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# REPORT TO THE CONGRESS

## The Federal Catalog Program: Progress And Problems In Attaining A Uniform Identification System For Supplies B-146778

Department of Defense  
General Services Administration

*BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES*

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JUNE 20, 1973



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WASHINGTON D C 20548

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*u* To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on the Federal catalog program progress and problems in attaining a uniform identification system for supplies

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U S C 53), and the Accounting and Auditing Act of 1950 (31 U S C 67).

Copies of this report are being sent to the Director, Office of Management and Budget, the Administrator of General Services, and the Secretary of Defense

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General  
of the United States

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ABBREVIATIONS

DLSC	Defense Logistics Services Center
DOD	Department of Defense
DSA	Defense Supply Agency
FSN	Federal stock number
GAO	General Accounting Office
GSA	General Services Administration

D I G E S T

WHY THE REVIEW WAS MADE

GAO made this review to ascertain the status of the Federal catalog program established in 1949 to correct the proliferation in the Government of inventory identification systems

FINDINGS AND CONCLUSIONS

The catalog program in the Government has been improved considerably since the first cataloging act was passed some 23 years ago, but some of the conditions which prompted passage of the cataloging acts still prevail.

Some Government organizations are not participating fully in the Federal Catalog System but instead are using local systems to identify many items which they repetitively buy, stock, and dispose of

Failure to use Federal stock numbers (FSNs) to identify items needed, purchased, or stocked could result in increased procurement or inventory costs because organizations are

--not sufficiently considering filling their needs from Government supply sources before contracting with private suppliers and

--not availing themselves of catalog information describing multiple manufacturers and suppliers (See p 8 )

There are an estimated 200,000 unnecessary FSNs in the Federal catalog which can be readily identified and eliminated by matching part numbers already in the catalog data bank and by using information available at inventory control points. These numbers are for items which duplicate other items with different stock numbers presently in the catalog

The Department of Defense (DOD) has estimated that \$25 of annual cataloging costs could be avoided for each unnecessary FSN kept out of the catalog. Deleting unnecessary FSNs from the catalog could result in significant savings--possibly \$5 million annually. (See p 14 )

There are probably another 100,000 unnecessary FSNs which could be identified and eliminated if additional catalog data was obtained. A program to identify and eliminate unnecessary FSNs would be worthwhile and should result in

--savings in operating the catalog system,

--savings from consolidating requirements presently identified under more than one FSN, and

--greater use of items in the system

RECOMMENDATIONS OR SUGGESTIONS

The Secretary of Defense and the Administrator of General Services

should (1) determine the extent that organizations are maintaining local item identification systems, (2) ascertain and evaluate the reasons why locally assigned numbers are used, and (3) replace local numbers with FSNs when appropriate

They should also take coordinated action to delete unnecessary FSNs from the catalog. Such action could include using (1) a computer program to identify all manufacturers' part numbers that refer to more than one FSN and (2) interchange listings

The items identified should be reviewed to insure that the items either are different and should have individual FSNs or are identical and the unnecessary FSNs can be eliminated

#### AGENCY ACTIONS AND UNRESOLVED ISSUES

DOD concurred with these findings and recommendations and advised that it had already begun to eliminate unwarranted local stock numbers. The results of these actions are to be reported to the Secretary of De-

fense by the military departments and the Defense Supply Agency by June 30, 1973

The General Services Administration (GSA) indicated it does not have adequate resources to carry out GAO's recommendation for curtailing local stock numbering systems. DOD, however, stated that it would assist GSA in expanding the participation of civil agencies. (See apps I and II)

DOD also informed us that it plans to initiate a computer program after July 1, 1973, to identify unnecessary FSNs through part number matching. DOD stated that this would provide an additional effective tool for managing the Federal catalog program

#### MATTERS FOR CONSIDERATION BY THE CONGRESS

DOD and GSA should be able to improve program operations and save millions of dollars a year in operating costs by taking effective action on GAO's recommendations

## CHAPTER 1

### INTRODUCTION

Prior to World War II, each of the military services and bureaus and most of the civil agencies operated one or more different systems of identifying and classifying inventory items to satisfy their own supply cataloging needs. A uniform system became necessary because the technological advances of World War II provided an enormous influx of new articles into Federal supply systems. The lack of uniformity of identification and numbering, the existence of various independent supply systems, and the influx of these new articles led to confusion and duplication in purchasing, warehousing, handling, issuing, and maintaining supplies.

Since the various identification systems were not correlated, identical articles were listed by separate branches of the same service under several numbers and descriptions and, in some cases, under different names. Not only was this situation wasteful, inefficient, and costly, but potential users of excess items could not identify the items they needed.

