

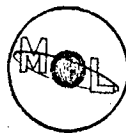
Program Office copy

[REDACTED]

MOL FINANCIAL & PROGRAM
SCHEDULE ADJUSTMENT REVIEW

27 OCTOBER 1967

Bye 21317-67



~~SECRET~~ - SPECIAL ACCESS REQUIRED

AVAILABLE FUNDING

	<u>FY 67</u>	<u>FY 68</u>	<u>FY 69</u>
DEC 66 (NEG CONTRACT)	286.0	587.0	646.5
JUN 67	292.3	480.0 + 28.6 508.6	680.0
OCT 67	292.3	430.0 + 28.6 458.6	640.0
CONTR ACTUALS	263.7 (28.6)		

~~SECRET~~ - SPECIAL ACCESS REQUIRED

Base 21317-67

~~SECRET~~ - SPECIAL HANDLING
1 JULY 1967 12 OCTOBER 1967

	<u>CARRY OVER</u>	<u>DEFICIT</u>	<u>FY 68 NOA</u>	<u>FY 68 ACTUALS NEW PLAN</u>	<u>CUM FY 68</u>	<u>FY 69 PLANNING</u>
DAC	11.4		174.0	156.6	264.6	226
GE		1.6	72.5	65.4	96.2	106
EK	7.3		104.6	93.4	151.5	100
MAC	6.5		51.6	45.8	84.5	68
T-IIIIM	4.7		43.9	39.0	82.3	86
OTHER	.3		33.4	29.8	43.2	54
	<u>30.2</u>	<u>1.6</u>	<u>480.0</u>	<u>430.0</u>	<u>722.3</u>	<u>640</u>
	28.6					

~~SECRET~~ - SPECIAL HANDLING

MOL

~~SECRET~~ - SPECIAL HANDLING

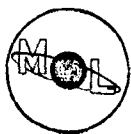
SCHEDULE AND FUNDING BACKGROUND

<u>FUNDS</u>	<u>TIME</u>	<u>FLT 1 (DEV)</u>	<u>FLT 2 (DEV)</u>	<u>FLT 3 (1st MANNED)</u>
286/587/647	DEC 66	APR 69	JUL 69	DEC 69
292/480/680	MAY 67	APR 70	JUN 70	DEC 70
* 292/430/640	OCT 67	JUL 70	SEP 70	MAR 71

* PER DISTRIBUTION 12 OCT 67

BY SIGNED AGREEMENT 20 OCT 1967 -
DAC, EK, MAC, GE, MARTIN

~~SECRET~~ - SPECIAL HANDLING

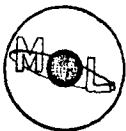


~~SECRET~~ SPECIAL HANDLING

BASIC PROGRAM - DEC 66

	<u>ORIG CONTRACT</u>	<u>DEFERRED ITEMS</u>	<u>TOTAL</u>
DAC	687.8	125.4	813.2
GE	170.5	69.3	239.8
EKC	239.0	36.0	275.0
MAC	180.5	54.2	234.7
TIII	324.5	10.2	334.7
OTHER	82.3	0	82.3
TOTAL	<u>1684.6</u>	<u>295.1</u>	<u>1979.7</u>

~~SECRET~~ SPECIAL HANDLING



~~SECRET~~ SPECIAL HANDLING

DEFERRED ITEMS

FIELD TEST

SUPPORT MODULE

ATS

SPARES

VIB TEST

IVS

~~SECRET~~ SPECIAL HANDLING

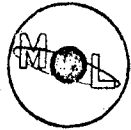


~~SECRET~~ - SPECIAL HANDLING

FY 68 FUNDING AGREEMENTS
MAR - JUN 67

	<u>TOTAL PROGRAM</u>	<u>FY 68 INCR</u>	<u>FY 68 CUM</u>
DAC	892.7	175.0	282.2
GE	324.6	70.0	103.3
EKC	361.0	110.0	162.7
MAC	252.5	54.0	90.3
TIII	360.4	44.0	87.2
OTHER	158.8	27.0	46.6
	<hr/>	<hr/>	<hr/>
TOTAL	2350.0	480.0	772.3

~~SECRET~~ - SPECIAL HANDLING



~~SECRET~~ - SPECIAL HANDLING

RATIONALE FOR PROVIDING AVAILABLE FUNDS

NO FUNDING CONSTRAINT

EKC - PACING CONTRACTOR
HIGH RISK DEVELOPMENT
(E + F + UC)

MODERATE CONSTRAINT

GE - WORK CLOSELY TIED TO EKC
SOME HIGH RISK DEVELOPMENT
(E + F)

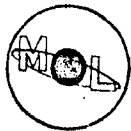
MAC- RETAIN GEMINI TEAM - BOTH McDONNELL AND SUPPLIERS
(E + F + UC)

SEVERE CONSTRAINT

DAC- NORMAL RISK DEVELOPMENT
MUCH WORK DOWNSTREAM FROM GE/EKC
(E + F + UC)

TIIM- VERY LITTLE DEVELOPMENT
PRODUCTION SCHEDULE TIED TO LAUNCH SITE NEED DATES
(E + F + UC)

~~SECRET~~ - SPECIAL HANDLING



~~CONFIDENTIAL~~

FY 67/68 UNDERSTANDING WITH CONTRACTORS
MAY AGREEMENT

- PRESERVE SCHEDULE
- DELAY AS MUCH WORK AS POSSIBLE
- DO ALL NECESSARY WORK
- FUNDING CEILING INCLUDES
 - BASIC CONTRACT
 - DEFERRED ITEMS
 - CHANGES DURING FY 68

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

PROBLEMS CREATED - \$ 480 M FY 68 FUNDING

RESCHEDULING EXERCISES

CONTRACT RENEGOTIATIONS

BILLING SCHEDULES

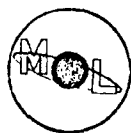
SUBCONTRACTS

MATERIALS

PERSONNEL HIRING PLANS

RISK ASSUMPTION

~~CONFIDENTIAL~~



~~SECRET~~ - SPECIAL HANDLING

NEW PROBLEMS INTRODUCED

SAFETY (APOLLO STUDY)

