

CONFIDENTIAL

[redacted] 25X1

10 JUN 1956

[redacted] 25X1

Gentlemen:

We wish to acknowledge receipt of your proposal for a Small Plastic Airship, which was submitted [redacted]

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The proposal has been forwarded to our Air Branch for review. You should hear from that Branch shortly concerning the action taken.

Sincerely yours,

[redacted] 25X1

Copy to:
[redacted]

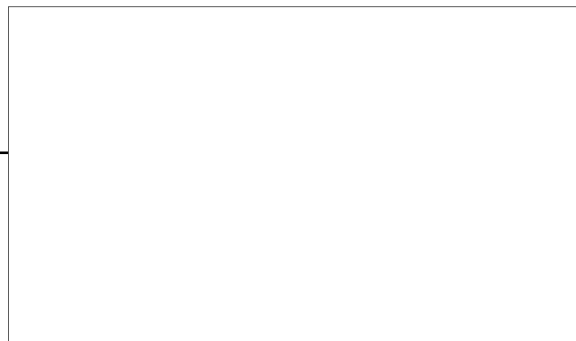
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DOC	13	REV DATE	2/1/80	BY	35377
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JUST	XX	NEXT REV	-	AUTH	HR 10-2

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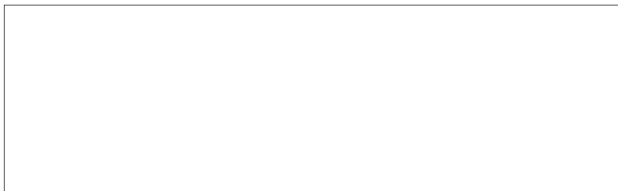
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If enclosure (s) is/are withdrawn, (or not attached) the classification of this correspondence will be cancelled without reference to the originating authority. 25X1




January 6, 1958

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Subject:  Proposal No. 11510-B - Small Plastic Airship

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Reference: Our letter dated November 1, 1957

Gentlemen:

In response to referenced request we are pleased to submit herewith our proposal No. 11510-B entitled "Small Plastic Airship." Subject proposal supersedes proposal Nos. 11510 and 11510-A. Therefore, we have enclosed herewith our fiscal and contractual data together with a breakdown of costs and a summary thereof.

Lighter than Air vehicles have unique inherent characteristics which we believe can fulfill certain military operational requirements. Under contract  we have completed a basic LTA study. The proposed program is an outgrowth of that study and is important from the standpoint of increasing our fundamental knowledge about airships. We feel that a significant advancement in the state of the art will result, allowing the definition of other Lighter than Air systems to perform military tasks.

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The estimated cost of this proposal is \$325,359 plus a fixed fee of \$22,775 for a total of \$348,134.

Should there be any questions concerning this proposal, we will be happy to provide any additional information you feel necessary for your

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[Redacted]

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January 6, 1958

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evaluation. We look forward to the opportunity of being of service to the

[Redacted]

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Very truly yours,

[Redacted]

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Contract Administrator

Approved by

[Redacted]

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Proposal and Contract Administration

PROPOSAL NO. 11510-B

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 \$325,359 plus a fixed fee of \$22,775 for a total of \$348,134. 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 twenty-four (24) 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 25X1 specific terms of a written contract to which , is a party. 25X1

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 25X1
, 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. 25X1

For the purpose of compiling our estimate of costs, G&A and Burden have 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: Mr. Z. Soucek, General Manager; Mr. E. Frank Coy, Director of Sales; Mr. Victor E. Benson, 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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SCHEDULE I

Summary of Costs

Phase I	\$ 88,491
Phase II	137,666
Phase III	60,926
Total	<u>287,083</u>
10 percent Contingency on Phases II and III	19,859
Total Estimated Cost	<u>306,942</u>
G&A @ 6 percent	18,417
	<u>325,359</u>
Fixed Fee @ 7 percent	22,775
Total Selling Price	<u><u>\$348,134</u></u>

