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[Redacted]

Copy 4 of 5.

27 December 1955

MEMORANDUM FOR THE RECORD

SUBJECT: Concurrence in Amendments No. 2 and No. 3 to Letter Contract No. B-5111 with Baird Association, Incorporated - Project [Redacted] (AQUATONE)

1. Letter Contract No. B-5111 obligates the sum of \$20,000.00 for a feasibility study by the Contractor in connection with celestial navigation systems for use in Project AQUATONE. Period of performance was to 17 November 1955.

2. Amendment No. 1 to Letter Contract No. B-5111 obligated an additional \$15,000, making a new total obligated of \$35,000.00, and period of performance was extended to 1 December 1955. Amendment No. 1 did not change the original scope of work.

3. Amendment No. 2 to Letter Contract No. B-5111 obligates an additional \$25,000.00 over and above Amendment No. 1, making a new total obligated of \$60,000.00. Amendment No. 2 makes provision in the scope of work for the culmination of one phase of the feasibility study (System 1 - sextant) on 19 December 1955 and the presentation by the Contractor on that date of the preliminary design and layout of the System 1 sextant. Amendment No. 2 also provides for a continuation of certain feasibility studies on navigational systems which indicate greater promise for future development, (Nos. 3 and 5), culminating in a final report on all feasibility studies conducted (Systems 1 - 5, inclusive). Refer to Baird proposal dated 9 December 1955, [Redacted]

4. Amendment No. 3 to Letter Contract No. B-5111 obligates an additional \$64,000.00 over and above Amendment No. 2, making a new total of \$124,000.00 obligated under Letter Contract No. B-5111. Amendment No. 3 is primarily concerned with the design and construction of the first prototype of the aircraft sextant (System 1), including the fabrication of a second complete set of components. Delivery of the first prototype unit is scheduled for 15 February 1956 and the delivery of the final report of the feasibility studies conducted under Contract No. B-5111 is likewise set back to 15 February 1956. Refer to Baird proposal dated 17 December 1955, [Redacted] for details.

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5. An amount not to exceed \$200,000.00 has been committed for Project [redacted] in accordance with the provisions of Section 10 (b) of Public Law 110, by memorandum dated 18 October 1955 from the Director of Central Intelligence to the Comptroller. Such amount visualized a production program subsequent to the prototype phase which is the subject of Amendment No. 3. After evaluation of the prototype hereunder consideration will be given to the initiation of a production program under Contract No. B-5111 or other contractual agreement.

6. Approval of Amendments No. 2 and 3 to Letter Contract No. B-5111 and signature thereof by the Project Contracting Officer is recommended.



Project Contracting Officer

CONCURRENCE:

SIGNED 1/3/56
General Counsel

SIGNED 1/3/56
Comptroller

APPROVED:

SIGNED 1/3/56
RICHARD M. BISSELL, JR.
SA/PC/DCI - Project Director

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