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DD/S 66-5234

**SECRET**

3 OCT 1966

**MEMORANDUM FOR:** Director of Planning, Programming and Budgeting

**THROUGH :** Special Planning Assistant to the DD/S *hmv.*

**SUBJECT :** General Accounting Office Findings and Recommendations, Fiscal Year 1965

**REFERENCES :** (a) Memo dtd 19 Jul 66 to D/L fr DSPA-DD/S, subject: Compilation of GAO Findings and Recommendations for Improving Government Operations

(b) Report of Compilation of GAO Findings and Recommendations, Fiscal Year 1965

1. We have reviewed with interest the General Accounting Office's (GAO) findings, and associated recommendations, of deficiencies in Government-wide operations during Fiscal Year 1965.

2. In its procurement activity, this Agency normally follows the procedures laid down in the Armed Services Procurement Regulation. There are, however, two important criticisms made by GAO which also could have been made against this Agency. These are:

a. Paragraph 4 of reference (b) addressed itself to General Services Administration (GSA) procurement of items on a "brand-name or equal" basis. The GAO noted that  could have been saved had GSA procured similar items against more detailed purchase descriptions. We also acquire property on a "brand-name or equal" basis, a practice often made necessary by customer nonacceptance of substitute, but equal, items coupled with a lack of specifications.

b. In paragraph 10, the Federal Aviation Agency was criticized for having provided deficient specifications to a contractor; for subsequently

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relaxing these specifications even though they were deficient in the first place; and for failing to make operational evaluations of the resulting reproduction models of the item in question. We are aware of similar cases involving Agency contracts.

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**3. In our opinion, the two weaknesses discussed above cannot be attributed to the Agency procurement process. More germane, in our estimation, is the requirement for an internal Agency mechanism responsible and authorized to:**

- a. Develop all procurement specifications.**
- b. Make final determination as to acceptability of materiel and services required by CIA.**

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**George E. Meloon**  
**Director of Logistics**

Att  
Ref (b)

cc: SPA-DD/S

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### ROUTING AND RECORD SHEET

SUBJECT: (Optional)

General Accounting Office Findings and Recommendations, Fiscal Year 1965

FROM:	EXTENSION	NO.
Director of Logistics		DATE 3 October 1966

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

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