WIRING	7.3
DUAL GAS	5.3
LAB ATMOSPHERE	4.5
NON METALLIC MATERIAL	65.0
FIRE SUPPRESSION/DETECTION	5.5

IVS 27.5

FLTS 1 & 2 6.4

CPCS 8.1

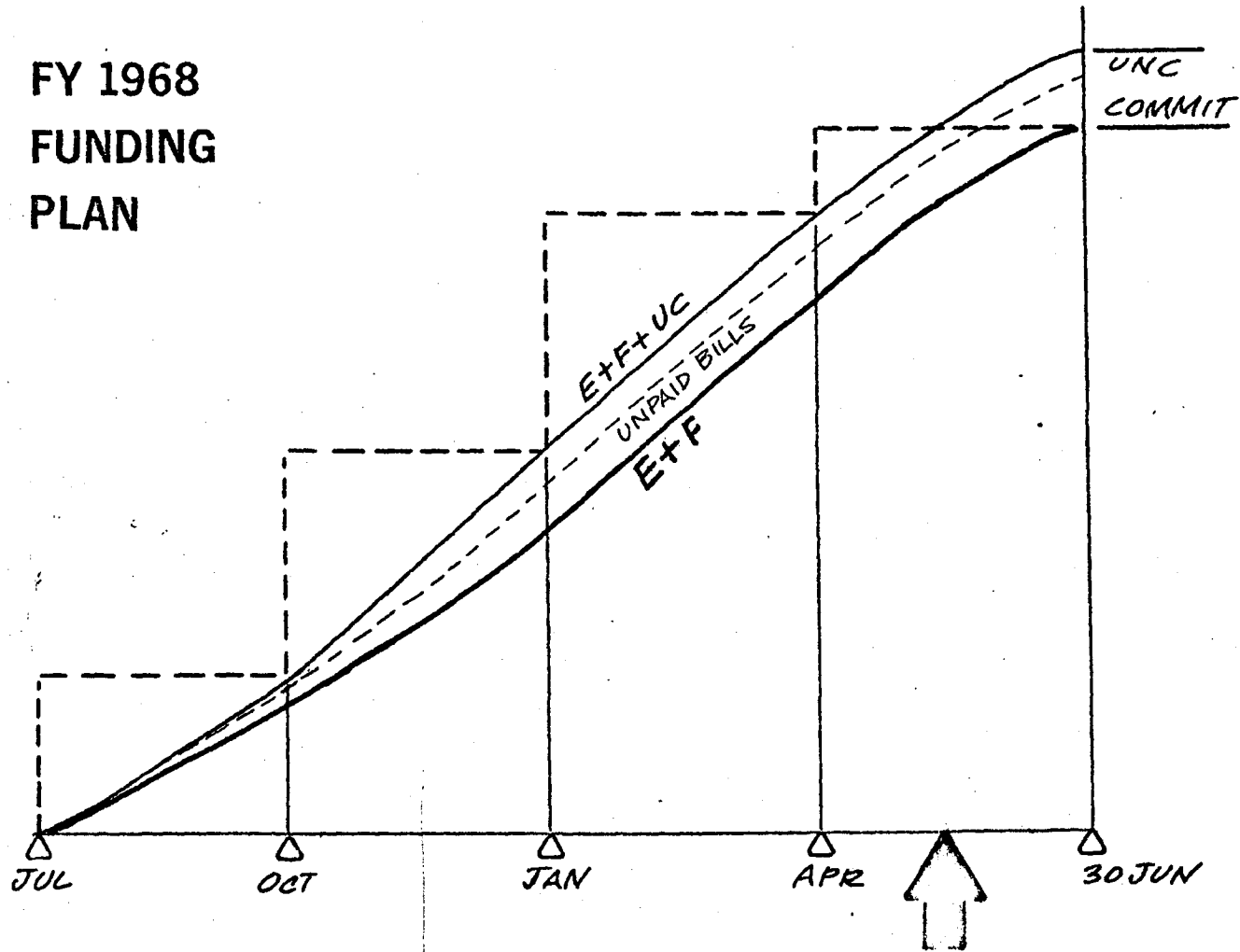
PARALLEL DEVELOPMENT

STRUCTURE, INSTRUMENTATION &
MASS SUBST

ANNEX 4 SPEC

~~SECRET~~ - SPECIAL HANDLING

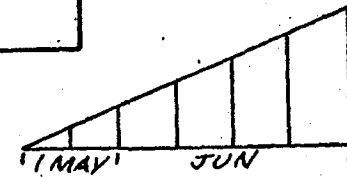
FY 1968 FUNDING PLAN

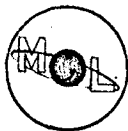


EXPOSURE
BY QUARTER



EXPOSURE BY WEEKS





~~CONFIDENTIAL~~

ADDED CONSIDERATIONS

- NO FLEXIBILITY IN FY 68 PLAN.

EVERY AVAILABLE DOLLAR APPLIED

- IDEALLY, EXPOSURE SAME WEEK FOR EVERYBODY.