### STATUTORY CHRONOLOGY

Post World War II cataloging history consists of a series of legislative acts and directives which gradually molded the present cataloging organizational structure. The Federal Property and Administrative Services Act of 1949 created the General Services Administration (GSA) and authorized the Administrator to establish and maintain a uniform Federal Catalog System to identify and classify personal property under control of Federal agencies. This legislation appeared to emphasize the identification of property by a single uniform system which would eliminate much of the duplication that proliferated under multiple systems.

On April 19, 1950, the Senate agreed to House Concurrent Resolution 97 which expressed the sense of the Congress that the Secretary of Defense and the Administrator of General Services should, based on their respective responsibilities, expedite the development of a coordinated plan for a Federal Catalog System in order that a single supply catalog system, to be used by all military departments and civil agencies, could be put into use as soon as practicable.

Accordingly, the Administrator of GSA in July 1950 delegated to the Secretary of Defense the authority to develop the uniform Federal Catalog System based on concepts developed jointly by GSA and Department of Defense (DOD) staffs.

Desirous of speeding up the program, and believing that large savings could be effected most expeditiously by using the cataloging program within DOD, Congress, on July 1, 1952, passed the Defense Cataloging and Standardization Act

The act directed the Secretary of Defense to name, describe, classify, and number each item repetitively used, purchased, stocked, or distributed in DOD. The items were to be named so that only one distinctive combination of letters or numerals would identify each item. This single identification was to be used in all supply functions from original purchase to final disposal. Also to be included was any related data which the Secretary of Defense believed to be necessary and useful for supply purposes, such as descriptions, performance data, weight, cubage, and packaging. Another important provision was that, following publication, only those items listed in the single supply catalog were to be procured for repetitive use.

#### DOD OBJECTIVES AND RESPONSIBILITIES

The act is implemented by DOD Directive 4130.2 which provides for

- a single stock number for each item of supply,
- monitoring the item range so that the minimum number of items essential to support military operations are stocked, and
- assuring the highest practical level of systems compatibility, interface, and integration consistent with the mission needs of DOD components and the requirements of Federal Catalog System participants

The Secretary of Defense assigned to the Assistant Secretary of Defense (Installations and Logistics) responsibility for overall policy and guidance for developing and operating the Federal Catalog System. The Assistant Secretary



has final approval of cataloging plans, policies, and programs, including programs for insuring maximum use of the catalog system in logistics management. He also participates with civil and international agencies and with industry and other nondefense activities on all Federal Catalog System matters.

The Secretary delegated responsibility for administration and management of the Federal Catalog System to the Director, Defense Supply Agency (DSA). The Director, in turn, delegated operational responsibility for the Federal Catalog System to the Defense Logistics Services Center (DLSC), Battle Creek, Michigan. DLSC assigns Federal stock numbers (FSNs) and maintains technical descriptions and other information, such as manufacturers' part numbers for items in the Federal catalog.

#### CIVIL AGENCY OBJECTIVES AND RESPONSIBILITIES

GSA, under working agreements with DOD, participates with other civil agencies in the Federal Catalog System. These civil agencies are required to use the policies, rules, procedures, and cataloging tools developed by DOD.

The objectives of the Federal Catalog System in the civil agencies are specifically defined in Federal Property Management Regulations which describe the types of items to be cataloged as

"Items of personal property in the civil agency systems that are subject to repetitive procurement, storage, distribution and issue, and all locally purchased, centrally managed items will be named, identified, classified, and numbered (cataloged) in the Federal Catalog System. Other locally purchased items may be cataloged based upon civil agency requirements."

Included in the objectives are improved interagency utilization of supplies, equipment, and excess stocks and more exact identification of personal property.

The Federal Property and Administrative Services Act allows GSA to exempt civil agencies from participating in the catalog program. Specifically, section 206(b) of the act states that

"Each Federal agency shall utilize such uniform Federal supply catalog system \* \* \* except as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide."

#### EXEMPTIONS FROM THE FEDERAL CATALOG SYSTEM

DOD directive 4130 2, July 22, 1971, excludes the following categories of items from the Federal Catalog System

- Items procured on a one-time basis for immediate use in research and development, experimentation, construction, installation, or maintenance
- Items furnished by contractors for overhaul and repair of specified equipments, provided such items are consumed in the overhaul cycle and do not enter the logistics system
- Printed forms, charts, manuals, books, etc , subject to central administrative numbering controls within a bureau, service, or command
- Ships, aircraft, and other major end items for which management and control are exercised through the application of unique identification systems
- Items obtained through overseas procurement and intended solely for overseas use
- Items procured only with nonappropriated funds

With minor exceptions, the Federal Property Management Regulations exclude the same categories of items from the catalog

#### CURRENT STATISTICS

The Federal catalog includes a data bank of information on 6.5 million items. These items have been assigned FSNs and are used by all Federal agencies and by other nations. One-third of these items are without managers and are considered inactive. Of the active items, DOD

solely manages 3.6 million, civil agencies solely manage 3 million, and .2 million are managed by both.

