

Summary of Recommendations

1. The subcommittee once again urges the greater utilization of competitive bidding to satisfy the requirements of defense procurement, and reversal of the tendency to award contracts by noncompetitive negotiation.¹

2. Legislative action should be taken to insure postaudit rights of the Government under the Truth in Negotiations Act.

3. When audits reveal that defective cost or pricing data have been certified by a contractor, despite the fact that accurate, current, and complete data were available to him, the case should be referred to the Justice Department for appropriate action.

4. The GAO and GSA should take steps to insure that other Federal agencies adopt the provisions of DOD Circular No. 57 as minimum standards for the awarding of negotiated contracts.

5. The Bureau of the Budget should issue a uniform policy for the guidance of Federal agencies and contractors regarding the use of price differentials under the Buy American Act.

6. The inventorying of all Government-owned automatic data processing equipment (ADPE), including equipment furnished to contractors, should be completed as soon as possible and kept current so as to prevent unneeded future purchases.

7. GSA should make it possible for smaller manufacturers of ADPE to furnish part of the Government's requirements. Specifications should not be designed around the products of certain companies which have the effects of eliminating competition and stifling the incentive of smaller manufacturers.

8. The DOD must make a much greater effort to enforce its stated policy that contractors provide their own facilities, equipment, tooling, and materials incident to the performance of Government contracts.

9. The DOD must make a much greater effort to encourage contractors to replace Government-owned equipment when it becomes inefficient or outmoded, and to require economic justification from any contractor requesting replacement of equipment at Government expense.

10. Where costs of production have been reduced as a result of replacement or modernization of equipment at Government expense, appropriate contract adjustments and price reductions should be made.

11. Immediate steps should be taken to collect full payment for past, present, and future use of Government-owned property, and to establish an adequate system of use records.

12. The inventorying of all Government-owned property on loan to contractors should be expedited by all defense agencies. Proper controls should be established for each class of property.

¹ See Rep. Martha W. Griffiths' note, p. 1.