UNFORTUNATELY,

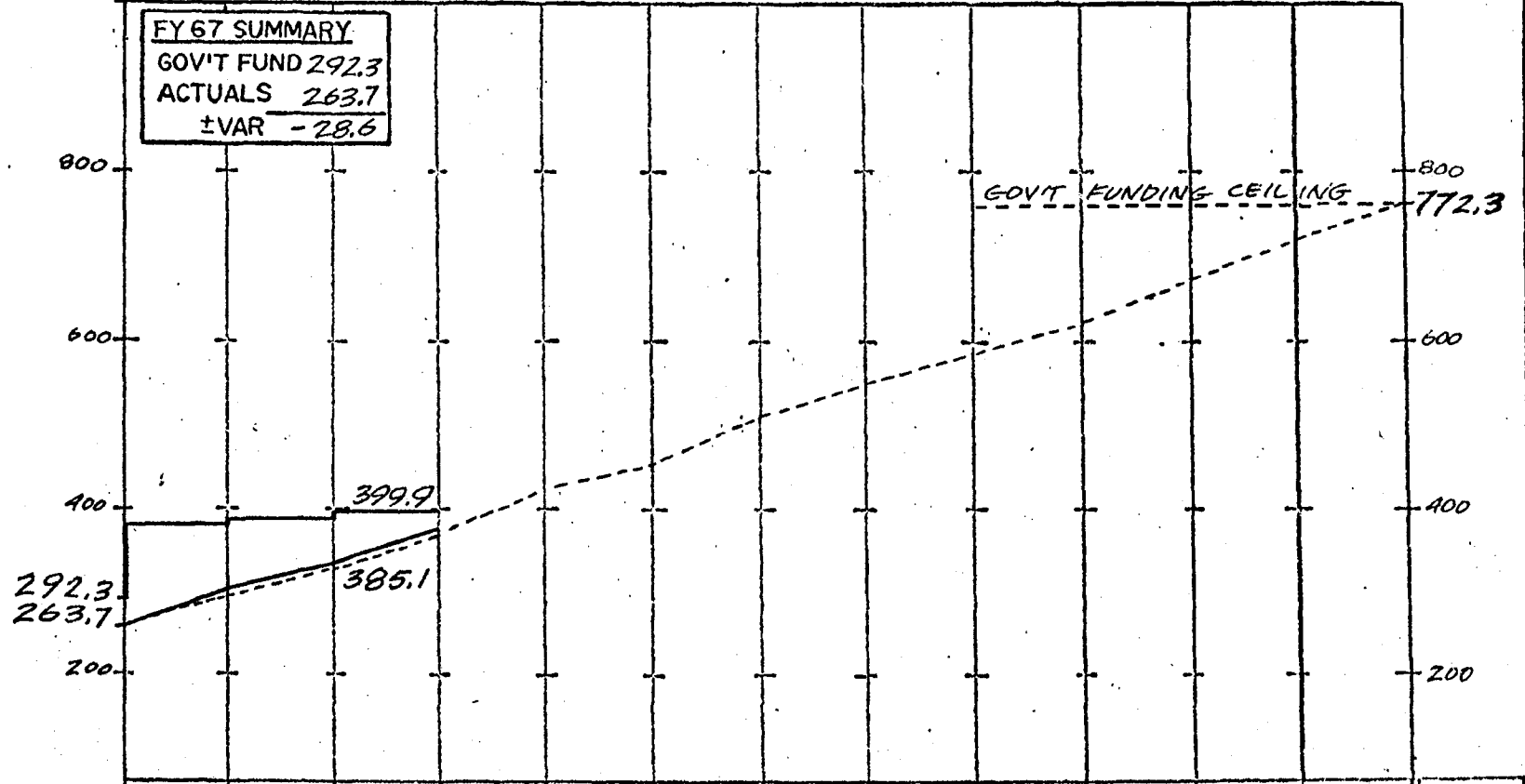
- EXPOSURE NOT DISTRIBUTED EQUALLY
- PROBLEM - GE, T-III M ASSOCIATES

~~CONFIDENTIAL~~

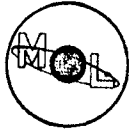
FINANCIAL STATUS FY 1968

SYSTEM SEGMENT TOTAL MOL CONTRACTOR VARIOUS DATE REPORT 20 OCT 67

FY 67 SUMMARY
 GOV'T FUND 292.3
 ACTUALS 263.7
 ±VAR -28.6



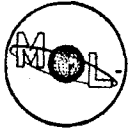
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
RATE	36.3	37.0	41.2	38.7	39.6	42.5	45.0	40.2	45.6	44.5	46.5	51.5	508.6
ACTUALS	41.9	38.1	41.4										
GOV'T FUNDING	90.6	7.1	9.9										



