

*File - Chigoe
LTV
Contract No. 19-1967*

14 April 1966

MEMORANDUM

SUBJECT : Trip Report - CHIGOE - LTV, Greenville
13 April 1966

1. Met with Dave Lane, C. F. Wilson, Jud Ray, Contractor Personnel, and [redacted] Audit Liaison Representative. Discussed Phase II Cost Analysis Objective and wired [redacted] into Project CHIGOE. He will complete probably in a matter of days.

(b)(3)

(b)(3)

(b)(1)

(b)(3) 10 USC 130

3. Arrangements were also made with Roy Ferguson for [redacted] to review the LTV Grand Prairie proposal within the same general time span of the other two proposals, if at all possible.

(b)(3)

4. Negotiation of all three proposals will be done when [redacted] completes.

(b)(3)

5. GFE & CFE property schedules, inadvertently omitted from the already submitted PH II proposal, were mailed to Hqs. the first of the week. (11 April) [redacted] agreed to supplement the GFE list with priority indicators.

(b)(3)

6. Send a L/I for Phase II to LTV. Cover: Long lead; continuity of enrg/Program Mgmt personnel; GFP additions (Verdan computers).

7. Dave has talked to Bill about DX necessity; he feels priority assignments will be necessary.

8. Amend PH I contract with date of 1 April completion.

9. Contractor (C. F. Wilson) will submit data on IR film: quantity, specs., source, etc.

10. Regarding Phase II contract type, Dave asserted that even trying to split out LTV portion and place on a FP basis (placing material (CFE) on a cost basis) would be too risky, There are too many unknowns. Stated that several of the major pieces of equipment (TV; FLIR; APQ-110; and the LN-15 (INS) are R&D type procurement, in some cases pushing the state-of-the-art. Possible delays from these sources he felt would make the contractor's position untenable, certainly within the presently contemplated target completion date of approximately 1 December 1966. Accordingly, in the circumstances, Harlan will cost review the proposal as CPFF. (NOTE: It was pointed out that in the CHIGOE competition, the second contractor had proposed on an FP (25% ceiling) basis as a step toward jarring the proposal loose from a cost type and pave the way for FP consideration. Dave felt however, irrespective of how the competitor had proposed, the circumstances now encountered were identical to both contractors and would force some change in contract terms to accommodate these circumstances. He also pointed out that the signals had been changed since the original criteria for the first proposal: Much of the peculiar gear was to be GFP whereas the items are now to be CFE with the burden of procurement placed on the contractor. Subject to confirmation with Dr. Brewer, the contractor's position appears valid.

11. Schedule of time of delivery requirement - CFE & GFE, see p. 18, Report No. G-4000.01.145 (Fig. 4-1). GFE must be completely delivered by week of 26 June 66.

12. Detailed GFE and CFE are set forth in PH I, Engineering Study Report on SP-2H Mod., Report No. G-8853.01.02, 1 April 66, Revised 7 April 66.

W.H.G.

Post Office Box 490
Greenville, Texas

1 March 1966
In Reply Refer To:
8853-CADY-04

REGISTERED

SUBJECT : Long Lead Time Procurement

TO : Post Office Box 6057
Midelity Station
Washington, D. C.

ATTENTION : Mr. Walter G.

We are becoming increasingly concerned with the possibility of delays in the program due to long lead time Contractor Furnished Equipment. Discussions with manufacturers indicate that in some cases serious problems will be encountered if we do not place firm orders in the immediate future.

The below list with a very rough estimate of acquisition cost has been extracted from material lists. These items are firm insofar as the technical people are concerned and represent those which are very long lead time. We therefore request you consider giving an immediate go-ahead to placing the orders with suppliers.

AN/APN-153 Doppler Radar	\$ 20,000.
AN/ASN-25 Computer	4,000.
AN/APN-167 Radar Altimeter	7,000.
AN/APQ-110 Terrain Following Radar	200,000.

Not included in the above are items for which complete technical work has not been accomplished and therefore are not firm enough to place on procurement. An example of such an item is the Inertial Navigation System which will cost in the neighborhood of \$300,000. If so desired, funds could be allocated and actual go-ahead at such future time as there is resolution of the technical questions.

If we can be of further assistance or supply additional information, please advise.

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DRL:lw


D. R. Lane
Program Manager

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