The Federal catalog refers to 79,500 manufacturers or suppliers of items procured by Federal agencies. The catalog also contains 9,212,750 manufacturers' part numbers cross-referenced to FSNs.

## CHAPTER 2

### PARTICIPATION--A BASIC REQUIREMENT FOR A

### UNIFORM CATALOG SYSTEM--NEEDS IMPROVEMENT

Complete participation, where feasible, in the Federal Catalog System is necessary to fully achieve benefits of the Federal catalog program. We found that some civil agencies and military organizations partially participate, they identify some items by FSN but use local numbering systems to identify other items which are repetitively procured or stocked. Failure to use FSNs to identify items needed, purchased, or stocked could result in increased procurement or inventory costs because organizations are (1) not sufficiently considering filling their needs from Government supply sources before contracting with private suppliers and (2) not availing themselves of catalog information describing various manufacturers and suppliers.

### PARTICIPATION BY CIVIL AGENCIES

The policies and procedures for civil agencies governing the maintenance of the Federal Catalog System are prescribed by GSA through Federal Property Management Regulations. These regulations state that each civil agency shall participate in the preparation and maintenance of the civil agency portion of the Federal Catalog System and in the conversion to and use of this system. Civil agencies are required to comply with cataloging handbooks and manuals prepared by DSA in coordination with GSA.

GSA, however, has not fully asserted its authority in the catalog program and much has yet to be accomplished to create one supply catalog in the Government. GSA officials claimed that this was due to GSA's inability to enforce the rules and regulations governing cataloging when dealing with larger civil agencies. Because of its inability to require full participation of these agencies in cataloging, GSA relies on mutual agreements and cooperative efforts.

When a civil agency wants to be exempt from the Federal Catalog System, it is required to report to GSA (among other information) the number of items repetitively procured,

stored, distributed, or issued. We found that three civil agencies had withdrawn from the Federal catalog program with GSA's approval. These agencies and the number of items in their supply systems were

<u>Agency</u>	<u>Number of items</u>
Bureau of Reclamation	94,300
Government Printing Office	<sup>a</sup> 23,000
Department of Agriculture	14,600

<sup>a</sup>The number of items is now 17,000 according to comments furnished by the Government Printing Office in a letter of March 23, 1973.

We visited eight civil agencies which participate in the Federal Catalog System. We found that the Federal Aviation Administration was the only one of those eight that fully participates. Sixty thousand items were excluded from the catalog system by the other seven agencies, as shown below

<u>Agencies</u>	<u>Total number of items used</u>	<u>Number of items without FSNs</u>	<u>Percent without FSNs</u>
Postal Service	11,000	4,000	36
Bureau of Engraving and Printing	20,800	1,200	6
Bureau of the Mint	14,500	9,500	65
Health Services and Mental Health Administration	36,000	1,000	3
Veterans Administration	41,839	<sup>a</sup> 14,411	34
National Aeronautics and Space Administration	138,482	22,804	17
Coast Guard, New York	9,059	670	7
Coast Guard, Washington, D.C.	22,462	5,000	22
Coast Guard, North Carolina	40,000	<u>1,780</u>	4
Total		<u>60,365</u>	

<sup>a</sup>The Veterans Administration on March 22, 1973, advised us that 11,835 of these items are exempt from Federal cataloging under Federal Property Management Regulations and the other 2,576 have been submitted for FSN assignment.

The Postal Service, in a letter dated March 27, 1973, informed us that the Postal Reorganization Act exempts it from participation in the Federal catalog program. The Postal Service does participate on an optional basis. It stated in effect that it does use GSA and DSA sources when they are advantageous and it periodically reviews its participation. Postal Service officials informed us that they had not requested FSNs for items which did not have adequate descriptions or specifications or which they felt were unique to the Postal Service. We scanned the Postal Service's supply and repair parts catalogs and noted that many items identified by local numbers seemed to be common commercial items such as switches, padlocks, scales, screws, and springs which should be logical items for the Federal catalog.