NEW PROBLEM

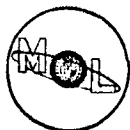
FY 68 \$ 430M ACTUAL

FY 69 \$ 640M PLANNED



**OPTIMIZATION IS TO
PERFORMANCE
AND
MONEY**

... ADJUST SCHEDULE



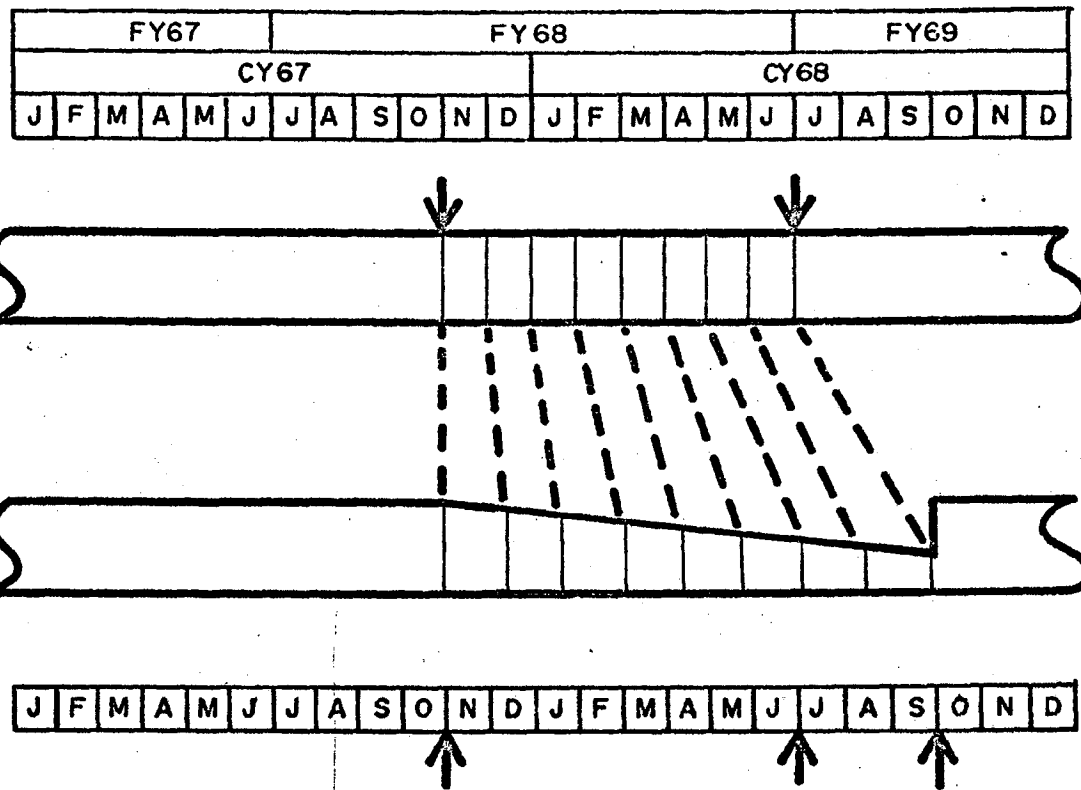
~~CONFIDENTIAL~~

ACTIONS TAKEN

- DIRECTED CONTRACTORS - REDUCED FUNDS
 - ACTUAL \$ 430 FY 68
 - PLANNING \$ 640 FY 69
- SCHEDULE ADJUSTMENT - 3 MONTHS
- MEETING - 19 OCT
 - COORDINATED MASTER SCHEDULE
- FINANCIAL STATUS MEETING - EACH CONTRACTOR
- COST & MANPOWER DATA

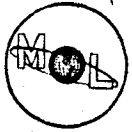
~~CONFIDENTIAL~~

13 WEEK SCHEDULE ADJUSTMENT



13 WEEK SCHEDULE ADJUSTMENT
GROUND RULES

- PRIOR TO 1 NOV 67 - HOLD
- SUBSEQUENT TO 1 JULY 68 - BLOCKS SLIDE 13 WEEKS AHEAD
- 1 NOV 67 to 1 JUL 68 - SPREAD BETWEEN 1 NOV 67 AND
1 OCT 68



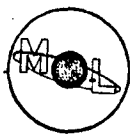
~~SECRET~~ - SPECIAL HANDLING

FUNDING CEILINGS

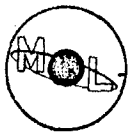
WIRE TO CONTRACTORS (13 OCT 67)

	<u>PREVIOUS CUM THRU 68</u>	<u>NEW CUM THRU 68</u>
DAC	282.0	264.6
GE	103.3	96.2
EK	162.7	151.5
MAC	90.3	84.5
T-IIIM	87.2	82.3
OTHER	46.8	43.2
	<hr/>	<hr/>
	772.3	722.3

~~SECRET~~ - SPECIAL HANDLING



CONTRACTOR VISITS



~~SECRET~~ SPECIAL HANDLING

DOUGLAS
FY 68 FIRST QUARTER ACTUALS

LABOR	6.3 ✓
MATERIAL	.5 ✓
SUB'S	12.9
OTHER	.5 ✓
OVERHEAD	10.3
TOTAL EXPENDITURES	<u>30.5</u>
PROFIT/FEE	3.1
UNCANCELABLE COMMITMENTS	5.9
TOTAL	<u>39.5</u>

~~SECRET~~ SPECIAL HANDLING

~~SECRET~~ SPECIAL ACCESS REQUIRED

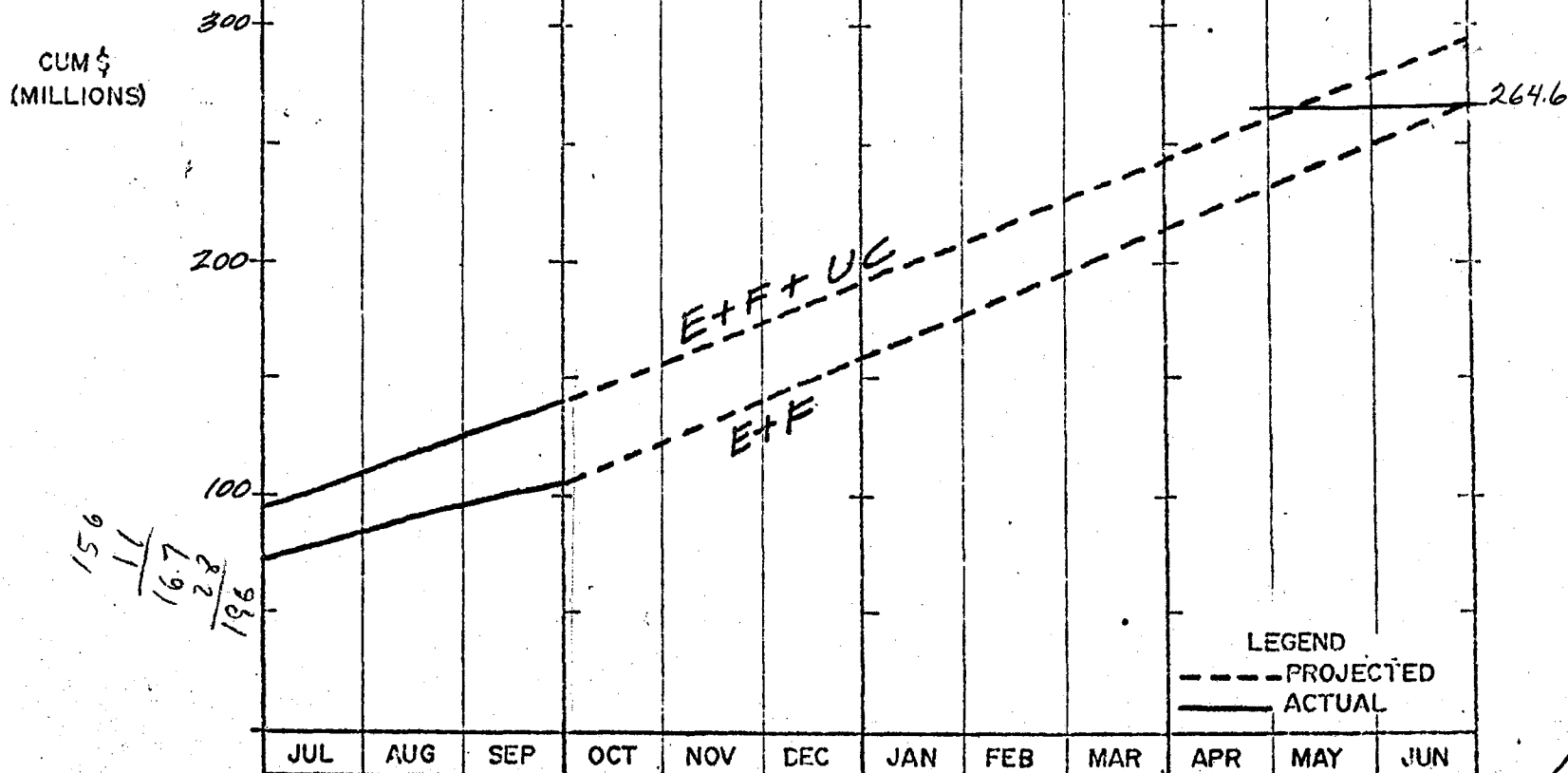
FUNDING REQUIREMENTS FY 68

DATE: 25 OCT 67

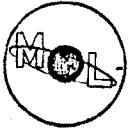
SYSTEM SEGMENT: LAB VEHICLE CONTRACTOR: DOUGLAS

