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#4001

## Declass Review, NIMA/DoD

15 December 1964

MEMORANDUM FOR: Chief, Procurement Division, OL

ATTENTION: Contracting Officer STATOTHR

SUBJECT: Contract [REDACTED] Travel Costs Claimed by Contractor STATOTHR

REFERENCES: (a) Letter Dated 23 October 1964 from [REDACTED]

STATOTHR (b) Notice of Costs Spent and/or Disapproved, No. 208-1, Dated 15 October 1964, Voucher No. 2556

1. It is requested that the propriety of the costs cited in References (a) and (b) be determined at the time of contract settlement. NPIC will concur with the findings of the Procurement Division at that time.

2. Inasmuch as the trips cited in Reference (a) were made at the request of the Government, NPIC does not question the propriety of reimbursing the contractor for travel and subsistence expenses incurred thereby. However, considering that delivery and installation instructions in the Schedule of the contract itself stated that "the contractor shall likewise provide the Technical Representative with installation instructions, power requirements and venting if required, to provide the proper space and service facilities at the installation site", the additional charges for the time of a Senior Engineer at \$144.00 per day do not seem to be justified.

3. It is our contention that the contractor is required to provide precisely the type of information elicited at these meetings in satisfaction of the contract, i.e. data concerning the technical features and characteristics of the instrument which had to be known in order to equip a room in which the instrument could be used. In other words, the contractor's engineer was assisting in site preparation only indirectly in

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that certain technical characteristics of the equipment had to be made known before the site could be prepared. Under the terms of the contract, the engineer would have had to furnish this information either here or at his plant, and it does not seem appropriate that the time spent in doing that should be treated as an additional cost. Furthermore, GSA and Agency personnel who attended these meetings stated that the contractor's engineer had not properly determined environmental and installational requirements for the equipment and, indeed, derived many of these data only at the request of Government personnel. At the 10 September meeting, some seven months after the initial meeting, the contractor's engineer stated that the results of testing at his plant during the preceding few weeks had nullified the data given previously to the Government and on the basis of which the Government had already spent approximately \$7,000 for A&E work.

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4. [REDACTED] the NPIC Technical Monitor for this contract, has stated that as he remembers it he had concurred with the contractor's suggestion that an invoice for these costs be submitted, but that he had not made a commitment as to whether or not they would be allowed.

STATOTHR

[REDACTED]  
Assistant for Administration, NPIC

Distribution

Orig. & 1 - Addressee  
1 - P&DS  
2 - LB/SS/NPIC

LB/SS/NPIC, [REDACTED]:2623(15 Dec 1964)

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