The Bureau of the Mint informed us that many of the items it uses are unique to the Mint's coining operations. Some are specially made and are not ordered by a manufacturer's part number. We noted, however, that many items on a representative list of repair parts purchased by the Mint are commercial parts that should already be in the Federal Catalog System, for example, pressure switches, pressure gages, alarm horns, locknuts, and lockwashers. The Treasury advised us on April 2, 1973, that a review would be made of the Mint's participation in the Federal catalog program and that it would strive to replace the local identification numbers with FSNs when appropriate.

Coast Guard Headquarters in Washington, D C, controls FSN assignments for general supplies. At the time of our audit, personnel in the Department of Transportation were making a study of Coast Guard logistics which included a review of FSN assignments. Many of the non-FSN items were engine parts at a boat repair facility in Baltimore. We were informed during our audit that the Coast Guard was going to obtain FSNs for these items. On March 28, 1973, the Department of Transportation in commenting on a draft of this report stated that the study has been completed and corrective actions initiated.

#### USE OF LOCAL STOCK NUMBERS

Some organizations identify, by local stock numbers only, many items which are repetitively procured and stocked, even though they are required by law to be identified by FSNs and in fact are identified by FSNs by other Government organizations.

DOD has made limited analyses of the use of local stock numbers. During 1969 and 1970, DOD analyzed data obtained from an Army, a Navy, an Air Force, and a Marine Corps installation in the United States and found that over 14 percent of the stock items were identified by local stock numbers. A similar limited analysis of data collected from three Naval shipyards indicated that one-third of the items in the stock records were identified by local reference numbers or by name. DOD concluded that the use of local stock numbers is appropriate only for a one-time purchase of an item. However, at the time of our review, there were no effective continuing operating programs in either GSA or DOD to investigate and limit, where appropriate, the use of local stock numbers.

We made no attempt to determine the extent that local stock numbers are being used. However, the situations at military installations and at civil agencies noted above indicate that the use of local stock numbers may be extensive.

We found that the Naval Weapons Station, Concord, California, identifies some items in stock with local stock numbers. Of the 15,000 items in stock in 1971, 4,300 (29%) were identified for procurement and storage by local stock numbers.

We also found that the Naval Ammunition Depot in Crane, Indiana, assigns local stock numbers to items procured locally. A local catalog is published annually listing the names of items alphabetically with related local stock numbers. The 1969 edition contained 15,000 different supply items identified by local stock numbers. Some items include an FSN as part of the description, however, all 15,000 items are purchased, stocked, and issued by their locally assigned stock numbers.

We believe that in some instances local stock numbers may be justified. However, for repetitively procured and stocked items, local stock numbers should be cross-referenced to FSNs. Organizations that ignore the benefits of Federal catalog information are unable, when contracting with private suppliers, to sufficiently consider filling their needs from Government supply sources.

Also, the Federal catalog provides information concerning various manufacturers and suppliers whose prices can vary

considerably For example, we found that a hydraulic parts kit listed as available from the Defense Construction Supply Center for \$0.30 was offered to the Naval Weapons Station at Concord by local vendors at prices ranging from \$1.63 to \$2.34 depending on the manufacturers part number used to purchase the item

## CONCLUSIONS

We believe that excellent progress has been made in both the military and civilian agencies in meeting the objectives of the Federal catalog program However, we found that a number of multiple inventory identification systems continue to exist in the agencies There is strong evidence that these systems contained some items which should be handled through the Federal catalog program

## AGENCY COMMENTS AND OUR EVALUATIONS

On January 31, 1973, we submitted our draft report to DOD and GSA for their comments GSA, in a letter dated March 28, 1973 (see app I), concurred with our findings regarding civil agencies' participation in the Federal catalog program However, GSA stated that it did not have adequate resources to determine the extent and reasons that local identification systems are used and to replace local identification numbers with FSNs when appropriate DOD, in its letter of April 3, 1973 (see app II), stated that it would assist GSA in expanding the participation of civil agencies

DOD stated that it is currently screening all local stock numbered items against the central catalog data to determine if an FSN already exists and is converting the local number to the applicable FSN if there is one The military departments and DSA have been requested to report to the Assistant Secretary of Defense (Installations and Logistics) by June 30, 1973, the number of local stock numbered items and the results of the screening program This should eliminate the unwarranted use of local numbering systems within DOD

Copies of the draft report were furnished to the other agencies included in our review Their comments have been included in this report where appropriate



## RECOMMENDATION

We recommend that the Secretary of Defense and the Administrator of General Services take coordinated action to (1) determine the extent that organizations are maintaining local item identification systems, (2) ascertain and evaluate the reasons why locally assigned numbers are used, and (3) replace local numbers with FSNs when appropriate

## CHAPTER 3

### UNNECESSARY FEDERAL STOCK NUMBERS

An item of one manufacturer has received more than one FSN, and identical items obtained from various suppliers have received different FSNs when only one was necessary. Identifying an item by more than one FSN adds to the cost of operating the catalog, deters interagency utilization of assets, and can cause the disposal of items under one FSN at the same time they are being purchased under another FSN. We found that information in the Federal catalog data bank has not been effectively used for identifying and eliminating duplicate items.