FY68
TOTAL

EXP+FEE-PROJ	85.8	96.2	107.0	122.3	148.5	166.9	179.2	193.8	212.8	228.6	246.3	264.6	191.3
EXP+FEE-ACTUAL	85.8	96.2	107.0										
EXP+FEE+UNC.C-PROJ	111.5	125.6	136.1	152.3	163.9	180.4	196.3	213.0	234.7	253.0	271.7	293.2	196.6
EXP+FEE+UNC.C-ACTUAL	111.5	125.6	136.1										



~~SECRET~~ SPECIAL ACCESS REQUIRED



~~SECRET~~ SPECIAL HANDLING

GENERAL ELECTRIC
FY 68 FIRST QUARTER ACTUALS

LABOR	3.4
MATERIAL	1.6
SUB's	4.7
OTHER	2.0
OVERHEAD	4.6
TOTAL EXPENDITURES	<u>16.3</u>
PROFIT/FEE	1.7
UNCANCELABLE COMMITMENTS	4.3
TOTAL	<u>22.3</u>

~~SECRET~~ SPECIAL HANDLING

~~SECRET~~ SPECIAL ACCESS REQUIRED

FUNDING REQUIREMENTS FY 68

DATE: 25 OCT 67

SYSTEM SEGMENT: MISSION MODULE CONTRACTOR: G.E.

FY68
TOTAL

EXP+FEE-PROJ	34.7	39.8	46.3	54.3	60.4	66.9	75.7	83.4	91.6	101.5	110.0	118.9	90.1
EXP+FEE-ACTUAL	34.7	39.8	46.3										
EXP+FEE+UNC.C-PROJ	40.9	46.2	54.7	63.3	70.1	77.4	86.7	94.9	103.5	113.9	122.7	131.9	99.0
EXP+FEE+UNC.C-ACTUAL	40.9	46.2	54.7										

CUM \$
(MILLIONS)

150

100

50

96.2

E+F+UC

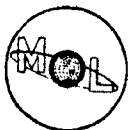
E+F

LEGEND

- PROJECTED
- ACTUAL

JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN

~~SECRET~~ SPECIAL ACCESS REQUIRED



~~SECRET~~ SPECIAL HANDLING

EKC

FY 68 FIRST QUARTER ACTUALS

LABOR	2.3
MATERIAL	1.5
SUB's	8.8
OTHER	.8
OVERHEAD	4.5
TOTAL EXPENDITURES	<u>17.9</u>
PROFIT/FEE	1.1
UNCANCELABLE COMMITMENTS	8.0
TOTAL	<u>27.0</u>

