

We will issue \$16 million worth of material from our 46 self-service stores.

We will inspect nearly \$1 billion worth of material, of which about \$19 million worth will be rejected.

We will catalog about 185,000 items.

We will issue about 900 material specifications.

Mr. BROOKS. Mr. Abersfeller, how are you doing on the cataloging? Are you breaking even with what you are adding? Are you making any progress? Are you getting ahead?

Mr. ABERSFELLER. This is about an "even-Steven" proposition. We are dropping about as many as we add. It is really in the maintenance phase, Mr. Chairman. As an example, when we took handtools from the military, we set up a handtool display in Kansas City where we could eyeball all of the items. We found many duplicates, and we are gradually getting those out of the system. We have an item entry control system, and an item must survive the review first before we get to cataloging. It is primarily maintenance now. But we do have number changes and other things change a little bit, and you have to have a new number or describe it differently.

We will assure that agencies share about \$30 million worth of ADP time using our 19 sharing exchanges.

We will reduce magnetic tape costs by about \$9 million annually.

We will establish 11 Federal data processing centers.

We will transfer about \$70 million worth of excess computers to other agencies to avoid new procurement.

To carry out these responsibilities, we will, during fiscal year 1968:

Spend about \$90 million for operating expenses of which about \$64 million has been appropriated to GSA and \$26 million is reimbursed from other agencies.

Employ about 7,300 people, 800 of which were recently transferred to the Federal Supply Service for ADP Federal data processing center activities.

Since many of our activities are business oriented, each susceptible area is measured utilizing advanced business methods involving such things as cost per \$100 of sales, procurement, inspection, et cetera. I am proud to report that the dedication of all of the personnel in the Federal Supply Service has contributed to progressive, decreased unit costs from the 1962-65 average. If this had not been so, we would have required an additional \$37 million in our fiscal year 1969 appropriation request. Additionally, I should like to report that our consolidated purchase program has since 1950 saved the Federal Government and the taxpayer nearly \$3.5 billion due in large measure to reduced prices brought about by volume procurement that would not have been possible for individual agencies to achieve for their own individual procurements.

Mr. BROOKS. Does this include ADP equipment?

Mr. ABERSFELLER. There is some claimed, but very little.

Mr. BROOKS. So it is primarily savings in what areas?

Mr. ABERSFELLER. All the other commodities we buy. We buy 700,000 different items, of which 35,000 are very active procurements. But in handtools, just as one example, Mr. Chairman, we pay 18 cents for a cold chisel that sells wholesale for 49 cents and retails for about 89 cents.

You mentioned automobiles. We pay no more than \$1,500 for an automobile, and yet that wholesales for nearly \$1,900.