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HDP
DDS&T 1448-66

6 JUN 1966

MEMORANDUM FOR: Chief, Administrative Staff

SUBJECT: Contract Provisions for Uniform Reporting

Reference is made to DDS&T memorandum 2278-66, subject as above. In accordance with your request, we offer the following comments with respect to the referenced memorandum:

a. I believe a clear definition of what constitutes a "DDS&T R&D contract" must be provided for guidance. Without such definition, the following questions are prompted:

- (1) Are the contracts referred to funded with CIA funds only, or do they include NRO-funded contracts?
- (2) Must the contract fall under the DDS&T goals in the category of Research and Development, as opposed to possible contracts of Collection and/or Processing of Intelligence?
- (3) Will it exclude contracts where there are end-item deliveries other than data, reports, and/or experimental models and breadboards?

b. In any event the requirement for reporting should be applicable primarily to C.P.F.F. contracts with a period of performance of at least 120 days and a dollar value of fifty thousand dollars and over. This comment is made on the basis that fixed-price contracts, whether for R&D or production, normally do not require reporting of expenditures and it would be difficult, at best, to have certain contractors agree to the suggested provisions. In addition, expenditure and program progress data requested for contracts having a short period of performance is

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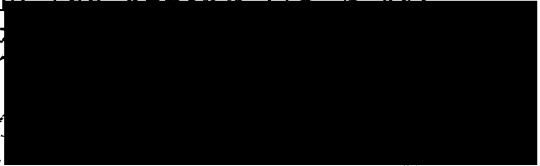
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generally meaningless. The reason for this is primarily that the work has generally been accomplished before the report is submitted and reviewed by Government personnel. Further, low dollar value contracts do not warrant the additional expense of a formal cost and schedule reporting procedure.

c. With respect to the large dollar value and extended period of performance of contracts issued by the Office of Special Projects for NRO procurements, the above really does not provide the necessary control that is normally employed by OSP. The reason for this is basically that the number of milestones and individually budgeted subsystems and assemblies in any given contract require detailed and current monitoring and do not readily lend themselves to reporting under the brief computer format as proposed. Further, the performance of the contractor under our programs does not give a complete or true picture of how the total program is progressing. These can only be, and must be, monitored and controlled by the project personnel who are intimate with all the details of the technical requirements and the contract. The summary report requested may be of information, but will not provide effective monitoring or control.

2. As a matter of information, the type of data requested in referenced memorandum has been, and will continue to be, a requirement in all large contracts issued by OSP in much more detail and depth. This information is kept current within OSP and can be made readily available to the Deputy Director for Support on an as-required basis without the necessity of setting up a formal reporting mechanism and the attendant cost and paperwork that goes with it.

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JOHN J. CROWLEY
Director
Office of Special Projects

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