

We found that about 70 percent of the items included in our tests were not returned for repair which resulted in additional expenditures for new parts.

Our review showed that incorrect data in Army publications and the lack of effective action by supply activities to obtain the return of repairable items contributed to this problem.

Of particular interest, in connection with the Army's logistics concept, was the fact that officials at supply activities advised us that they had no authority or responsibility for insuring that repairables were recovered. Pursuant to Army regulations, they depended on unit commanders to turn in repairable components. We found that some supply activities requested user units to explain and justify the failure to turn in repairable assets. However, many of the using activities neither turned in the missing items nor furnished explanations. Usually, the supply activities took no further action.

For the items included in our sample tests, the Army had purchased almost \$8 million worth of new parts during a 21-month period.

In our opinion, a substantial portion of that cost could have been avoided if the repairable assets had been properly controlled and turned in. In commenting on our findings, the Army stated that procedures at Army installations would be reviewed and strengthened as necessary.

With respect to high-priority requisitions, we have noted during the last several years that an abnormally high percentage of requisitions are being designated as high priority by the requisitioners. The significance of this fact is that such requisitions can, and do, result in expedited handling at all levels, emergency procurement actions, and the use of premium transportation.

In our opinion, the substantial numbers of high-priority requisitions used is a reflection of the many complex problems affecting the Army's supply system. Supply discipline is negated because military using units cannot obtain reasonable response to their requisitions unless they are submitted with high priorities. From the standpoint of overall supply efficiency and economy, however, it is imperative that high-priority requisitions be limited to those items that are urgently required by the users in order to maintain their mission capability.

We looked into the use of high-priority requisitions for noncombat essential items by units in Vietnam on two separate occasions and found the highest possible priorities being assigned to items such as paper clips, davenport for quarters and offices, dictionaries, liquor glasses, and similar items. Both the quantities being requisitioned, and the nature of the items, made it appear doubtful that mission capabilities would be adversely affected if lower priorities were used and if the requisitions were not filled as expeditiously as high-priority requisitions.

When we discussed these matters with personnel from the units that had submitted the requisitions, they readily admitted that there was no justification for the assignment of most of the high priorities. They also advised us that, in many instances, their superior officers had instructed them to submit the requisitions under high-priority designators.