~~SECRET~~ SPECIAL HANDLING

~~SECRET~~ - SPECIAL HANDLING

FUNDING REQUIREMENTS FY 68

DATE: 25 OCT 67

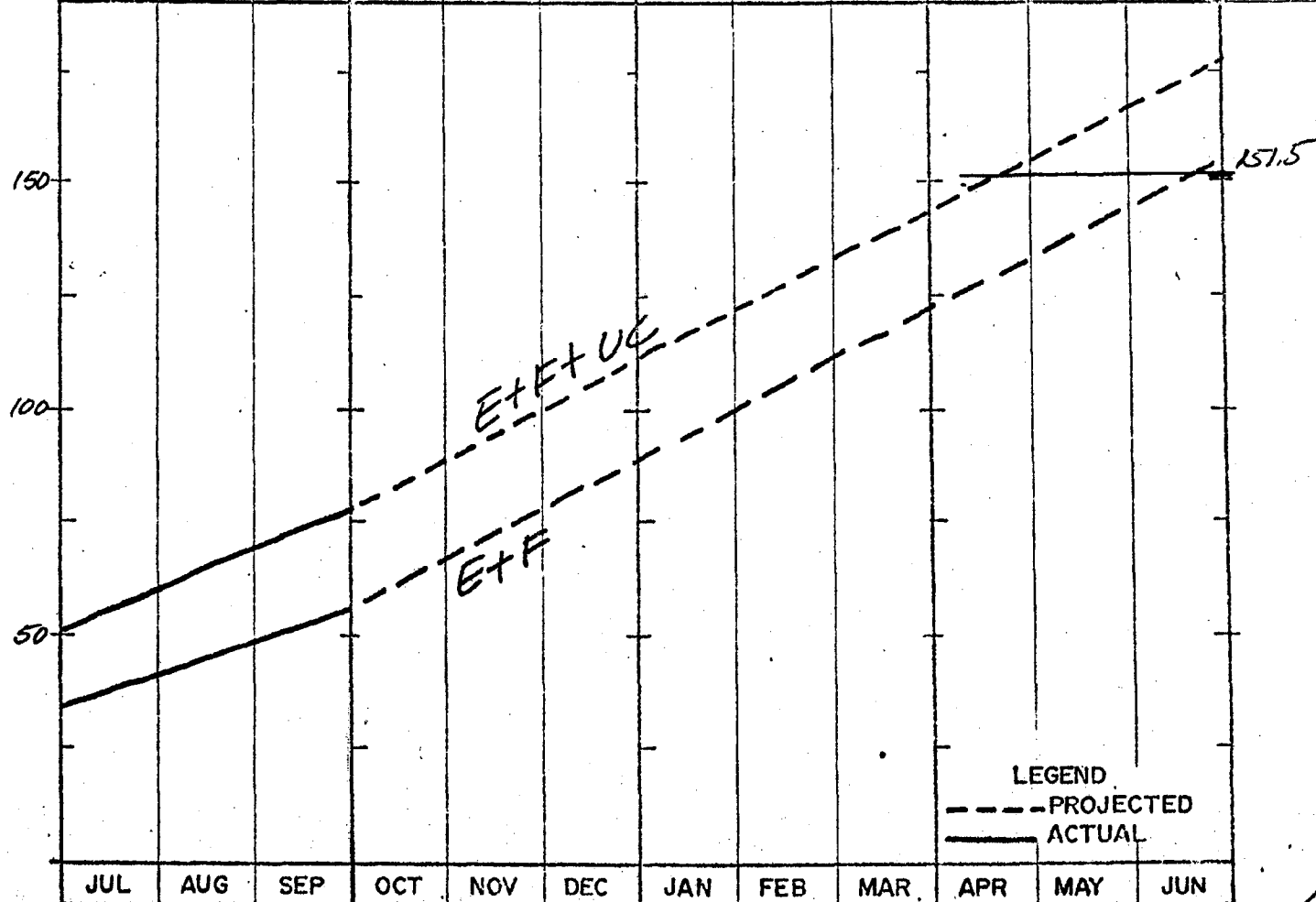
SYSTEM SEGMENT: *PAYLOAD*

CONTRACTOR: *EKC*

FY68
TOTAL

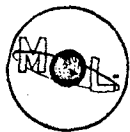
EXP+FEE - PROJ	48.5	53.2	57.8	65.7	74.5	84.3	94.3	105.4	117.1	129.9	143.3	156.5	117.7
EXP+FEE - ACTUAL	48.5	53.2	57.8										
EXP+FEE+UNC.C-PROJ	59.4	68.2	77.8	85.7	94.5	104.3	114.3	125.4	137.1	149.9	163.3	176.5	125.7
EXP+FEE+UNC.C-ACTUAL	59.4	68.2	77.8										

CUM \$
(MILLIONS)



LEGEND
 - - - - - PROJECTED
 _____ ACTUAL

~~SECRET~~ - SPECIAL HANDLING



~~SECRET~~ SPECIAL ACCESS REQUIRED

McDONNELL
FY 68 FIRST QUARTER ACTUALS

LABOR	2.1
MATERIAL	.7
SUB's	1.4
OTHER	1.1
OVERHEAD	1.6
TOTAL EXPENDITURES	<u>6.9</u>
PROFIT/FEE	.7
UNCANCELABLE COMMITMENTS	.4
TOTAL	<u>8.0</u>

