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MEMORANDUM FOR DR. FLAX

SUBJECT: Competition on Beryllium Gimbal for DORIAN Payload

In response to your query on the Beryllium Structure competition, the following information is provided.

When GE solicited bids for this subcontract, they preferred firm fixed-price bids and expected quotes in the neighborhood of \$6 or \$7 million. The responses were as follows:

McDonnell	\$4.172 million	FFP
Lockheed	\$4.094 million	CPFF

The small cost difference is more than offset by the type of contract. The bids, incidentally, typify the different responsiveness and attitudes of the two contractors noted throughout the competition.

After subsequent deliberations, GE has decided that they prefer now to contract at a fixed-price incentive basis and plan to negotiate the following contract:

Target Cost	\$3.4 million
Target Fee	12½% (\$0.425M)
Ceiling Price	126.5%
Sharing Ratio	95/5
Weight Incentive	\$0.3M/lb Reward \$1.0M/lb Penalty (Par Weight is 180 lbs)
Schedule Incentive	±2% Penalty and Reward

MICHAEL I. YARYMOVYCH  
Technical Director  
MOL Program

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