

26 MAR 1977

MEMORANDUM FOR: Director of Data Processing  
FROM : James H. McDonald  
Director of Logistics  
SUBJECT : Electronic Data Display Terminals

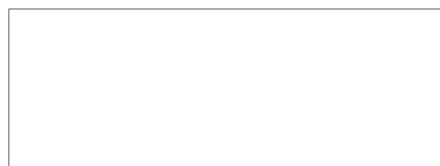
Danny:

1. During the Agency Contract Review Board meeting on 9 March, one case heard involved the ODP and NPIC requirement for 40 and 114 units, respectively, of the Delta Data electronic data display terminal. This request for 154 units was given to the OL Procurement Division's Automatic Data Processing and Engineering Branch for procurement of these units from Delta Data Systems, Inc., on a sole-source basis, thereby precluding one of the most important facets of a procurement action--competition.

2. During the Board review price and cost information was surfaced which indicates that the price offered by Delta Data may be high by as much as \$1,900 per unit. While we understand that the Delta Data produced system is considered to be the Agency standard, we feel it is important for the Agency to establish a competitive arena for procurement of requirements for electronic data display terminals while concurrently achieving systems incorporating state-of-the-art advancements. We believe this can be greatly facilitated by an ODP twofold program establishing overall Agency requirements and closely monitoring state-of-the-art advancement from all potential suppliers. User requirements would necessarily be based on complete functional performance specifications as developed by ODP. Such functional "specs" would then enable an adequate competition by the Procurement Division to fulfill future Agency requirements of this type terminal system.

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3. I understand that it was only after the above considerations that the Board recommended approval of the current 154-unit requirement on a sole-source basis. Their recommendation is quoted for your information and action as you consider appropriate:

"The Board recommends Director of Logistics approval for the Contracting Officer to proceed to negotiate with Delta Data Systems, Inc., for only the currently funded requirement of 154 units at the lowest possible price. The Board strongly recommends that the Office of Data Processing immediately initiate preparation and completion of functional performance specifications, in coordination with all user elements of the Agency, to enable future procurements of visual display terminals to be conducted on a fully competitive basis. The Board considers the Office of Data Processing as the Agency focal point for electronic data display terminals and their integration into Agency systems. As such, ODP should monitor state-of-the-art systems from all potential suppliers to facilitate competitive procurement of requirements. Hence, during the interim period, any further user requirements should be met only on a critical-need basis."

4. In the meantime to facilitate this recommendation, our Contract Officers' utmost cooperation is offered to jointly work with your technical representatives as necessary in establishing a competitive environment for Agency requirements. Your assistance in surveying Agency requirements and preparing necessary functional specifications is solicited.

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James H. McDonald

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