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CONTRACTUAL DISENGAGEMENT FROM
CORONA AND ARGON PROGRAMS

1. The following facts and recommendations pertain to Agency contractual and security withdrawal from the CORONA/M and ARGON Programs.

2. The below listed contracts are involved. It is recommended that an immediate understanding be had between D/NRO, Director, Program B, and Director, Program A, that the Agency's contractual and security responsibility cease at the earliest convenient date as compatible with the Government's overall best interest. From the contractual standpoint, it is recommended that all contracts listed below, which will substantially be completed on/or before 30 September 1964, be continued under Program B contract and security cognizance through such completion date. With respect to the CORONA hardware/launch contract with LMSC, which would complete checkout launch of 26 vehicles on/or about February 1965, it is recommended that this contract be terminated forthwith effective as of June 30, 1964.-- thus permitting SSD to write a new contract effective 1 July 1964 which will parallel in point of time the new (1 July 1964) integration contract which SSD is now in process of negotiating with LMSC for utilization of the same systems engineering LMSC personnel who have heretofore been under Agency SE

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In Accordance with E. O. 12958

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contract (Contract No. [REDACTED]).

<u>Contractor</u>	<u>Contract No.</u>	<u>Substantial Completion Date</u>	<u>Funded Thru</u>	<u>Recommended Disengagement Action</u>
LMSC	[REDACTED]	Feb 1965 (Including 6 M/ 20 J payloads, but excluding 4 add. J payloads recently authori- zed.	9/30/64	Terminate as of 6/30/64. (Term. Exp. to include actual expenditures to date; fee determined on % completion)
Itek	[REDACTED]	9/30/64 (excl. of 4 J instruments re- cently authorized)	9/30/64	Retain thru 9/30/64, SSD to initiate new contract for proc. of last 4 J cameras + any undelivered spares & continuing field service aft. 9/30/64
GE	[REDACTED]	9/30/64 (for 61 recov. vehicles for Pro. C/A & L	7/30/64	Retain thru Sept. completion
LMSC	[REDACTED]	7/30/64 [REDACTED]	7/30/64	Retain thru completion
LMSC	[REDACTED]	6/30/64	6/30/64	No action required SSD now negotiating new "integration" contract w/LMSC
<u>ARGON</u>				
LMSC	[REDACTED]	9/30/64 (ARGON hardware and launch)	9/30/64	Retain thru completion
FCIC	[REDACTED]	7/30/64 (ARGON Cameras)	7/30/64	Retain thru completion
FCIC	[REDACTED]	9/30/64. (ARGON Fld. Serv)	9/30/64	Retain thru completion, unless fld service extended beyond 9/30/64

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3. As scheduled steps toward accomplishing the above disengagement, it is recommended that:

(a) the DCI send TWX message to D/NRO outlining recommended contractual termination with dates, asking D/NRO and Director, Program A, concurrence.

(b) Immediately upon concurrence of D/NRO and Director, Program A, the Contracting Officer issue TWX messages to all contractors advising of [REDACTED] [REDACTED] advent, terminating contract [REDACTED] as of 6/30/64, plus other incidental contractual, administrative and property accounting procedures.

(c) Have inherent understanding that as new SSD contracts are written that a new category (nomenclature) of clearances shall be utilized, thus not diluting previous CORONA security techniques.

4. The above time schedule will permit ~~accomplishment~~ completion of the DELTA II Camera at Itek which is now being fabricated in the same secure area as CORONA instruments are fabricated. The above time schedule will necessitate [REDACTED] remaining at their present offices with [REDACTED] through September, but will permit their immediate transfer from that location to another location in the LA area on October 1 to assume other OSA contract and security functions.

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5. One of the details to be determined would be the establishment of Air Force logistic channels and appropriate property accountability depot, it being assumed that for security reasons the Agency would insist that Mira Loma not be utilized as new "gray" contracts are brought into being. If the above recommended disengagement is followed, cursory computation indicates that no additional 65 funding will be required by Program B. If contract [REDACTED] is terminated on 6/30/64, a residual of approximately [REDACTED] should be de-obligated. In addition to this, there is currently available for obligation approximately [REDACTED] or a total available of [REDACTED]. Of this, only approximately [REDACTED] would be required to fund contracts [REDACTED] and [REDACTED] (Itek & GE) through 30 September 1964.

6. As this disengagement progresses, it is recommended that, [REDACTED] the following be understood:

i) All film processing [REDACTED] for all programs, including CORONA and ARGON, be provided under Program B contract.

ii) Director, Program A, be responsible for procurement of film and chemicals (except those used on all Director, Program A, programs (except those used in [REDACTED] processing)).

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11) That the R&D contract for improved processing and printing equipment be retained by the OSA Contracting Officer during FY'65 and administered from Headquarters (which is believed in accord with FIAB report).