

DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330



OFFICE OF THE SECRETARY

December 15, 1969



MEMORANDUM FOR GENERAL KING

SUBJECT: Incentive Contract Structure

This memorandum responds to your letter, "Specialized Incentive Contract Structure for Satellite Projects," dated November 10, 1969, in which you requested authority to use the termination fee provision contained in the specialized incentive structure.

The General Counsel was asked for a determination of the applicability of ASPR Section VIII, Paragraph 2, Paragraph 217(b)(2), and ASPR Section VII, Part 2, Paragraph 203.4(b) to the specialized incentive structure. The General Counsel has determined that a waiver of these ASPR provisions is not required since the termination fee provisions are an integral part of the total specialized incentive structure which is not considered a deviation from ASPR.

We have attached a copy of the General Counsel determination for your use.

A handwritten signature in black ink that reads "William R. Yost".

WILLIAM R. YOST
Colonel, USAF
Deputy Director for
Plans & Policy
Office of Space Systems

Attachment

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WASHINGTON 20330



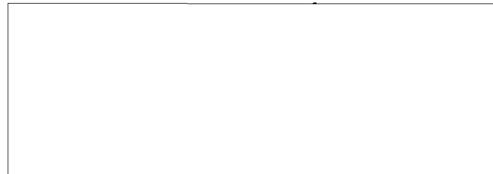
OFFICE OF THE GENERAL COUNSEL

December 12, 1969

MEMORANDUM FOR THE DIRECTOR, OFFICE OF SPACE SYSTEMS, SAFSS
ATTENTION: CAPT MECEDA

SUBJECT: Special Incentive Provisions in Contracts for
Satellite Projects

I have discussed with our legal representative to the ASPR Committee the questions raised in Gen King's memorandum of November 10, 1969 to SAFUS, subject as above, and we have concluded that no waiver from the ASPR is required, in view of the prior determination that use of the special incentive system would not constitute a deviation from it. (See "Memorandum for Assistant Secretary of the Air Force (R&D), Subject: Special Incentives for Satellite Programs," dated September 28, 1966, from the Deputy Assistant Secretary (Procurement).) If the termination provision referred to in Gen King's memorandum is used, however, it should be adapted to make it consistent with those special incentive provisions.



Assistant Deputy General Counsel