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Approved For Release 2002/10/25 : CIA-RDP72B00464R000400070020-3

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PRECONTRACT APPROVAL RECORD
(PART TWO)

CONTRACT

CW-6744 - AF33(657)-16775

The services and equipment being procured by this Contract No. CW-6744
Basic Contract are in furtherance of the _____

Program(s), the nature of which cannot be publicly disclosed for security reasons. The Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC 2122, signed by the DDCI on 15 October 1961.

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Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-507 dated 7/7/58) for each contract.

The following comments describe the procurement hereby effected, the terms and provisions generally of this contract/amendment, and a resume of major issues negotiated:

This Contract has been written to provide funding for support services for FY-67. The attached record of negotiations fully explains the scope of work and the major issues negotiated.

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Proj:	[REDACTED]
Code:	7761-1021
FOR:	006744
Amt:	[REDACTED]

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8 June 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Negotiation FY-67 Service Contract

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1. A meeting was held at the SPO on 2 and 3 June 1966 to negotiate the FY-67 service contract with [redacted] The following personnel participated in the negotiations:

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<u>Contractor</u>	<u>Government</u>
[redacted]	

2. The Contractor's proposal entitled GA-5.31 dated 13 May 1966 was reviewed and the Government team determined that the following level of effort would be realistic for FY-67 Services:

Item I

(a)	Spares - use \$700/item vs \$933 (big items bought under FY-66)	\$121,255
(b)	RCD - 50% of Previous Prov. items in lieu of 75%	70,000
(c)	AGE Spares - 60 hrs. operating time in lieu of 100 hrs.	47,000
(d)	Reduced due to Carry-over from FY-66 buy	<u>75,000</u>
		\$313,255

\$506,000 Cost Level

Item II

85 man mos. in lieu of 90
To include Cat. II follow-on

	J	A	S	O	N	D	J	F	M	A	M	J
In-place	11	11	10	10	9	6	4	3	3	3	3	3
Equiv.	1	1	1	1	1	1	1	1	1			

Item III

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Item IV

Reduced sustaining engineering by 3 man years & 1477 hrs. Increased the effort by 3 man years by transferring SRA admin. from Item VI Increased by \$120,000 for antenna study.

Item V

Accepted as proposed.

Item VI

Deleted SRA admin. and put in Item IV and eliminated 3000 Akron charge.

Item VII

Buying (1) RCD tester and (1) static pressure tester.

Items VIII, IX, X

Accepted as proposed.

3. As a result of the Government team reduction, the proposed price versus the Government offer were as follows:

	<u>Proposed</u>	<u>Offer</u>
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4. The contractor countered that:

- (a) Item II should be increased by \$10,000 to cover full 90 man mos. as proposed.
- (b) Item IV should have 1 man year of effort and \$15,000 added back.
- (c) Greater fee should be considered. is too low, therefore, counterproposing fee on selling price.

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5. The Government agreed to increasing Item IV by one man-year to cover an additional SRA Administrator and also agreed to the fee. As a result, the contractor agreed and the final cost and fee were:

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6. The type of contract will be on a Cost-plus Zone fee basis with a $\pm 10\%$ no-change zone. In the event that the projected costs as of 30 November 1966 to the end of the contract period (30 June 1967) exceed $\pm 10\%$, then the level of effort will be redetermined.

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