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SAFSL-1

20 January 1967

MEMORANDUM FOR MAJ GEN EVANS, SAF-SL

SUBJECT: Delegation of Authority and Designation as Head of a  
Procuring Activity

1. Procurement authorities are fragmented for two of the major MOL associate contractors. Therefore, the Director, MOL, does not have authority commensurate with his responsibility for the total program accomplishment. The General Electric MOL effort is divided near equally between Special Projects and the MOL SPO. Although duplication of effort in the procurement working organizations has been minimized by personal working relationships, the task difficulty is magnified by dual technically cognizant management and SE/TD offices, dual reporting channels, and dual management structures. Similar but no less perplexing problems exist with the Douglas effort even though the Special Projects' effort is only about 2% of the total MOL program effort.
2. The purpose of this memorandum is to request that procurement authority relative to black MOL contracts be delegated to DCS/Procurement and Production, Hq AFSC. This would affect a consolidation of procurement authority since the white MOL contracts are handled under the procurement authority delegated to that office including manual approval of contracts over \$5 million. The procurement authority requested includes the responsibilities of contract writing, review, distribution, administration and audit. It does not pertain in any way to contractual authority or responsibilities concerning Eastman Kodak Company nor does it anticipate the changing of present security responsibilities.
3. Attached is the necessary delegation of authority which has been prepared for the signature of Secretary Flax (Attachment 1). Approval is needed as soon as possible in order that General Keeling may sign those contracts which have been negotiated.
4. To operate with adequate security, it will be necessary to obtain certain waivers to ASPR, AFPI and other directives similar to those granted SAFSP. Some examples are: Examination of Records

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(ASPR 7-104.15 and 7-203.7); Subcontracts (ASPR 7-203.8); Notice to the Government of Labor Disputes (ASPR 7-104.4); Renegotiation (ASPR 7-104.11); and also a normal number of reporting requirements. These will be submitted as needed after the requested delegation of procurement authority is received.

5. The following is a brief discussion of the specific operations involved:

a. Preparation and Writing of Contracts. Within the MOL SPO, the contract writing will be accomplished by a fully qualified contract writer with the assistance of a procurement clerk.

b. Review of Contracts. Contract review will be accomplished by cleared personnel with the Procurement Committee at SSD and at Hq AFSC. Legal assistance will be obtained from cleared personnel within JAG SSD.

c. Distribution of Contracts. After signature, four copies of each contract will be distributed along with all subsequent changes. One to the MOL SPO file, one to the contractor, one to the ACO and one to Gen Evans' office.

d. Administering of Contracts. There presently exists a cleared base of people both at Valley Forge, Pennsylvania and at Huntington Beach, California to handle this activity.

e. Audit of Contracts. To be done by DCAA cleared auditors.

f. Funding. Obligation authority will flow from [REDACTED] to Colonel Clifford Kester, Chief, MOL SPO Program Control Division. Reports will flow from Col Kester to [REDACTED]. These reports are such items as completed obligation authority and monthly fund status.

g. Security. The MOL SPO would handle receipt and transmission of contract and funding documentation, would be responsible for enforcing contractor security discipline and would approve contractor personnel for access to classified information. SAFSP would continue to be responsible for, and operate, the black communications center.

h. Payment of Vouchers. The contractor will send the vouchers to the MOL SPO. After review, the SPO will file all black supporting

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documentation and forward the unclassified voucher to a cleared SSD Finance Officer with a certificate that supporting documents are on file.

6. It is intended that certain procurement authorities normally re delegated to AFSC Divisions would be re delegated to the Deputy Director, MOL. Attachment 2, which has been prepared for the signature of General Keeling, defines the specifics relative to such re delegation.
7. Request approval of the attached delegation of authority be obtained.

PAUL J. HERAN, Colonel, USAF  
Asst Deputy Director, MOL

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1. Ltr to Gen Keeling
2. Ltr fr Gen Keeling  
to Dep Dir, MOL

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**SUBJECT:** Delegation of Authority and Designation as Head of a Procuring Activity

**TO:** AFSC (SCK/Maj Gen Keeling)

1. Pursuant to the National Security Act of 1947, as amended; Chapter 137, Title 10, U. S. Code; Section 8012, Title 10, U. S. Code; and other pertinent statutes, regulations and directives, authority to act for the Secretary of the Air Force or the Assistant Secretary of the Air Force (Installations & Logistics) in the following particulars is hereby delegated to the Deputy Chief of Staff, Procurement and Production, Hq AFSC, in respect to all projects and programs entered into or administered under the authority of the Director, MOL:

a. To enter into, approve, and take other action in respect to contracts, change orders, supplemental agreements, awards, letter contracts, leases, amendments of contracts and other contractual instruments.

b. To approve such deviations from the Armed Services Procurement Regulation (ASPR) as the Director of Procurement Policy, Deputy Chief of Staff, Systems and Logistics, Hq USAF, is authorized to approve by Air Force Procurement Instruction (AFPI) 1-109.2.

2. In connection with the delegation set forth above, and subject to ASPR and AFPI, it is intended hereby that DCS, Procurement and Production, Hq AFSC, may exercise those procurement authorities which have been delegated to the Commander of AFSC as "Head of a Procuring Activity" and which have been redelegated to DCS, Procurement and Production, Hq AFSC.

3. The authorities hereby delegated may be redelegated, in writing, to Deputy Director, Manned Orbiting Laboratory (MOL) under such terms, conditions and limitations as are considered appropriate.

4. The authorities hereby delegated, and all provisions of the preceding paragraphs, pertain to all MOL contractual arrangements with the exception of the Eastman Kodak Company.

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SCK

Redelegation of Procurement Authority

Deputy Director, Manned Orbiting Laboratory Program

1. Redelegable procurement authorities which are now vested in the undersigned with respect to the making, approving and administration of contracts and modifications thereto, are hereby redelegated to the Deputy Director of Manned Orbiting Laboratory Programs, for the purpose of entering into, approving, or administering contracts relating to the Manned Orbiting Laboratory Program as follows:

- a. Approve the issuance of letter contracts without monetary limitation.
- b. Enter into, execute and manually approve contracts awarded as a result of formal advertising or small business restricted advertising, irrespective of dollar amount.
- c. Enter into, execute and manually approve negotiated contracts for procurements of \$5,000,000.00 or less.
- d. Make Determinations and Findings in support of incentive type, cost type and CPFF type contracts.
- e. Control Government-owned industrial property and, in connection therewith:
  - (1) Correct and adjust deficiencies.
  - (2) Grant exceptions to policy that contractor records will be designated as official records.
  - (3) Appoint property administrators.
- f. Approve PR's and MIPR's without dollar limitations.
- g. Release program data and procurement information.

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- h. Approve repricing actions.
- i. Apply or assign DC and DX ratings.
- j. Approve waivers of FCR requirements.
- k. Authority to override negative FCR's.
- l. Authorize exceptions to the use of new contracts for follow-on procurements.
- m. Enter into and manually approve facilities contracts.
- n. Manually approve supplemental agreements for engineering changes and other contractual actions.
- o. Manually approve contractual instruments which obligate overruns on cost reimbursement contracts.
- p. Approve the use of liquidated damages provisions.
- q. Terminate and settle contracts:
  - (1) Terminate for convenience of the Government.
  - (2) Settle termination claims and enter into settlement agreements.
- r. Authorize publication of advertisements, notices or proposals in newspapers.

G. F. KEELING, Maj Gen, USAF  
DCS, Procurement & Production

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