If this procurement officer is told “We need this in a certain amount of time”——

Mr. HUGHES. This is an on-the-scene problem. The Government equipment is incidental. If the man is there with his own equipment on the scene, he is also way ahead.

Mr. RUMSFELD. That advantage is a part of the private enterprise system. I am not trying to conquer that mountain at the moment. I am talking about the one involving the taxpayer's equipment.

Mr. HUGHES. We struggle with this first problem. I would like to point out—and this is part of the small business problem, this is part of the problem Mr. Caveney was talking about this morning. IBM is on the scene. It will do it fast and—give or take reasonable margins—the end product will be pretty good. And the temptation is great, say I, as a nonprocurement officer—and I am glad I am not one, too—the temptation is great for the procurement officer to settle for IBM, and not to look further into the highways and byways of the particular procurement area.

I think it helped my understanding of Mr. Caveney's problem a little bit, in discussing it with my colleagues, to visualize the problem as somewhat similar to that of the homeowner who wants some hi-fi, and he has a choice to make as to whether he is going to buy a range of components, and either put them together himself, or get somebody to put them together, or whether he will buy a Fisher, or other final product, all fixed up in appropriate furniture fashion.

Chairman PROXMIRE. The Government ought to have more competence than the typical homeowner.

Mr. HUGHES. I think that is right. But, computers are vastly more complicated than hi-fi also. I think Mr. Abersfeller's point was that in some circumstances we can put these together ourselves, and some of these other separate components can be put together more efficiently under contract. And, in still other instances, perhaps, we must pay RCA or IBM to do it. But, the discrimination among these choices is difficult, and I make no case that we are doing it entirely right at the present time.