

Directive submitted to support on 1 June 1965 J.S.B.
(Draft of my proposed letter on this new station directive)

STATINTL

MEMORANDUM FOR: Chief, Logistics
SUBJECT: Proposed New Station Directive to supersede Current Station Directive 15-16 of 6 December 1965

REF: [REDACTED]

1. This memorandum contains a recommendation for action.
2. The authority limitations imposed by reference (a) pertain not only to construction but also to alterations and repairs (see 10a(1)(a)(3)(c) of reference (a)). At this station, alteration and repair projects in excess of the limitations imposed by the subject Directive are being approved by ROYC's and by the Chief, Building Maintenance Unit, Saigon. It appears incongruous that this station has definite controls on the construction program and yet applies little or no control on the alteration and repair programs, which, if analyzed, normally consume a large portion of an activities annual operating costs.
3. Although not defined in reference (a), the cost limits are intended to reflect the actual value (direct and indirect costs) of a project and not just the direct expenditure of funds as is true in many projects being approved at this station. Indirect contributions that are not being reflected in some project submissions are:
 - a. In-house labor
 - b. Free materials (i.e., salvage, ^{FREE}surplus or materials received at no cost from other activities)
 - c. Special air-lift costs when air-lift must be used for men and materials due to interdiction of normal transportation routes by the enemy.

~~THIS DRAFT ULTIMATELY CAME OUT WITH REVISIONS AS STG. DIR. 45-16 of 26 June 1965~~

ATTACHMENT C

Such a condition will have the following impact on any such programs:

- a. Approval of projects at lower levels than intended; thereby reducing the effectiveness of any monitoring program.
- b. Reflecting unrealistically low costs in the Real Property reports submitted to Headquarters.

c. Funds are presently being obligated for some projects where indirect costs are included in the estimate. This can cause an over-obligation of funds that could be utilized immediately for other projects or programs. It is quite conceivable that this over-obligation would not be realized until too late in the fiscal year to properly utilize these funds for other purposes.

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~~Substantive~~

5. I understand that occasionally [redacted] will accomplish projects exceeding their authority level by doing such projects in increments. This defeats the purpose of any program and could cause funds to be spent that for a project that may have been disapproved if the total cost was known at the time of approval.

6. Occasionally approved projects have been received by Engineering, that have not been coordinated through either the area engineers or the Engineering Office, that do not have sufficient funds to accomplish the work. This necessitates additional delays and paperwork in representing the project approval for additional funds.

7. Attachment A to this memorandum contains a proposed revision to the subject directive. My comments above have been incorporated into this revision. This revision has been coordinated with the EC Chief, Finance, Deputy Chief, Logistics and the Chief, Real Estate and Housing.