

SECRETNPIC/TDS/D-1183-67
19 December 1967

MEMORANDUM FOR: Director, National Photographic Interpretation Center

SUBJECT : Request for Additional Funds of [] from FY-1966 Funds
for []25X1
25X1REFERENCE : Chief, Administrative Staff, O/DBI, Memorandum Dated
4 February 1964: Approval of Research & Development
Activities

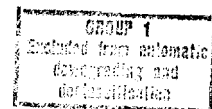
1. The subject contract with [] is for the design, development and fabrication of a Wide-Field, High-Power Stereoviewer, which is essentially a light table for the [] Stereoviewer. The development was performed under a Cost Plus Award Fee (CPAF) contract with an approved allocation of [] exclusive of fee--which can range from 6% to 15% depending on the level of performance, and subject to a 75%/25% sharing arrangement for all costs over or under the original estimate.

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2. A preliminary technical inspection was made at the Contractor's facility in July 1967 and the Contractor was subsequently authorized to ship the instrument to NPIC for further testing. After an extensive test and evaluation period under simulated operating conditions at NPIC, certain deficiencies were uncovered; some within the scope of the contract and others not within its scope.

3. These deficiencies were discussed with the Contractor at a meeting at his facility on 14 September 1967 and, although he thought that the problems could be rectified, he would not quote on this overrun/change-in-scope until the instrument was returned to his facility for inspection. The instrument was returned and the Contractor has now calculated the cost to correct the deficiencies.

4. In verbal conversations between the technical monitor and [] it was learned that approximately [] would be required to correct the deficiencies outlined in the September meeting. Specifically, [] was required on an overrun basis (the Contractor has completely expended the authorized funding) and [] was required for a change-in-scope. Because of the extreme (and IDS feels unwarranted) high cost of these estimates in relation to the technical solutions required, it has been recommended that this contract be terminated and this overrun/change-in-scope not be approved.

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5. At the time of these discussions, it was understood that a slight overrun existed--despite extensive attempts by NPIC and the Office of Logistics (OL) to either prevent an overrun or become forewarned of any anticipated overruns--however, it was decided to delay funding the overrun until a decision could be made relative to rectifying the above-mentioned deficiencies.

6. When the recommendation was made to terminate this effort, OL instructed the Contractor to present his claim for the existing overrun and for completing the drawings. This claim is outlined in the attachment.

7. It is recommended that the amounts stated in Enclosures 1, 2 and 4 of the attachment be approved. Costs in enclosure 1 cover the existing overrun and those in enclosure 2 cover the shipping expenses. An allocation for costs outlined in enclosure 4 for completion of the drawings is necessitated by NPIC's anticipation of eventually purchasing production versions of this instrument--possession of the drawings will permit a competitive solicitation for their fabrication.

8. Because in-house modifications of the instrument will be required, to put the instrument in satisfactory condition, it is recommended that the amount outlined in enclosure 3 for reassembly not be approved. The work at NPIC will require disassembly of the unit; therefore, the expenditure would not be prudent. Likewise, those costs in enclosure 5 for service activities will not be necessary.

9. In accordance with authority delegated in Paragraph 3 of the reference, it is requested that additional funding of [] for the Wide Field, High-Power Stereoviewer be approved and charged against FY-1966 funds. The Budget & Financial Branch has affirmed that sufficient FY-1966 funds are available to make this pay

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Colonel, USAF

Assistant for Technical Development, NPIC

Attachments: a/s

APPROVED: _____

Director,

National Photographic Interpretation Center

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