

18 May 1962

Gentlemen:

As a result of the meeting held with STATINTL on 16 May 1962 at our facility, I am submitting the following revised documents.

1. Technical work statement covering preparation of design plan
2. Firm cost estimate for the design plan and budgetary estimate for the fabrication of either the Gamma I or the Gamma II equipment.

The budgetary figures, you realize, are submitted merely for appropriation considerations in that a firm cost estimate will be supplied in the report of results covering Phase I (the Design Plan). It appears as a result of the aforementioned meeting that both the representative of the Government and our organization are in complete accord as to the plans, specifications, and requirements of the Government. However, there is one point I would like to attempt to clarify at this time. It seems that some months ago at a pre-award briefing held in Washington certain ROM figures for the fabrication of a unit of the type outlined in this work statement were requested and received. The figures presented at this time ranged from   depending on certain additional features which were to be incorporated in the equipments. Since that time, more formal specifications, requirements, and understandings have been drawn, and on the basis of this additional information, we have expended a good deal of effort in attempting to arrive at more accurate figures than those presented. The figures presented at this time amount to approximately  . This amounts to a wide variance between the   which was voiced at the joint meeting in January. The variance is due to three major points; first, to a completely impromptu request for cost data. Secondly, the engineer, who voiced the estimate not having time to analyze the complexities of the equipment in certain areas which were not normally his speciality, failed to consider selected items, and as a final point, in retrospect, he had predicated these figures on the supposition that existing equipment of a similar nature would be supplied GFE for use in the fabrication of this item of equipment. The aforementioned reasons may be viewed as mere excuses; however, they do have a basis in fact and are our only justification for the variance in dollars question, which was presented to us on 16 May 1962.

I hope this will aid you in your decision that we may expect a contract authorization in the very near future.

Very truly yours,