

CONFIDENTIAL

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14 May 1958

MEMORANDUM FOR THE RECORD

Subject: Contract No. RD-145, Task Order No. 2



1. A conference was held the week of March 31, 1958, relative to the subject task order, to iron out certain discrepancies which resulted in an overrun under Work Order No. 1. The Contractor's letter of April 7, 1958, summarizes the discussion.

2. A review of the documents of Work Order No. 1 reveals that the Contractor in his original bid used a G&A rate lower than that specified in basic contract RD-145. In a letter dated January 14, 1958, the Contractor requested an increase in his overhead rate from [redacted] however, he failed to indicate that his G&A rate should have been also raised from [redacted] provisionally. In his letter of April 7, 1958, the Contractor requests the above cited increase in G&A expense.

3. Based on a conversation with the Contractor's representative, plus the fact that the G&A rates are variable and are established by audit, a Change Order No. 1 to Work Order No. 1 of Task Order No. 2, RD-145, has been prepared using the approved [redacted] and the [redacted] rate as approved under the basic contract. This change order increases the funds by \$3,244.19.

4. It is anticipated that the 12% provisional G&A rate will be approved and upon its approval by the Contracting Officer, a change order reflecting this upward rise in cost will be drafted and submitted for the Contracting Officer's signature.

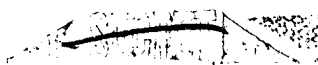


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