There are several methods for purifying the catalog. Standardization reviews and deleting inactive or obsolete items have eliminated many unnecessary numbers. Nevertheless, many unnecessary FSNs are still in the Federal catalog and there is no current program to identify and eliminate them.

We estimate that there are about 200,000 unnecessary FSNs in the Federal catalog which can be identified and eliminated by matching part numbers already in the catalog data bank and by using information on file at the inventory control points.

DOD has estimated that \$25 of annual cataloging costs could be avoided for each unnecessary FSN kept out of the catalog. Therefore, purifying the catalog of unnecessary FSNs could result in significant savings--possibly \$5 million annually.

Parts interchange listings prepared by manufacturers and suppliers identify many identical items by referring to the various manufacturers' part numbers. Our review indicated that the Federal catalog has many unnecessary FSNs that can be identified through use of these interchange listings.

#### IDENTIFYING UNNECESSARY FSNs BY USING CATALOG DATA BANK

We obtained from DLSC the manufacturers' part number reference file which consisted of 52 reels of computer tape and analyzed it by specially devised computer programs. We eliminated eight million manufacturers' part numbers from the file because they related to only one FSN. We also

eliminated those part numbers related to more than 25 FSNs because it was impractical to stratify them for sampling purposes. We were left with 1,255,002 manufacturers' part numbers which related to anywhere from 2 to 25 FSNs

We stratified those part numbers (see schedule below) and randomly selected a statistical sample from each strata. We reviewed the item information of the selected sample items at the inventory control points where they are managed to determine whether an item had been identified by more than one FSN. The following schedule describes our sample selection and projected results

<u>Stratification</u>				
<u>Number of related FSNs</u>	<u>Number of manufacturer part numbers</u>	<u>Random sample of part numbers</u>	<u>Unnecessary FSNs identified in review</u>	<u>Projected unnecessary FSNs</u>
2	1,001,861	95	15	158,194
3 to 5	202,616	123	14	33,404
6 to 9	33,442	110	14	4,092
10 to 15	11,760	109	12	1,244
16 to 25	<u>5,323</u>	<u>124</u>	<u>18</u>	<u>730</u>
Total	<u>1,255,002</u>	<u>561</u>	<u>73</u>	<sup>a</sup> <u>197,664</u>

<sup>a</sup>Based on 90-percent confidence level, the projection could vary by plus or minus 63,760

There are additional FSNs which we could not positively identify as unnecessary. Although those items have the same part number and item name, adequate item descriptions were not available at the inventory control point and we could not positively identify the items without obtaining additional information. Based on the results of our sample, we estimate that there are 100,000 FSNs of this type which may be unnecessary.

The unnecessary FSNs that we noted in the catalog fall into two categories: those items with one manufacturer (about 80 percent) and those with two or more manufacturers (about 20 percent).

We understand that present screening procedures are designed to prevent the assignment of a new FSN to an item

already in the catalog. Some of the items identified by unnecessary FSNs included in our estimate are now inactive and will in time be eliminated from the catalog. However, there is no current program to identify and eliminate unnecessary FSNs already in the catalog system such as the following.

Same manufacturer--one part number

Part number 205824 of the Bendix Westinghouse Automotive Air Brake Company is assigned both FSN 4730-270-4616 and FSN 4730-377-8774. Both FSNs are identified as "pipe to tube straight adapters" and are under the integrated management responsibility of the Defense Construction Supply Center.

The Maremont Corporation part number X300 is identified in the catalog as FSN 5340-152-0457, "loop clamp," and FSN 2990-524-9213, "engine muffler clamp." The San Antonio Air Materiel Area has inventory management responsibility for FSN 5340-152-0457. The Defense Construction Supply Center is the integrated inventory manager for FSN 2990-524-9213.

More than one manufacturer--one part number

The unnecessary FSNs consisting of the same item being identified by the same part number by two different manufacturers are more difficult to recognize. For example, a "safety relief valve" identified in the catalog data as part number 872151 of the Bendix Corporation was assigned FSN 5841-800-2595. At the same time, a "relief valve" identical to the safety relief valve, and identified in the catalog data as part number 872151 of the Magnavox Company, was assigned FSN 4820-676-3092.

