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25 YEAR RE-REVIEW

*no security
objection*

SECRET

GUS - 0287
COPY / OF 2

[Redacted] 25X1

June 2, 1959

[Redacted]
2430 E Street N. W.
Washington D. C.

25X1

Dear Bob:

Enclosed is the abstract of the paper [Redacted] plans to present to the Michigan University Symposium on Electronic Warfare on September 30th and October 1 and 2, 1959 providing the abstract is accepted by the Department of Defense. I have retained one copy of the paper.

This paper is being sent to you to be cleared security-wise. Since this paper should be at the University of Michigan by 15 June, it is requested that you return the paper directly to [Redacted] via Air Mail at your earliest opportunity for him to submit it to the University of Michigan's Electronic Defense Group. In my opinion, the paper presents no security problem.

This abstract will be followed by a word-by-word paper to be written assuming the acceptance of this abstract. The abstract is of necessity broad and does not look into the details of either technical or test matters. [Redacted] and I will face our real problems on technical detail and security when the final paper is being composed.

In order to develop certain technical details we would like very much to have a copy of Reflection Patterns as measured by [Redacted] on S-Band for ta^{25X1} and angles up to 15° off a tail-on approach. This data has become quite important in the scientific analysis of the flight data. It would be much appreciated if you could send separate copies of such data for [Redacted] and myself.

Thank you very much for your prompt attention to these matters.

Sincerely yours,

[Redacted Signature]

25X1

Attachment a/s

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- 1-Chief Ops
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DPD-3594-59

28 May 1959

MEMORANDUM FOR : Chief, Operations

THRU : Development Branch,

SUBJECT : Granger Associates, Contract No. SE-509,
Two (2) Repeater Jammers

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1. Attached is a copy of Granger Associates revised Proposal for Two (2) Repeat Jammers, Mod 504. It is to be noted that Contractor's price has been reduced by approximately \$2,000.00. This reduction is a result of a transfer of useable components from the previous contract PF-400.

2. However, the Contractor has indicated a desire for a Contract Ceiling Price of 10% over the Contract Target or his proposed price. Since it is policy to obligate the Ceiling Price when issuing a Contract, it will be necessary to place more funds on the contract than that previously approved in the Program Approval. CHAL-0627.

3. To recap briefly:

Program Approval CHAL-0627 established	\$67,000.00
Program Approval CHAL-0657 established	28,368.00
Total Approved	\$95,368.00

Contractor has Proposed:

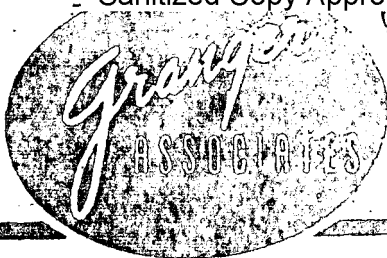
2 ea Repeater Jammers	\$71,352.00
2 sets Spare Parts	18,560.00
	\$89,912.00

The dollar amount is still within the total approved. In view of the foregoing a Program Approval for additional funds will not be required at this time. However, in Program Approval CHAL-0657 an amount of \$10,000 was established as an unfirm item for flight test and contractor technical representation during flight tests. Formal approval by the DD/P may be necessary at a future date as the program develops.

Chief, Contracts Branch, DPD

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ELECTRONIC SYSTEMS

966 Commercial Street
Palo Alto, California
DAvenport 1-4175

OPD - 3550-59
of 3 of 3

May 22, 1959

Proposal No. 59-42A

REGISTERED - RETURN RECEIPT REQUESTED

STAT

Contracting Officer

Gentlemen:

The following information is provided to clarify our discussion this morning on the appropriate form of contract for the fabrication of two Repeater Jammers, Model 504.

Our proposal 59-42 was submitted on a fixed price redeterminable basis (Type IV), and it was anticipated that our figures would be accepted as target price and not as maximum price as the contract is now written. Our choice of an FPR Type IV contract was predicated on the fact that there is still some amount of development work to be performed on the two units in question. Because of specification changes there will also be both design and material changes. The effect of these changes on price is unpredictable and cannot be accurately resolved until the contract has been substantially performed. To give both parties to the contract a fair and equitable protection, we feel that a contract providing for revision both upward and downward is essential.

Following your suggestion of supplying you with a contract form we think is appropriate, we are including the following terms quoted from one of our current contracts. Terms such as these or any similar ones you may wish to suggest, will be satisfactory to us, I am sure.

"Redetermined price shall be established by adding to the redetermined cost an allowance for profit determined in accordance with the schedule set forth below, provided however, that the total of the redetermined price shall, in no event, involve more than a ten percent (10%) increase in the target price set forth on this purchase order, as said target price may be modified pursuant to the provisions of the changes noted hereof; and provided, further, that there shall be no downward limitation of said price redetermination. The redetermined prices shall be established by adding to the redetermined cost an allowance for profit determined in accordance with the schedule set forth below.

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If the Redetermined Cost is:

Equal to the Target Cost

Greater than Target Cost

Less than Target Cost

The Allowance for Profit Shall Be:

10% of Target Cost.

10% of Target Cost less 20% of the amount by which the redetermined cost exceeds the target cost.

10% of Target Cost plus 20% of the amount by which the redetermined cost is less than the target cost. However, in no event will profit exceed 15% of cost."

Our quotation for two units of Model 504 as modified the material being transferred from the prior project per your instructions is as follows:

		<u>Unit Price in Quantities of 2</u>	<u>Total Price 2 Units</u>
Engineering Labor		\$ 4,500	\$ 9,000
Production and Test Labor		<u>4,356</u>	<u>8,712</u>
Total Labor		\$ 8,856	\$ 17,712
Overhead @ 65% of Direct Labor		5,755	11,510
Materials and Services	\$11,125		
Less: material transferred from previous project - 1/2 of \$1,500	<u>750</u>	<u>10,375</u>	<u>20,750</u>
Total Direct Cost		\$ 24,986	\$ 49,972
G & A @ 18% of Direct Costs		<u>4,498</u>	<u>8,996</u>
Total Costs		\$ 29,484	\$ 58,968
Profit @ 10%		<u>2,949</u>	<u>5,898</u>
Total Price		<u>\$ 32,433</u>	<u>\$ 64,866</u>

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From the figures shown above, then,

Target Cost \$ 58,968

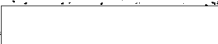
Target Profit \$ 5,898

Target Price \$ 64,866

Maximum Price (Limit 10%
over Target Price) \$ 71,352

We hope this information is sufficient to enable you to change the contract from its present form to one which provides for price revision upward as well as downward. Please give us a call if we can be of further assistance.

Very truly yours,


Treasurer and
Business Manager

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Approved:



President

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