The next slide shows some simple illustrations of the very great savings that can come when it's possible to convert from sole-source to competitive procurement. I'll just take one of these items. Let's take the M-1-1080 Howitzer, up in the corner. This was a new Army-developed item, which, when purchased from the original developer at the sole-source price, cost $68,000 per unit. When competition was first invited after the drawings and specifications became available, there were some 27 bidders. The winning bidder in this case quoted a price of $41,000. And on the basis of 295 vehicles he produced a savings to the Army of over $7 million on one buy.

Now let me go to the next chart and deal with an even more dramatic case. This is the case of an Army-developed man-packed radio known as a PRC-25. This radio took about five years to develop. We were unable to obtain price competition until late in Fiscal 1963, for the simple reason that that huge stack of paper - the drawings, specifications, test specs, etc., just weren't available, and until they were we couldn't hope to invite others to bid upon the item. When the Army finally developed the drawings and specs required, it found over 100 prospective manufacturers of the item, of whom about 25 actually submitted bids.

The results shown were these. The sole-source price was $2,278. The competitive procurement price was $843. And the net savings on one annual buy was over $10 million. The interesting thing here is that the winning bidder on the competition was also the sole-source producer-developer.