The matching of part numbers of different manufacturers in the catalog under different FSNs is never conclusive that the same or identical items have received more than one FSN. However, it can indicate a need for more information to insure that the FSNs are necessary.

IDENTIFYING UNNECESSARY FSNs BY  
USING INTERCHANGE LISTINGS INFORMATION

Manufacturers, suppliers, and other firms have compiled interchange listings to help identify those items needed in normal commercial business.

Early in our review of the Federal catalog program, we became aware of a program initiated in mid-1969 by the Naval Weapons Station, Concord, California, to compile a master parts interchange listing of material handling equipment repair parts from various suppliers' interchange information

Concord's program was predicated on the premise that although material handling equipment may have unique characteristics in its final configuration, the component parts and subassemblies have a great deal in common. However, this commonality may be disguised because each end-item manufacturer assigns his own identifying number to the parts used in the equipment assembly.

Concord's objective was to compile a listing of spare parts which would group under index numbers all the part numbers assigned by various firms to the same part. Since it was impractical for Concord to physically identify each manufacturer's part, commercial parts interchange listings became Concord's method of eliminating physical inspection. These listings are essentially cross-reference catalogs which list two or more manufacturers' part numbers for identical or interchangeable parts. The commercial interchanges are usually published by either parts manufacturers, parts suppliers, or organizations involved in selling commercial information.

Following is an example of unnecessary FSNs that Concord identified by using interchange information.

#### Electrical contact

For a specific electrical contact, the Concord interchange listing contained 22 manufacturers' part numbers. Not all of the numbers were in the Federal catalog, but Concord identified some of the numbers to five FSNs. To test the validity of the interchange information, Concord requisitioned the five items and found they were identical. Therefore, four of the FSNs should be unnecessary. The prices of the item varied from \$1.77 to \$5.18.

The catalog information on the five items requisitioned by Concord is presented below.

Electrical Contacts  
Catalog Information

<u>FSN</u>	<u>Item name</u>	<u>Manufacturer's</u>	
		<u>Name<sup>1</sup></u>	<u>Part number</u>
5930-771-8121	Contact with nut	Yale Yale	99012B 990121B
5945-789-5041	Contact set, relay	Square D	334S3G2
3950-324-1363	Contact, tip	Case Yale	34194 793436FS
5945-981-1703	Contact, electrical	Square D Clark	334S3G2 878314
5930-225-9482	Tip, Contactor	Parker	0-983494-2

<sup>1</sup>Company names have been abbreviated

It is interesting to note that Square D's part number 334S3G2 had been assigned FSN 5945-789-5041 as well as FSN 5945-981-1703.

CONCLUSIONS

We believe that identifying and eliminating unnecessary FSNs should result in better management control over supply items. Unnecessary FSNs can be identified in many ways. We identified them by using information already in the catalog data bank and by using interchange listing information. We believe that a program to identify and eliminate unnecessary FSNs would be worthwhile and should result in (1) savings in the operation of the catalog system, (2) savings from consolidating requirements presently identified under more than one FSN, and (3) greater use of items in the system.

AGENCY COMMENTS AND OUR EVALUATIONS

In our draft report we suggested that DOD and GSA take coordinated action to purify the catalog of unnecessary FSNs. In a letter dated April 3, 1973 (see app II), DOD stated that it now has an ongoing program which uses manufacturers' and distributors' interchange listings to identify such items.

DOD further stated that our suggestion of a computer program to identify unnecessary FSNs through part number matching and subsequent manual review will provide an additional effective tool. DOD plans to implement such a computer program after July 1, 1973.

GSA, in a letter dated March 28, 1973 (see app. I), also concurred in our suggestion of a computer program to identify unnecessary FSNs. However, GSA thought that our estimate of 200,000 duplicate FSNs appeared to be high and stated that, to determine if true duplications exist, a review must be made of the complete reference number record in the catalog data file. In our review, we considered all the identification information. In fact, DOD plans to use the same basic approach we used in its program to identify unnecessary FSNs.

#### RECOMMENDATION

We recommend that the Secretary of Defense and the Administrator of General Services take coordinated action to purify the catalog of unnecessary FSNs. Such action could include using (1) a computer program to identify all manufacturers' part numbers that are referenced to more than one FSN and (2) interchange listings. The identified items should be reviewed to the extent necessary to insure that the items either are different and should have individual FSNs or are identical and the unnecessary FSNs can be eliminated.

## CHAPTER 4

### SCOPE OF REVIEW

Our review of the Federal catalog program included a study of the history of cataloging by Government activities, the basic legislation establishing the single cataloging system and the related policies, directives, and procedures issued in recent years for civil and defense agencies.

