



January 29, 1981

Department of the Air Force
Headquarters Aeronautical Systems Division (AFSC)
Wright-Patterson Air Force Base, Ohio 45433

Attention: PMWB/J. E. Pickering/53273
Building 22

Subject: Continuation of Contract F33657-80-C-0207

Reference: (A) SRI ltr. to ASD/Pickering dated 26 January 1981
(B) Request for Proposal No. F33657-81-R-0157

Gentlemen:

The subject contract contains a research completion date of 31 October 1980. As you are aware, and as confirmed by your discussions with our Cognizant Administrative Contracting Officer, additional effort has continued on this program. We therefore request that the effort defined in the reference (B) RFP be awarded as a supplemental agreement to Contract F33657-80-C-0207 rather than as a new contract as suggested in reference (B). Incidentally, our reference (A) response had agreed to a new contract, subject to the proviso that it be awarded on a firm fixed price basis. This letter supersedes this initial response to the RFP.

The following chronology is offered to support this request and to explain the background reasons for SRI's continuation without formal contractual coverage:

1. On 17 September 1980, senior SRI technical program staff met with Major General E. R. Thompson, Army Assistant Chief of Staff for Intelligence, to discuss the possibility of carrying out a specific task for ACSI with EOY (End of Year) funds.
2. General Thompson decided in favor of the program, and released \$50K of EOY funds. To facilitate an immediate start, ACSI personnel were directed to find an existing compatible contract with SRI, and to MIPR the funds as an add-on. Since SRI had the subject contract, the funds were MIPR'd to FTD for immediate disbursement. SRI was informed on 29 September 1980 that the MIPR had been affected.
3. Having heard this from SRI technical personnel, the writer called ASD/PMWB on 17 October 1980 and received confirmation that the MIPR had been received by FTD. My notes indicate that since it was "more of the same," this would be added to the contract as an increase in level of effort.

SRI International

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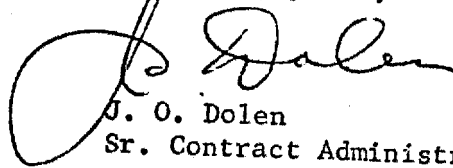
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4. At some point in November, verbal permission to begin work on the task was passed to SRI from FTD, and this was followed up by ACSI representatives Col. White and Lt. Col. Murray B. Watt, who visited SRI on 8 December 1980 specifically to discuss progress on the task to date. At that time, Col. Watt was careful to make a distinction between the task in question, which was considered fully underway, and a separate task for which funds had been allocated but a contract not yet in effect. Lt. Col. Watt was briefed in detail on the ACSI task, which was about half completed at that time.
5. As of this date, the task is nearing completion, with the bulk of the funds expended.

We trust that this factual information will be taken in the spirit in which it is intended; i.e. to document the need to process this MIPR as an extension to the old contract rather than on a new contract basis. Please call if you have any questions or require additional information.

Very truly yours,



J. O. Dolen
Sr. Contract Administrator

JOD/eav