

civilian hospitals; of the remaining items, 27% were retained by agencies to meet unique dietetic requirements and 6% were deleted as no longer required. This action will provide an increase base of common items and thereby increases the Federal civil hospitals potential use of DSA support. To maintain this effort and proceed similarly in the non-perishable subsistence area, an Inter-agency Committee on Food Items for Federal Hospitals has been established and a charter concluded to achieve the maximum standardization of subsistence items through exchange of information and application of professional and technical knowledge to the development of subsistence supply standards and the management of food.

CONTRACT ADMINISTRATION SERVICES

The Defense Contract Administration Services (DCAS) mission was assigned to DSA after extensive study and represents one of the most significant efforts of the Defense Department to improve logistics management. The consolidation does not embrace, or affect, the procurement function itself, but rather the administration of contracts in the Military Departments and DSA. A prime objective of the merger was to provide a "single face to industry."

During 1962 and part of 1963, a study known as Project 60 was conducted under the policy guidance of high level Department of Defense military and civilian personnel. The study indicated the existence of considerable overlap and duplication in contract administration services functions among the military services under the Army Materiel Command, the Office of Naval Material, and the Air Force Systems Command; and further indicated the feasibility of consolidating the functions for centralized management. A pilot test region established at Philadelphia, Pennsylvania, in April 1964, demonstrated the feasibility and potential advantages of consolidating contract administration services functions on a nation-wide basis. On the basis of the success of the pilot test, the Secretary of Defense, on 4 June 1964, assigned responsibility for these functions to DSA.

A National Planning Group, composed of temporary duty personnel from the military services and DSA, developed a National Implementation Plan (NIP) which was approved by the Secretary on 28 December 1964. The planning group formed the nucleus of the headquarters element of the DCAS organization. During the development of the NIP, a Memorandum of Understanding was developed with the National Aeronautics and Space Administration concerning CAS performance on NASA contracts.

The NIP provided for gradual permanent staffing of the DCAS headquarters element and for a time-phased schedule for consolidating and merging the contract administration services components of the military services and DSA into eleven Defense Contract Administration Services Regions (DCASRs), responsible for administering contracts under the centralized management concept. The headquarters element was established on a permanent basis on 1 February 1965 and is now staffed with the 355 military and civilian personnel authorized. The current organizational structure of the headquarters element of DCAS is shown in Figure (3). Provision was made for required augmentation of the DSA common staff in areas where support services are furnished to DCAS. Conversion and organization of the DCAS field structure was completed on 1 December 1965, with the activation of the last two of the DCASRs at Los Angeles and San Francisco. The geographical alignment of the Defense Contract Administration Services Regions is depicted in Figure (9), which also shows the districts and service offices within each region. The Directors of the regions are identified in Figure (5).

Consolidation of contract administration services functions within DSA involved the merging of 165 military service and DSA contract management offices into approximately 100 offices. Despite the many problems associated with a conversion effort of such magnitude, the transition was made with full consideration of the functional transfer rights and interests of the approximately 20,000 employees identified by the military services and DSA as performing contract administration services functions. During this period, contract administration functions and operations were continued without interruption or impairment of the government's interest.

DCAS is responsible for providing a wide variety of support services to the purchasing offices of the military services, NASA, and other Federal agencies and certain foreign governments. These services include pre-award surveys, review of contractor purchasing systems, quality assurance and inspection, property administration, production surveillance and reporting, transportation,