For our review of the Federal Catalog System, we obtained computer tapes from DLSC containing cross-references from manufacturer's part numbers to FSNs. We used computer programs to analyze this information and to select statistical samples of items for review. The catalog information on the selected items was obtained from DLSC and the descriptive data was obtained from the installation files of the activities having management responsibility. We also acquired information on the procurements and supply status of the items.

Following are the locations included in our review.

#### Department of the Army

Army Mobility Equipment Command, St. Louis, Missouri  
Army Tank-Automotive Command, Warren, Michigan  
Army Electronics Command, Philadelphia, Pennsylvania  
Army Aviation Systems Command, St. Louis, Missouri  
Frankford Arsenal, Philadelphia, Pennsylvania  
U S Army Support Center, Philadelphia, Pennsylvania  
U.S Army Support Center, Richmond, Virginia  
U S Army Petroleum Center, Alexandria, Virginia

#### Department of the Navy

Naval Supply Center, Oakland, California  
Navy Ships Parts Control Center, Mechanicsburg, Pennsylvania  
Navy Electronics Supply Office, Great Lakes, Illinois  
Navy Aviation Supply Office, Philadelphia, Pennsylvania  
Marine Corps Supply Activity, Philadelphia, Pennsylvania  
Headquarters, U.S Marine Corps, Washington, D.C  
Naval Weapons Station, Concord, California  
Naval Ammunition Depot, Crane, Indiana  
Naval Fleet Material Support Office, Mechanicsburg, Pennsylvania



Department of the Air Force

San Antonio Air Materiel Area, Kelly Air Force Base, Texas  
Ogden Air Materiel Area, Hill Air Force Base, Utah  
Oklahoma City Air Materiel Area, Tinker Air Force Base,  
Oklahoma  
Sacramento Air Materiel Area, McClellan Air Force Base,  
California  
Warner-Robins Air Materiel Area, Robins Air Force Base,  
Georgia

Defense Supply Agency

Defense Construction Supply Center, Columbus, Ohio  
Defense General Supply Center, Richmond, Virginia  
Defense Personnel Support Center, Philadelphia, Pennsylvania  
Defense Industrial Supply Center, Philadelphia, Pennsylvania  
Defense Electronics Supply Center, Dayton, Ohio  
Defense Logistics Services Center, Battle Creek, Michigan  
Headquarters, Defense Supply Agency, Alexandria, Virginia

Civil Agencies

Department of Agriculture, Washington, D C  
Federal Supply Service, General Services Administration,  
Washington, D C  
Public Buildings Service, General Services Administration,  
Washington, D C  
Government Printing Office, Washington, D C.  
Health Services and Mental Health Administration, Department  
of Health, Education, and Welfare, Silver Spring, Maryland  
Bureau of Indian Affairs, Department of the Interior, Denver,  
Colorado  
Bureau of Mines, Department of the Interior, Amarillo, Texas  
Bureau of Reclamation, Department of the Interior, Amarillo,  
Texas  
Federal Prison Industries, Department of Justice, Washing-  
ton, D C  
National Aeronautics and Space Administration, Bay St Louis,  
Mississippi  
National Aeronautics and Space Administration, Baltimore,  
Maryland  
National Aeronautics and Space Administration, Greenbelt,  
Maryland

National Aeronautics and Space Administration, Houston, Texas  
National Aeronautics and Space Administration, Kennedy Space  
Center, Florida  
Bureau of Facilities, U.S Postal Service, Washington, D.C  
Tennessee Valley Authority, Chattanooga, Tennessee  
Bureau of Engraving and Printing, Department of the Treasury,  
Washington, D.C.  
Bureau of the Mint, Department of the Treasury, Washington,  
D C  
Federal Aviation Agency, Department of Transportation,  
Atlantic City, New Jersey  
Federal Aviation Agency, Department of Transportation,  
Oklahoma City Oklahoma  
U.S. Coast Guard Headquarters, Department of Transportation,  
Washington, D.C.  
U S Coast Guard Supply Center, Department of Transportation,  
Washington, D C.  
U S Coast Guard Aircraft Repair and Supply Center, Depart-  
ment of Transportation, Elizabeth City, North Carolina  
Veterans Administration, Washington, D.C.  
Veterans Administration, Hines, Illinois

UNITED STATES OF AMERICA  
 GENERAL SERVICES ADMINISTRATION  
 WASHINGTON DC 20405



MAR 28 1973

Honorable Elmer B Staats  
 Comptroller General of the United States  
 General Accounting Office  
 Washington, D. C 20548

Dear Mr. Staats

Thank you for your letter of January 30, 1973, which provided copies of your draft proposed report on the Federal Catalog Program Progress and Problems in Attaining a Uniform System.

