

~~CONFIDENTIAL~~

Chief, Industrial Contract Audit Division

6 - SEP 1961

Chief, Research & Development Contract Branch/PD/OL

Contract No. 605, Task Order No. 9

[Redacted]

Request for Audit

*file T.O. 9
605, CR*

25X1

1. The subject task order was executed on June 27, 1960, for the design and development of five 1-10 KMC antennas at a total estimated cost of \$6,249.00 including fixed fee of \$463.00. The task order provided for delivery within seven months after date of execution. The receiving report in this case shows delivery on 28 June 1961.

2. This office has received a letter dated 17 August 1961 from the Contractor requesting additional funds of \$6,182.00 (a copy of this letter has been furnished to you). This represents an increase of 100% of contract costs and is the first knowledge that either the Contracting Officer or the Agency project engineer has had of any financial problem. There is no record in the contract file of receipt of the letter of 24 March 1961 referenced in the above mentioned letter of 17 August 1961.

3. The Agency project engineer questioned the reason given by the Contractor for the overrun. In addition, it is understood that [Redacted] has also developed and fabricated for [Redacted] four antenna units identical or nearly identical to those procured under the subject task order under a fixed price contract.

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4. This office desires to establish the propriety of the Contractor's claim for additional funds in the amount of \$6,182.00. Accordingly, it is requested that your office perform a detailed audit of the costs incurred under said task order and furnish a report thereof at the earliest possible date.

Distribution:

- Orig & 1 - Addressee
- 1 - 605, TO#9 (Official)
- OC-E/R&D [Redacted]

[Redacted]

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OL/PD/R&DCB: [Redacted] (6 Sept 61)

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