

Mr. ROBACK. You had some figures on the Defense Contract Services Administration in terms of how many contracts they serviced, I mean percentages. Are these percentages in dollar volume or in numbers of contracts?

Admiral HADDOCK. I stated they were estimates. We know how many contracts we in DSA are administering, about 273,000 now. We are not certain how many the services are administering themselves. We estimate that the services are administering about 40 percent of the DOD contracts in total. We have the balance.

Mr. ROBACK. Those are numbers of contracts?

Admiral HADDOCK. Numbers.

Mr. ROBACK. Regardless of amounts?

Admiral HADDOCK. Numbers of contracts. I would suspect that it would run the other way in dollars, because they retain contracts for ships, aircraft, and missile systems.

CONTRACTOR SURVEILLANCE

Mr. ROBACK. You take some credit apparently for a modest decline or a rather substantial decline in the rate of delinquent contracts. Now how did that come about? You said through closer contractor surveillance. Does this mean that they have not been able to closely surveil the contracts before and now they are giving more attention to it?

Admiral HADDOCK. We did two things. First off, we have made a lot more use of the preaward survey and got a capable contractor in the first place or one who was not overloaded. Second, we have put more emphasis on product surveillance in the last couple of years than we did theretofore and, as a consequence, have reduced the contract delinquency. Some of the contractors now are not so overloaded as they were in 1966 and 1967.

Mr. LUMAN. May I ask a question here?

Mr. HOLIFIELD. Mr. Luman.

COMMODITY MANAGEMENT

Mr. LUMAN. Admiral, you manage in the DSA by commodities; do you not?

Admiral HADDOCK. Well, we manage—generally it is some kind of a class breakdown. When we get down to the ICP level, the supply management level, we are trying to manage on an industrial grouping basis.

Mr. LUMAN. Let us take an item like a fastener. Would you have one man manage all or a class of fasteners?

Admiral HADDOCK. Yes, sir; this would be at the Defense Industrial Supply Center at Philadelphia. They are in this kind of business and within their supply management group their managers will be concentrating on the subcategories of industrial fasteners.

Mr. LUMAN. One of these fasteners might be used to put a toolshed together and another might be a crucial part of a helicopter?

Admiral HADDOCK. Yes.

Mr. LUMAN. Would you explain to us the system you use, whereby your man pays more attention to the helicopter fastener than he does to the fastener that is for the toolshed?