We have reviewed the report and generally concur in the first recommendation. However, we do not have adequate resources available to implement this recommendation.

We also concur in the second recommendation. However, the figure of an estimated 200,000 duplicate items cited in the report appears to be high.

Manufacturer's part numbers can either represent an item of production or a range of items. The same manufacturer's part number could legitimately be assigned as many as five different Federal stock numbers based on the item of supply concept in combination with the coding of the reference number to reflect what the reference number represents. To determine if true duplications exist, a review must be made of the complete reference number record (manufacturer's code, manufacturer's part number, and the remainder of the coding that specifically indicates whether the reference number is item identifying).

We would be happy to discuss this further with your representatives.

Sincerely,

ARTHUR F. <sup>SAMPSON</sup>  
 ACTING ADMINISTRATOR

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ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D C 20301

3 APR 1973

SP  
INSTALLATIONS AND LOGISTICS

Mr. Werner Grosshans  
Assistant Director-in-Charge  
of Materiel Management  
Logistics and Communications Division  
General Accounting Office  
Washington, D. C. 20548

Dear Mr. Grosshans

On behalf of the Secretary of Defense, I am replying to your Draft Report (Code 83417), "The Federal Catalog Program Progress and Problems in Attaining a Uniform System," dated January 30, 1973 (OSD Case #3574).

I concur with the conclusions and recommendations of the report and am most appreciative of the effort expended by your staff in highlighting these deficiencies within the current system while also recognizing the improvements made during the first 23 years of the program.

With regard to the finding that some Government organizations are only participating in the catalog program to a limited degree, I am prepared to assist the Administrator of General Services in obtaining expanded participation on the part of civil agencies. Within the Department of Defense there is a current program to replace local identification numbers with Federal Stock Numbers (FSNs) where appropriate. The Military Departments and the Defense Supply Agency are currently screening all local stock numbers against the Defense Logistics Services Center (DLSC) files to determine if an FSN already exists and convert to the applicable FSNs those for which they receive a match. In addition, each Military Department and the Defense Supply Agency have initiated procedures to insure that new items will be screened for FSNs prior to assigning a local stock number and that the assignment of local stock numbers will be in accordance with existing criteria. The Military Departments and the Defense Supply Agency have been requested to report to my office the following information

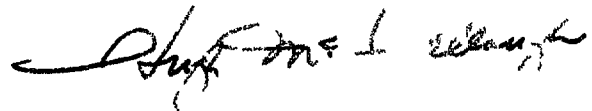
- a. Total number of local stock numbered items,
- b. The number of local stock numbered items screened at DLSC,
- c. All items which were converted to existing FSNs as a result of this screening, and
- d. The number of items on which cataloging action is being taken

The last of these reports is due by June 30, 1973.

With regard to the finding that there are an estimated 200,000 unnecessary FSNs in the Federal Catalog, the DoD currently has an ongoing program which uses manufacturers' and distributors' interchange listings to identify such items. The recommended computer program to identify unnecessary FSNs through part number matching and subsequent manual review will provide an additional effective tool. The actual implementation of this program will require significant computer and personnel resources by all participants in the Federal Catalog Program. Nevertheless, plans will be initiated to implement the computer program after July 1, 1973.

The opportunity to comment on the draft report is appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "Duff McI...".

APPENDIX III

PRINCIPAL OFFICIALS OF  
 THE DEPARTMENT OF DEFENSE AND  
 THE GENERAL SERVICES ADMINISTRATION  
 RESPONSIBLE FOR THE ACTIVITIES  
 DISCUSSED IN THIS REPORT

<u>Tenure of office</u>	
<u>From</u>	<u>To</u>

DEPARTMENT OF DEFENSE

SECRETARY OF DEFENSE

William P. Clements, Jr. (acting)	Apr 1973	Present
Elliot R. Richardson	Jan. 1973	Apr 1973
Melvin R. Laird	Jan. 1969	Jan. 1973

ASSISTANT SECRETARY OF DEFENSE  
 (INSTALLATIONS AND LOGISTICS)

Hugh McCullough (acting)	Feb 1973	Present
Barry J. Shillito	Jan. 1969	Feb. 1973

GENERAL SERVICES ADMINISTRATION

ADMINISTRATOR OF GENERAL SERVICES

Arthur F. Sampson (acting)	June 1972	Present
Rod Kreger (acting)	Jan 1972	June 1972
Robert L. Kunzig	Mar 1969	Jan. 1972

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