

15 February 1966

MEMORANDUM

SUBJECT: CHIGOE

1. During brief meeting with [redacted]: (b)(3)

a. Funding:

Interim funding document to come 16 February 1966. Formal transfer will be initiated now and take whatever time the paperwork and necessary approvals require. The entire amount (for the total LTV contract) is to be transferred at this time.

b. Status of associate primes:

1. Dalmo Victor - under contract
2. Texas Instruments - under contract
3. Varian Associates - no contract yet. Bill waiting until 18 February 1966 to make decision regarding magnetometer. Understood no proposal received from contractor.

c. Aircraft recondition and ferry

Discuss at meeting 16 February 1966

d. Microfilm

[redacted] initiated procurement through Cmdr. Dick Warren (O/L - Ext. 3696) 15 February 1966. In the meantime, [redacted] (D/M, OSA) inquiring into possibility of a loan. NAVY source (furnished by Dave Lane, LTV) is: (b)(3)

Mr. Essnan (Phila., Pa.)

[redacted] (b)(3)
or

Cmdr. Rich (Phila., Pa.)

[redacted] (b)(3)

Source and procurement route to be resolved 16 February 1966. If obtained from the above source it will involve reproduction of some 80K IBM cards, and cost in the neighborhood of \$3,000, plus whatever time reproduction will require.

e. [redacted] indicates the existing (^{SOP}~~500~~) link can probably be used for CHIGOE. Will have the individual identified by Monday 21 February, who will go down to Greenville and brief and introduce contractor's commo type to CHIGOE program. However, when this can happen will depend on time it takes to clear the contractor's people. Jean indicated maybe three weeks or about 6 March 1966. (b)(3)

f. Mailing Address

[redacted] furnished the following mailing address for LTV: (b)(3)

K.L. Williams
P.O. Box 490
Greenville, Tex.

[redacted] (b)(3)

15 February 1966

MEMO FOR THE RECORD

SUBJECT: Project CHIGOE

1. In late December 1965, a number of selected members of OSA attended an initial briefing on Project CHIGOE in the OSA Control Center given jointly by Bill Seward and [redacted] (b)(3). [redacted] OSA Contracts was represented by Messrs. [redacted] (b)(3) and [redacted] (b)(3).

2. At this time it was understood that a competition existed between two prime contractors, LAC and LTV, but only the LTV proposal had been received; The LAC proposal was due approximately mid-January.

3. Shortly after the LAC proposal was received, three members of Kelly Johnson's organization discussed the proposal with both [redacted] organization, and later briefly with OSA contracts personnel in Mr. [redacted] (b)(3) ce. When [redacted] (b)(3) left, he took the LAC proposal with him to review. At that time Mr. Mangis indicated a desire to participate in the evaluation of the two proposals. (b)(3)

4. On 7 February 1966 [redacted] (b)(3) briefed [redacted] (b)(3) and [redacted] (b)(3) in [redacted] (b)(3) office on the results of the evaluation he had made and [redacted] (b)(3) that LTV was selected over LAC, and that Dr. Wheelon had been briefed on 4 February 1966 and had approved the selection. Award was explained to be based on both cost and technical advantage of LTV over LAC. Cost difference was in the range of approximately \$1/4 million. Dr. Brewer also pointed out the effect of the 25% ceiling in the LAC proposal, whereas LTV had proposed FFP. On the other hand, the LTV proposal contained as Phase I a FFP element of roughly \$30K for study, analysis and design of the entire system. On completion of Phase I, it is understood that a new, firm F.P. proposal for Phase II would result. Accordingly, until this new firm proposal for Phase II is presented, it will not be known exactly what comparison may exist in the two (LAC & LTV) proposals for the total system.

[redacted] (b)(3)