~~SECRET~~ SPECIAL ACCESS REQUIRED

~~SECRET~~ SPECIAL ACCESS REQUIRED

M 4C
next

FUNDING REQUIREMENTS FY 68

DATE: 25 OCT 67

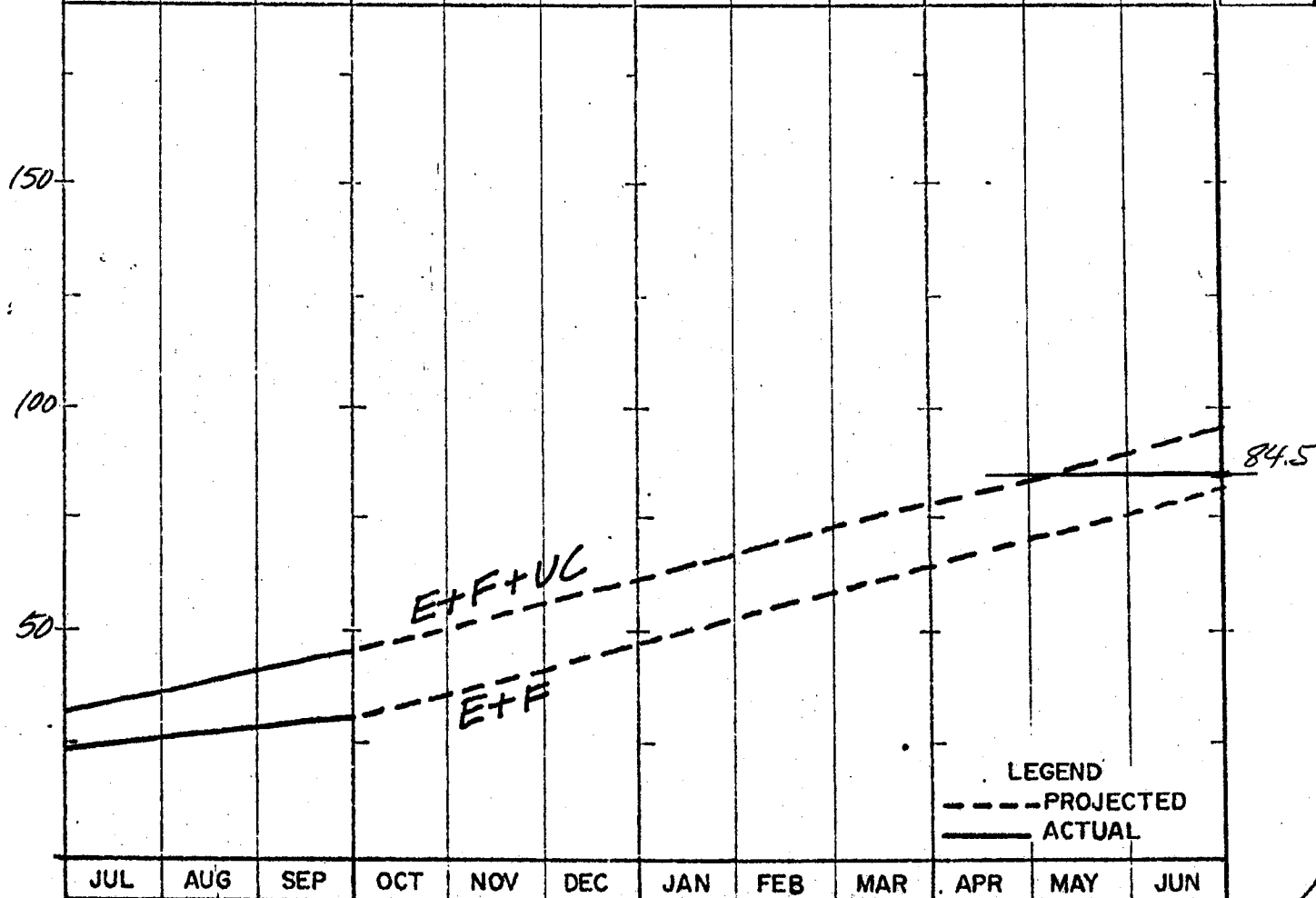
SYSTEM SEGMENT: GEMINI B

CONTRACTOR: McDONNELL

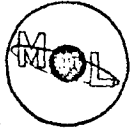
FY68
TOTAL

EXP+FEE-PROJ	26.4	29.4	32.1	36.0	40.0	44.8	50.2	55.6	61.7	68.0	74.9	81.3	71.2
EXP+FEE-ACTUAL	26.4	29.4	32.1										
EXP+FEE+UNC.C-PROJ	34.1	37.2	40.2	44.4	48.7	53.8	59.8	65.9	72.6	79.5	86.6	94.2	70.2
EXP+FEE+UNC.C-ACTUAL	34.1	37.2	40.2										

CUM \$
(MILLIONS)



~~SECRET~~ SPECIAL ACCESS REQUIRED



~~SECRET~~ SPECIAL HANDLING

MARTIN MARIETTA

FY 68 FIRST QUARTER ACTUALS

LABOR	1.9
MATERIAL	2.1
SUB's	-0-
OTHER	.5
OVERHEAD	3.5
TOTAL EXPENDITURES	<u>8.0</u>
PROFIT/FEE	.8
UNCANCELABLE COMMITMENTS	-0-
TOTAL	<u>8.8</u>

~~SECRET~~ SPECIAL HANDLING

FUNDING REQUIREMENTS FY 68

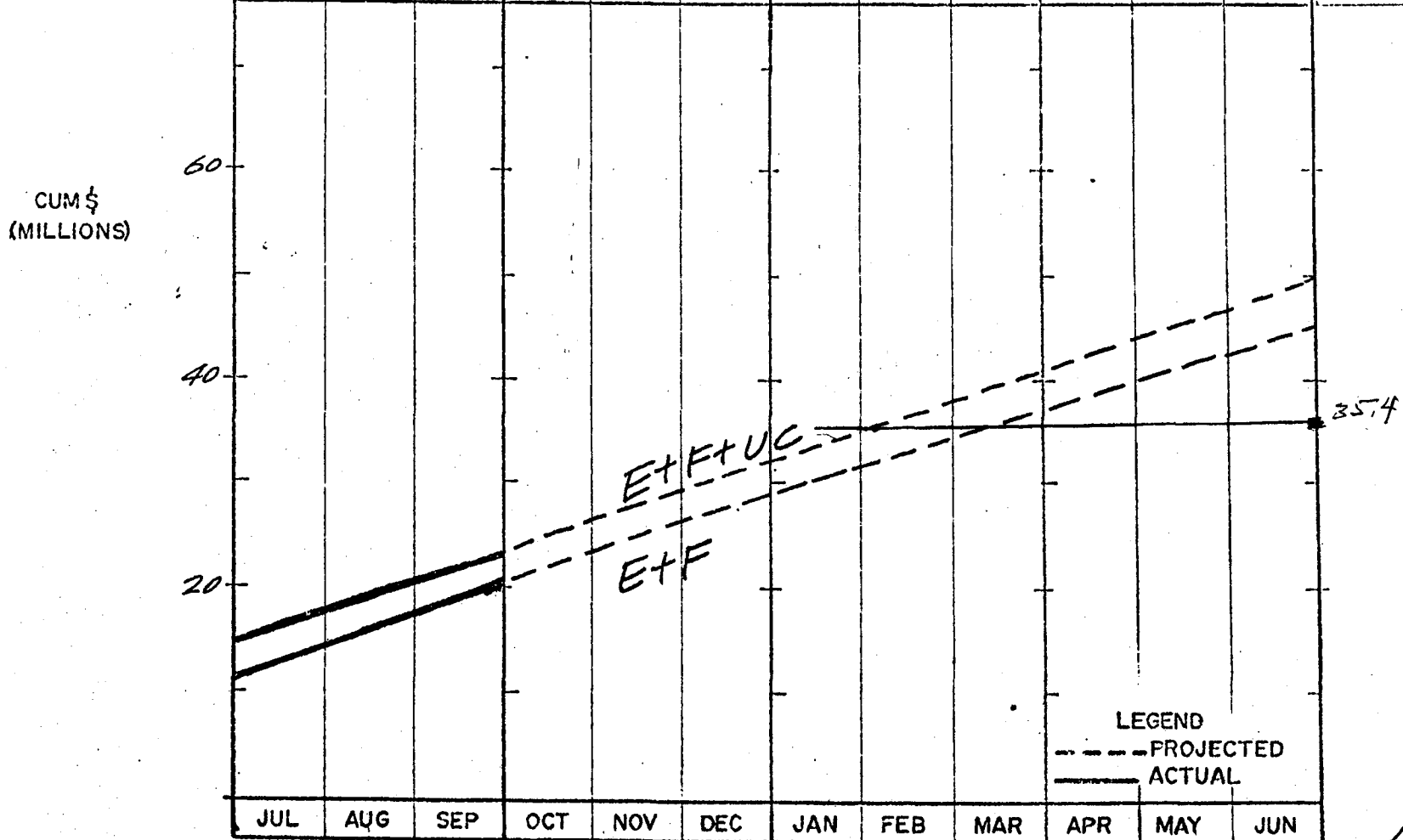
DATE: 25 OCT 67

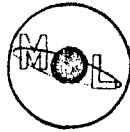
SYSTEM SEGMENT: *T-III M*

CONTRACTOR: *MMC*

FY68
TOTAL

EXP+FEE - PROJ	14.8	17.2	20.4	25.2	28.0	31.0	33.4	35.8	38.6	41.1	43.6	46.4	39.8
EXP+FEE - ACTUAL	14.8	17.2	20.4										
EXP+FEE+UNC.C-PROJ	18.4	20.5	23.9	26.4	29.0	31.5	34.3	37.3	40.4	43.5	46.6	49.7	39.6
EXP+FEE+UNC.C-ACTUAL	18.4	20.5	23.9										





