

CONFIDENTIAL

ADVISE OF PROJECT ACTION

CIA PROJECT NO.
 OCD-45-49

- TO:
- ASSISTANT DIRECTOR, ORE
 - ASSISTANT DIRECTOR, OSO
 - ASSISTANT DIRECTOR, OO
 - ASSISTANT DIRECTOR, OCD
 - 2 CHIEF, BUDGET AND FINANCE BRANCH
 - CHIEF, SERVICES BRANCH
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 -
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PROJECT TITLE
 Increase of Funds for
 Procurement of OCD
 Reference Machines

PROJECT DURATION
 Through February 1950

DESCRIPTION AND SCOPE OF PROJECT

On 27 January 1948, CIA contracted with [redacted] to deliver 6 scanners, 6 recorders, and 6 printers for use in connection with IBM carding of intelligence reference material, at a fixed price of \$100,000.00. Production entailed an unforeseen amount of research work, particularly in view of a materially different scanning technique. [redacted] has produced 1 scanner and 1 recorder; no progress has been made on printers. Total billings to date amount to approximately \$95,000.00. [redacted] estimates a need for \$85,413.00 to complete the 5 additional scanners and recorders originally contracted for. An additional 6 recorders will eliminate the need for any printers and will be needed for Agency use. These scanners will cost approximately \$32,000.00. The total increase is, therefore, proposed at \$117,000, for a total contract price of \$217,000. [redacted] is in very shaky financial condition, but the best current estimate of the situation is that he can stay in business at least until the time he would complete the (over)

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SUMMARY OF ESTIMATED COSTS

OBJECT CLASS	VOUCHERED	UNVOUCHERED	TOTAL
01 Personal Services	\$	\$	\$
02 Travel			
03 Transportation of things			
04 Communications			
05 Rents and Utilities			
06 Printing and Binding			
07 Other Contractual Services			
08 Supplies and Materials			
09 Equipment	117,000.00		117,000.00
Other			
TOTAL	\$ 117,000.00	\$	\$ 117,000.00

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 No Change in Class.
 Declassified
 Class. Changed To: TS S G
 Auth.: HR 70-2
 Date: 9-2-SEP-1978 By: 022

SPECIAL PROVISIONS OR LIMITATIONS

Subject to approval by GAO, 1949 funds will be obligated. If not legally possible, obligation would be against 1950 funds.
 58 JAN 5 20
 Supplement signed 8/1/49
 1949 funds - \$103,000.00
 A&W

RECOMMENDATION (PROJECTS REVIEW COMMITTEE) ACTION BY DIRECTOR CIA

A [redacted]
 DATE: 7/27/49

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BUDGET OFFICE

JUL 28 PM 2 30

CIA amended contract (about 8 months). There is no technical or legal objection to this increase if it is determined to be in the best interests of the Government. [REDACTED] is believed to be the only producer equipped to complete this contract within a reasonable time at the above stated cost.

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It is therefore recommended, as being in the best interests of the Government, to amend the contract with the [REDACTED] to increase the contract price by an outside figure of \$117,000.00 to be reduced, if possible, by stringent control of costs under conditions proposed by CIA. It is estimated by OCD and ORE that completed installation of the units now desired would improve reference techniques for intelligence material, save time of highly paid intelligence officers, and possibly allow a reduction or more efficient use of Library and ORE personnel.

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