

authorized requisitioners in each instance when it is available. In this connection we are recommending that a program of personnel training and supervisory review be instituted to assure adherence to established policy and procedures. [Deleted.]

*Comment*

Defense Supply Agency (DSA) Manual 4215.1, "Defense Industrial Plant Equipment Center (DIPEC) Operations", contains DOD policies, procedures and systems for reporting idle IPE and for submitting screening requirements. When screening by DIPEC results in a determination of non-availability, or an item is allocated and then rejected for valid reasons, DIPEC issues a Certificate of Non-Availability. [Deleted.]

DIPEC has established a training program for all DIPEC commodity managers. Particular emphasis is being placed on the requirement to document the issuance of Certificates of Non-Availability or other specific conditions under which items in inventory are rejected as unsuitable for the intended use.

3. *Recommendation.*—We are recommending that ASPR 13-405 be clarified to show that prior approval is to be made on a machine-by-machine basis and that the term "25 percent non-Government use" be more precisely defined. In addition, we are recommending that ASPR be clarified to differentiate OEP approvals from local monthly approvals for rental purposes. [Deleted.]

*Comment*

A requirement for prior approval by the Office of Emergency Planning (OEP) on a machine-by-machine basis for commercial use over 25 percent per machine would create a substantial administrative burden not commensurate with the goals sought to be achieved. To maintain a factual utilization record by individual machine for commingled Government and contractor-owned plant equipment on a contract-by-contract basis is impractical. It would be very time consuming, disrupt the contractor's production planning process, and result in the addition of a costly administrative burden for both Government and Industry. A more practical approach, which we are pursuing, is one of more aggressive surveillance, maximum use of all plant equipment, and additional emphasis on the collection of adequate rentals. However, DOD has requested that OEP meet with us for the purpose of reaching an acceptable solution on this point, on the question of defining "25 percent non-government use," and the differentiation of OEP approvals from local monthly approvals for rental purposes. Also, as mentioned in our comment #1, we are studying the practicality of maintaining utilization records on a machine-by-machine basis for selected high value items of IPE.

4. *Recommendation.*—Accordingly, we are recommending that the Secretary of Defense, in connection with further consideration of a current DOD proposal for revision of the rental base, consider the determination, for rental purposes, of actual machine use on a machine-by-machine basis. Since it appears to us that the proposed method which is under consideration by DOD would be exceedingly complex to administer, particularly as to the effect of contract changes, we are also recommending consideration of this matter if not previously considered by the Department. [Deleted.]

*Comment*

Several alternative proposals are being considered by the ASPR Committee concerning conditions for use of Government plant equipment. None of these alternatives contemplate a determination of actual equipment use on a machine-by-machine basis. Our position regarding controls on a machine-by-machine basis is stated in the response to recommendations #1 and 3.

5. *Recommendation.*—We are recommending that, in order to improve control over the use of Government IPE, the Department consider the need for more stringent language in the present ASPR clause. [Deleted.]

*Comment*

DOD has continuously taken the position that contractors should be held liable for any unauthorized use of IPE. However, we will consider the need for stronger language in paragraph (e) of the "use and charges" clause (ASPR 7-702.12) to assure adequate control over the use of Government-owned IPE in possession of Defense contractors.

6. *Recommendation.*—We are recommending, therefore, that DOD re-examine its current policy of not authorizing rent-free use of Air Force heavy presses used on Government work, and that priority effort be applied to increasing the Government's return through rental arrangements. [Deleted.]