

Competitive Awards.—The revised definition for competition went into effect in October 1967. Regulations formerly provided for reporting all small purchases as competitive and other purchases were presumed competitive if more than one source was solicited. Current ASPR instructions provide that all procurements under \$250 made under small purchase procedures are reported as noncompetitive. Generally, other purchases are considered competitive only where there is more than one truly competitive response. Competitive procurement awards have been as follows: FY 1963, 91.3%; FY 1964, 91.5%; FY 1965, 90.3%; FY 1966; 92.1%; FY 1967, 91.5%.

Formal Advertising.—The percentage of the value of all DSA procurements made through formal advertising have been as follows: FY 1963, 41.3%; FY 1964, 37.8%; FY 1965, 36.9%; FY 1966, 28.4%; FY 1967, 27.4%.

In the first nine months of FY 1968, the rate was 32.3%. This is 2.1% above the established goal of 30.2%. The higher rate this year over last year is due mainly to the elimination of rated orders in the clothing and textile area.

SUPPLY EFFECTIVENESS

In November 1962, DSA implemented a uniform system for the measurement of supply effectiveness. This system employs standardized reporting by all Supply Centers and uses two key indicators to measure effectiveness.

The first indicator, stock availability, measures the performance of Centers as inventory managers by the percentage of requisitioned items supplied from available stocks. The number of requisitions received and processed in FY 1967 rose slightly to 19.7 million, 2% over the number received during FY 1966. The number of requisitions received through the third quarter of FY 1968 decreased slightly to 14.28 million, 3% less than were received in the corresponding period of FY 1967.

Overall availability for the DSA system averaged 86.5% for FY 1967 against 87.8% in FY 1966, and 91.5% in FY 1965. The lower stock availability in FY 1966 and FY 1967 reflects the continued pressure of Vietnam demands and the inability of industry to provide adequate replenishment stocks in sufficient time to maintain shelf stocks. However, for the first nine months of FY 1968, availability averaged 90.5% compared to 85.3% for a like period in FY 1967. The higher stock availability reflects a slight decrease in the pressure of Vietnam demands and an improvement in industry's ability to provide replenishment stocks on schedule.

The second indicator of system effectiveness, on-time fill, measures supply system effectiveness by the percentage of requisition lines processed for shipment by the DSA Supply System within the time frames specified in the DoD Uniform Materiel Movement Issue Priority System (UMMIPS). On-time fill for FY 1967 averaged 75.3% compared to 80.2% for FY 1966. This decrease in on-time fill was due in part to the large number of backorders released for shipment of materiel in FY 1967, most of which were late in meeting the established standards. Heavy depot workloads were also an influencing factor causing this lateness. For the first nine months of FY 1968, on-time fill averaged 79.2% compared to 73.9% for a similar period in FY 1967. The higher figure reflects improvements in industrial production on Defense orders. This is confirmed by a 20% reduction in the number of backorders on hand as compared to backorders for the same period in FY 1967.

TECHNICAL AND LOGISTICS SERVICES AND PROGRAMS

STANDARDIZATION AND CATALOGING

The Defense Supply Agency now has standardization management responsibility for approximately 2.4 million items or 62% of the 3.9 million DoD items in the Federal Supply System.

DSA is continuing to give major attention to the reduction in the number of items in assigned commodity classes. In FY 1966, as a result of identification of duplicate or similar items and of standardization actions, decisions were made and concurred in by the Military Departments to eliminate 116,274 items. These decisions were based on a review of 283,445 items. In FY 1967, decisions were made to eliminate 97,014 items based on a review of 289,734 items.

A net increase of 82,160 items was recorded in the Federal Catalog during calendar year 1967. In the first half of 1967, 202,465 items were added to the Defense Catalog and 146,476 items deleted—a net increase of 55,989 items. This