

Intensified training sessions have been conducted at every Defense supply center to stress the importance of compliance with the act and to fully explain requirements of such compliance. File documentation and preparation of price negotiation memoranda were emphasized.

Compliance with the requirements of the act has been stressed in contract reviews performed by the contract review office and by on-sight reviews by the procurement management review team. Further training has been given to the specialized areas on a selective basis to correct deficiencies noted in these reviews.

All centers were sent detailed guidance on the determination of adequacy of factual data upon which a contractor's estimate is based. Actual case analyses were included in the examples.

Contract administration services personnel in the field have been:

- a. Issued guidance for the proper documentation and indexing of price analysis.
- b. Provided with a "check list" to assure that requirements of the law are complied with.
- c. Provided additional training on the application of the law. Provision has been made for the procurement contracting officer to submit feedback information on the adequacy of pricing data.

The "Contract Administration Operational Manual" has been revised to—

- a. Prohibit approval of prime contractor procurement systems which fail to comply with the law.
- b. Prohibit approval of individual contractor purchases which do not comply with the law.

The DSA auditor general is continuing to concentrate on compliance with the law during his audits and inspections of DSA activities.

SUPPLY OF ARMORED VESTS

Mr. DAHLIN. Admiral, on page 12 of your statement you talk about difficulties or shortages on some items such as armored vests. We heard that there is a repair operation on Okinawa, for instance, where the Army contracts to take apart armored vests and rework them to put them back into use.

Have you examined the possibilities for DSA undertaking this type of operation—and perhaps on a cross-service basis—for repair and rework of this kind of item, where it is relatively simple and you can perform cross-agency functions perhaps more conveniently?

Admiral HADDOCK. We do perform in-house or by contract many repair operations, and specifically in the area of clothing, and this body armor is in the area of clothing.

Generally though, we do this when the services have turned the used material back to us, and we make a determination that it is cheaper or faster or both to repair the item rather than to buy new.

These are not coming back to our system now, because the Army is in such dire need of them they are trying to repair them in the field themselves. Undoubtedly we could do it. Our problem here was simply that with the Tet offensive, people in bases, Air Force people who had not worn body armor before, a lot of people in Vietnam who had not wanted body armor suddenly wanted it. We were stocking this only to support projected Army-Marine Corps requirements, and suddenly our requirements for it just expanded all out of reason, and we were drawn down.

We expect deliveries in the next 6 months, so we will get back in position to support the requirements. We will be out of the woods on body armor in October of 1968, so we have another 6 months or so to go.

Mr. HOLIFIELD. Is that body armor quite effective?