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Direct Line:

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September 20, 1957

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Subject: Proposal No. 11510 - Small Plastic Airship

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Reference: Telecon Request for Proposal

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Gentlemen:

In response to the referenced request, we are pleased to submit herewith our proposal entitled "Small Plastic Airship". Although this program is to fulfill certain limited objectives, it is anticipated that a considerable advancement in the state of the art of powered lighter-than-air vehicles will result. The experience and knowledge gained from the program will then aid in the feasibility investigation and/or specification of lighter-than-air vehicles for tasks in which they possess inherent advantages. In this manner, a superior task performance can be achieved at a fraction of the cost of other systems which expend large amounts of energy, at great complication, to maintain position and altitude at reduced personnel, vehicle, and equipment efficiency.

The estimated cost of this proposal is \$74,690 plus a fixed fee of \$5,228 for a total of \$79,918.

Should there be any questions concerning this proposal, we will be happy to provide any additional information you feel necessary for your evaluation. We look forward to the opportunity to be of service to you in this program.

Very truly yours,

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Contract Administrator

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Approved:

Proposal & Contract Administration

DOC	8	REV DATE	1/2/80	BY	35327
ORIG COMP	701	OPI	56	TYPE	01
ORIG CLASS	M	PAGES	6	REV CL'S	X
JUST	—	NEXT REV	—	AUTH	HR T0-2

PROPOSAL NO. 11510

FISCAL AND CONTRACTUAL DATA

I. SCOPE

It is hereby proposed that the Mechanical Division of Inc., (hereafter referred to as the Contractor) enter into a cost-plus-fixed-fee type contract with the Government to conduct research as discussed in the enclosed Technical Discussion.

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II. ESTIMATED COST

It is estimated that the cost of the proposed program will be \$79,918. A detailed breakdown of this amount is given in the attached cost schedule.

III. DELIVERY

It is proposed that this program will run for a period of twelve (12) months after receipt of an executed contract.

IV. TERMS AND CONDITIONS

A. This proposal is subject to withdrawal by the Contractor unless written acceptance thereto is received within sixty (60) days from the date specified herein.

B. Any contract resulting from this proposal shall contain the standard Exculpatory Clause entitled EXCUSABLE DELAYS found in Section 7-203.11 of the Armed Services Procurement Regulations.

C. All subject matter (including drawings, present or proposed designs, and other data or information) submitted with this proposal is incorporated herein for a study on a confidential basis, without consideration, for the sole purpose of negotiations of a possible contract. No subject matter is to be used, copied, or otherwise reproduced, or disclosed to any third party in any manner, directly or indirectly, without written approval by the Mechanical Division. All property rights, including patent rights, in any such subject matter are expressly reserved to , except to the extent otherwise provided by the STAT
specific terms of a written contract to which , is a party. STAT

D. Net payment for work performed under any contract which may result from this proposal shall be due thirty (30) days following date of the Contractor's invoice.

- E. In preparing this proposal, no allowance has been made for the working of overtime. Any premium time which is paid in connection with any overtime worked is charged to overhead, rather than directly to the contract.
- F. All inventions which may result from work proposed hereunder will be the property of the Contractor. If this contract actually calls for experimental, developmental, or research work, Contractor is willing to include the standard patent rights clause (ASPR-9-107.1) in such contract.
- G. Any contract resulting from this proposal will contain provision for the payment of the fixed fee as stipulated in the cost estimate and for reimbursing the Contractor for all costs incurred in the performance of this contract, in accordance with Section XV, Part 2 of Armed Services Procurement Regulations. Contract should further authorize that Inc., be authorized the use of negotiated final overhead rates with provisional reimbursement at current standard burden rates (for any department in which work is performed) with adjustment to be made to the negotiated final overhead rates as periodically determined in accordance with ASPR 3-704.1.

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For the purpose of compiling our estimate of costs, G&A and Burden has been included at estimated rates which closely approximate the anticipated actual G&A and Burden.

GENERAL INFORMATION

The following information and representations are provided to supplement information contained in the discussion of Terms and Conditions.

- A. having its executive offices at Minneapolis, Minnesota.
- B. The Mechanical Division of the company now employs approximately two thousand (2,000) persons. Total employees of the corporation number approximately thirteen thousand (13,000).
- C. There is no agreement to pay any commission, percentage, brokerage, or contingent fee in connection with the proposed contract.
- D. Individuals authorized to conduct negotiations on behalf of the Mechanical Division on the work proposed hereunder include: General Manager; Supervisor, Proposal and Contract Administration.
- E. The Mechanical Division is under cognizance of the United States Air Force for security and for Government inspection when required.

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COST BREAKDOWN

Small Plastic AirshipProposal No. 11510

DIRECT LABOR:

Research

Principal & Senior Engineer	3,114 hrs. @ \$4.10	\$12,767
Associate & Junior Engineer	3,114 hrs. @ \$2.90	9,031
Technician "A"	1,038 hrs. @ \$2.20	<u>2,284</u>

\$24,082

ERD Model Shop

Machinist	300 hrs. @ \$2.60	780
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Balloon Operations

Principal & Senior Engineer	300 hrs. @ \$3.85	\$ 1,155
Technician	500 hrs. @ \$2.00	<u>1,000</u>

2,155

Balloon Production

Principal & Senior Engineer	480 hrs. @ \$3.85	\$ 1,848
Technician	860 hrs. @ \$1.90	<u>1,634</u>

3,482

Technical Editing

Editor	100 hrs. @ \$3.10	310
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BURDEN:

Research	7,266 hrs. @ \$3.30	\$23,978
Balloon Operations	800 hrs. @ \$2.15	1,720
ERD Model Shop	300 hrs. @ \$2.90	870
Balloon Production	1,340 hrs. @ \$2.75	<u>3,685</u>

30,253

OTHER EXPENSES:

Travel	\$ 3,000
Materials	<u>6,400</u>

9,400

\$70,462

G&A Expense @ 6%

4,228

\$74,690

Fixed Fee @ 7%

5,228

TOTAL ESTIMATED COST

\$79,918