* Helium for tests in Phases II and III	GFE
Portable Mooring Mast	GFE
Large, Hangar-type building for inflation tests	GFE

SCHEDULE IIDirect Labor:Research

Principal & Senior Engineer	5,226 hrs. @ \$4.10	\$21,427	
Associate & Junior Engineer	3,114 hrs. @ \$2.90	9,031	
Technician "A"	1,038 hrs. @ \$2.20	<u>2,284</u>	
			\$32,742

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	9,378 hrs. @ \$3.30	\$30,947	
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>	
			\$37,222

Other Expenses:

Travel		\$ 3,000	
Materials		6,400	
Consultant		<u>2,400</u>	
			<u>11,800</u>

Total Cost Less G&A and Fixed Fee Phase I			<u>\$88,491</u>
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SCHEDULE III

Phase II

Labor:Research Department

Principal or Senior Scientist	4,671 hrs. @ \$4.10		\$19,151
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Balloon Manufacturing Department

Senior Engineer	3,700 hrs. @ \$3.85	\$14,245	
Development Engineer	600 hrs. @ \$3.45	2,070	
Draftsmen	1,500 hrs. @ \$2.65	<u>3,975</u>	
			\$20,290

Balloon Operations Department

Senior Engineer	4,050 hrs. @ \$3.85	15,593	
Draftsmen	1,600 hrs. @ \$2.25	3,600	
Technicians	2,800 hrs. @ \$2.00	<u>5,600</u>	
			\$24,793

Burden:

<u>Research Department</u>	4,671 hrs. @ \$3.30	\$15,414	
<u>Balloon Manufacturing Dept.</u>	5,800 hrs. @ \$2.75	15,950	
<u>Balloon Operations Department</u>	8,450 hrs. @ \$2.15	<u>18,168</u>	
			\$49,532

Material and Fabrication Costs

	<u>23,900</u>
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Total Cost Less G&A and Fixed Fee Phase II

<u>\$137,666</u>

SCHEDULE IV

Phase III

Labor:Research Department

Principal and Senior Engineers	2,076 hrs. @ \$4.10	\$8,512	
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Balloon Manufacturing Dept.

Senior Engineer	1,000 hrs. @ \$3.85	3,850	
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Balloon Operations Dept.

Senior Engineer	1,100 hrs. @ \$3.85	\$4,235	
Draftsman	200 hrs. @ \$2.25	450	
Technicians	2,550 hrs. @ \$2.00	<u>5,100</u>	

\$22,147

Burden:

<u>Research Department</u>	2,076 hrs. @ \$3.30	\$6,851	
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<u>Balloon Manufacturing Dept.</u>	1,000 hrs. @ \$2.75	2,750	
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<u>Balloon Operations Dept.</u>	3,850 hrs. @ \$2.15	<u>8,278</u>	
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17,879

Material and Fabrication

20,900

Total Cost Less G&A and Fixed Fee Phase III

\$60,926

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3 copies

Instructions and additional comment space on reverse side.

DATE _____

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When Filled In

INSTRUCTIONS

ROUTING. Central Mail and File Section assigns RED code routings from a mail routing guide (MAILDEX). Effectiveness of MAILDEX is dependent on receipt in the Central Mail and File Section from cognizant supervisors of current information on changes in assigned mission, personnel or physical location within ONR.

PROCESSING OF ROUTE SHEET COPIES.

- Original —remains with incoming correspondence at all times while in custody of ONR.
 - Green copy —is used by cognizant or action code to notify Central Mail and File Section when correspondence is retained in Branch or Division file.
 - Blue copy —is used by cognizant or action code for mail control purposes.
 - Yellow copy —is filed alphabetically in Central Mail and File Section and is used as a mail locator file.
- FILING.** When route sheets are appropriately initialed for release and forwarded to the Central Mail and File Section, the route sheet and accompanying correspondence will be subjectively classified and filed in Central Mail and File Section for future reference.

COMMENTS (Continued)

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