

equipment (ADPE) and systems. The Federal Government now spends about \$3 billion annually for the purchase or lease of ADPE. In 1967 Government-owned ADPE having an acquisition cost of \$80 million was declared excess to the needs of the owning agencies. Despite the enormous costs of ADPE procurement, an adequate inventory of Government holdings, including Government-owned equipment furnished to contractors, has not been developed. Satisfactory levels of centralized control over new acquisitions, and of interagency cooperation, so as to avoid unnecessary duplication and further economy in use of ADPE, have not been achieved.

There is also evidence that Government procurement practices have tended to favor the larger manufacturers of ADPE, thus stifling competition from the smaller companies. Testimony received by the subcommittee indicates that the numerous smaller producers of so-called peripheral equipment might well participate to a larger extent in furnishing the Government's requirements directly.

RECOMMENDATIONS

6. The inventorying of all Government-owned 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.