

Approved For Release 2003/08/05 : CIA-RDP78B04747A002200030018-6

[redacted] Fiscal Year ends on 31 May. The closing of the books and formal audit of all costs by internal action and public auditors have indicated that the final cost of overhead and G & A are different than those used in calculating contract status as covered in referenced letter. Both burden factors have increased from our original estimates; as has been our practice in the past, we have reduced the burden rates by the amount we expect will be disallowed when you accomplish your audit of contract costs. Taking all factors into consideration, the contract is, as of 31 July 1967, over-expended by [redacted] as shown in Exhibit "A." The unit has been delivered and, at the present time, is working satisfactorily. We have estimated costs to complete the drawing and manual effort and provide service to you in the amount of [redacted] as shown in Exhibit "B." We must at this time request an overrun in the amount of [redacted]

[redacted] regrets our miscalculation of Overhead and G & A rates as used in referenced letter. We hope that the information submitted herein will be satisfactory to you to make your final evaluation and amend the contract.

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If we can provide additional information to assist you in your evaluation, please do not hesitate to contact us.

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