

STATEMENT OF DOUGLAS L. SIEGEL, DIRECTOR, OFFICE OF INSTALLATIONS AND LOGISTICS, U.S. DEPARTMENT OF TRANSPORTATION, BEFORE THE AD HOC SUBCOMMITTEE ON FEDERAL PROCUREMENT OF THE COMMITTEE ON GOVERNMENT OPERATIONS, UNITED STATES SENATE, REGARDING S.2510, A BILL TO CREATE AN OFFICE OF FEDERAL PROCUREMENT POLICY WITHIN THE EXECUTIVE OFFICE OF THE PRESIDENT, NOVEMBER 1, 1973.

Mr. Chairman, I am pleased to appear before this Subcommittee to present the Department of Transportation's view on S. 2510, the bill "To create an Office of Federal Procurement Policy within the Executive Office of the President."

The principle purpose of the Bill, as we read it, is to create a central authority within the Executive Branch to ensure that procurement policy and practice throughout the Federal Government will be uniform where appropriate and at least consistent when uniformity is undesirable.

We in the Department of Transportation have had experience, on a much more modest scale, with an effort to achieve that kind of uniformity and consistency in the policies and practices of diverse government procurement operations. We were created as a Department in 1967 through the combination of several organizational elements with long histories and very different administrative customs and bureaucratic traditions.

The Commission on Government Procurement noted that there were difference in the procurement policies and practices of the Federal agencies. The Department of Transportation, when it was established, furnished a dramatic example of this diversity.

As a decentralized Department our operating administrations, for the most part, have their own procurement offices. Very early we noted differences between them, not all of which could be explained away by differences in mission. We set about shortly after the Department was established to achieve the sort of uniformity and consistency that this Bill would establish for the entire government. We have had some success. In place of separate regulatory issuances by the administrations we now have one single set of Department of Transportation Procurement Regulations. And there is, in our Office of Installations and Logistics, a centralized focal point for the development and articulation of common procurement policy and practice. On the whole I believe the effort has been successful and useful. We are all, I think, the better for having had the advantage of the experience of each of our elements in shaping a common policy and a common set of directives.

On the basis of our experience we support the objectives of this bill as we understand them. However, I am not sure that the solution proposed in the bill is the best way of achieving those objectives. The real problem as I see it is not one of lack of authority. The Federal Property and Administrative Services Act of 1947, the Armed Services Procurement Act, and the general authority of the President to direct and manage all of the government's activities is

adequate to do the job. What has been needed is greater uniformity and consistency in the Executive Branch in procurement policy and practice.

Our experience in the Department of Transportation may have its parallels with the current need for uniformity in procurement policies throughout the Federal Government. We achieved our uniformity and consistency without any specific legislative mandate. Our organic statute does not specify uniform procurement policy or practice as one of our specific objectives. We did what we did under the Secretary's general mandate to manage -- to direct and control -- all of the activities of the Department of Transportation.

It now appears that the President is taking similar steps to make the procurement policies throughout the Federal Government more uniform. As we all know, the President has issued Executive Order 11717, and taken other measures to broaden GSA's responsibilities for improving Procurement Management Systems.

An Interagency Procurement Policy Group and an executive Planning Staff, comprised of representatives of the agencies with the largest procurement programs, have been established. These committees have met and are continuing to meet on a regular basis. Working groups with representation by the interested agencies, are, as a first step, developing Executive Branch positions and appropriate implementing actions on each of the 149 recommendations of the Commission on Government Procurement.

The steps that have been taken evidence a commitment by the Executive Branch to use existing Federal machinery to create greater uniformity and consistency in Federal procurement policy and practice.

The machinery that has been set up, in our view, should be able to provide the needed central policy direction and management control. I believe this subcommittee can assume what we in the Executive agencies strongly feel is the fact -- that the commitment by the Executive Branch to follow through with this effort is sincere and will last, and that it will accomplish the objectives which are envisioned for the Office of Federal Procurement Policy. The Department of Transportation recommends therefore that action on this proposed bill be deferred pending this subcommittee's appraisal of the effectiveness of the Executive Branch's recent actions.

This concludes my prepared statement, Mr. Chairman. I now will try to answer any questions you, or other members of the Subcommittee may have.