

OSA-1645-66
Copy 2 of 3

18 April 1966

MEMORANDUM

TO : Audit Liaison Office

FROM : Contracting Officer

SUBJECT : Request for Final Property Audit CPEF
Contract No. CS-1912, Task Orders Nos. 1
through 18, General Dynamics, Ft. Worth,
Texas

REFERENCE : OSA-1509-66

1. As you know, we are in process of settling CPEF Contract CS-1912, Task Orders Nos. 1 through 18. These task orders have all been completed and final audit of costs has been made.

2. In order to effect settlement, we request that a final property review be made to establish the contractor's accountability for Government Furnished Property delivered under subject task orders.

3. We suggest that any property which is residual to performance under Task Orders Nos. 1 through 18, be transferred to the Basic Contract, if its continued use is necessary to performance under the current (open) Task Order No. 19. For your information, Task Order No. 19 contains all sub-tasks authorized during FY-66. FY-67 work will be authorized under Task Order No. 20. Accordingly, as each Task Order subsequent to Task Order No. 18 is completed at the end of its respective fiscal year, we will be able to facilitate closing, (of each T.O.) if residual GFP is transferred to the Basic Contract and accountability in the future maintained thereunder, assuming, of course, its continued necessity in the contractor's performance.

4. The circumstances under which the contract has been administered together with the somewhat extended life of the contract, make it difficult to furnish much detailed information regarding GFP. Discussions with the technical monitor

indicate some sort of a joint effort and/or support by the Customer and the Air Force. I am informed that certain systems (9-A, 13, 14-A), in addition to a cockpit simulator were generated under the contract; there may be other items. Also, the status and control should be established of certain major units of equipment which are in use in performance of the contract (digital computer, range \$10-15 million, etc.,) which I believe were made available by the Air Force, but are not necessarily controlled, for property purposes, under this contract.

5. In view of the peculiar circumstances surrounding the property, the auditor who is assigned to this audit should be thoroughly briefed to assure that a flap will not result from any area of inquiry he may pursue. I suggest that he discuss the potential security problem with cleared contractor representatives and use their assistance and guidance to this end. I believe the auditor already has a contact at the Plant, Either he or would be considered suitable in the circumstances.

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