~~SECRET~~ - SPECIAL HANDLING

ACED
FY 68 FIRST QUARTER ACTUALS

LABOR	1.1
MATERIAL	.3
SUB'S	2.1
OTHER	0
OVERHEAD	.3
TOTAL EXPENDITURES	<u>3.8</u>
PROFIT/FEE	.1
UNCANCELABLE COMMITMENTS	<u>(.6)</u>
TOTAL	3.3

~~SECRET~~ - SPECIAL HANDLING

FUNDING REQUIREMENTS FY 68

DATE: 25 OCT 67

SYSTEM SEGMENT: T-III M

CONTRACTOR: ACED

FY68
TOTAL

EXP+FEE-PROJ	5.4	6.4	8.3	10.1	10.6	11.3	11.8	12.6	13.1	13.5	13.5	13.5	9.1
EXP+FEE-ACTUAL	5.4	6.4	8.3										
EXP+FEE+UNC.C-PROJ	9.9	10.8	12.1	12.9	13.4	13.8	13.8	13.8	13.8	13.8	13.8	13.8	50
EXP+FEE+UNC.C-ACTUAL	9.9	10.8	12.1										

CUM \$
(MILLIONS)

15

10

5

E+F+U.C

E+F

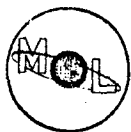
11.9

LEGEND

--- PROJECTED

— ACTUAL

JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN



~~SECRET~~ - SPECIAL HANDLING

AGC
FY 68 FIRST QUARTER ACTUALS

LABOR	.9
MATERIAL	.1
SUB's	.2
OTHER	.1
OVERHEAD	2.1
TOTAL EXPENDITURES	<u>3.4</u>
PROFIT/FEE	.3
UNCANCELABLE COMMITMENTS	0
TOTAL	<u>3.7</u>

~~SECRET~~ - SPECIAL HANDLING

FUNDING REQUIREMENTS FY 68

DATE: 25 OCT 67

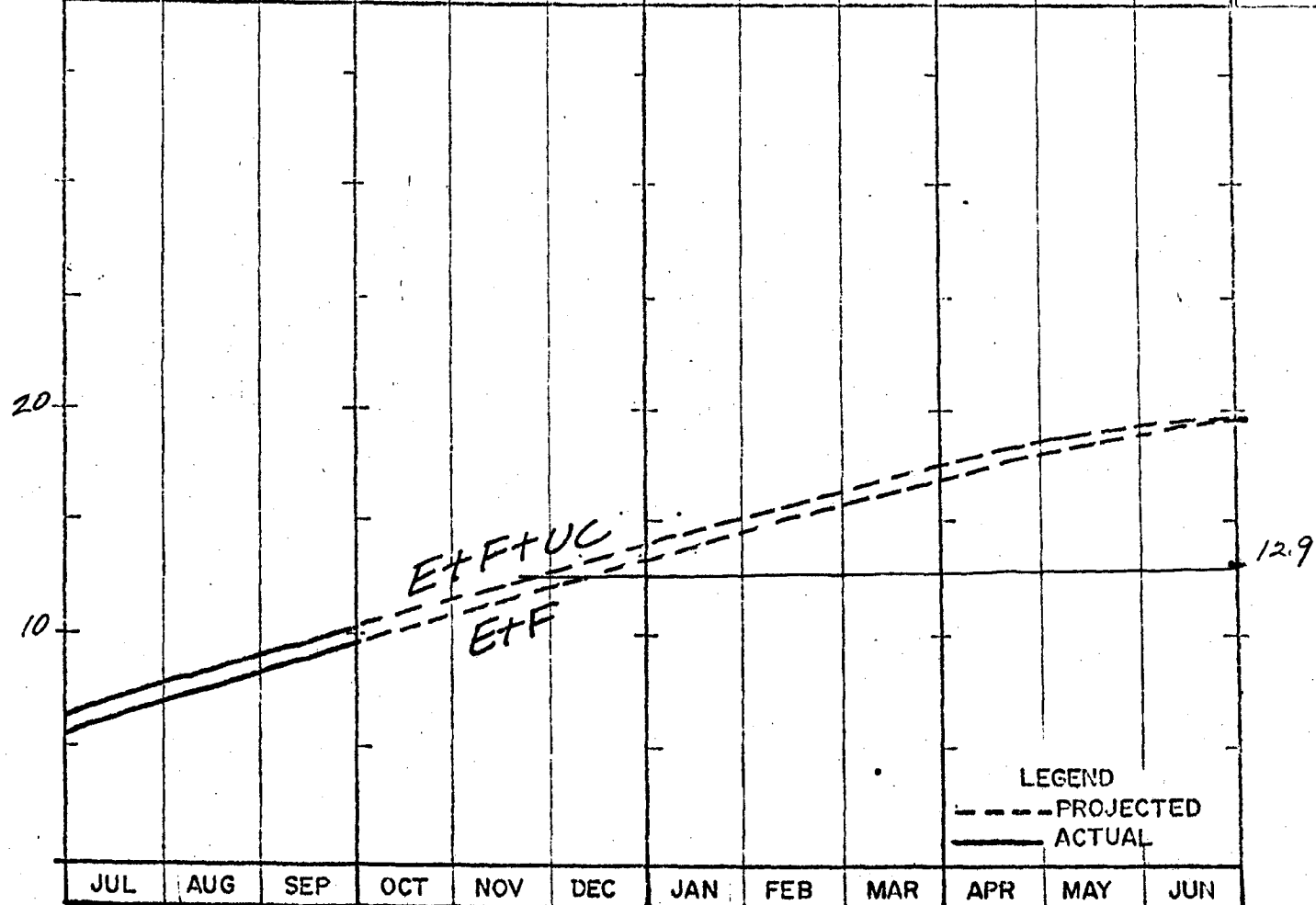
SYSTEM SEGMENT: T-III M

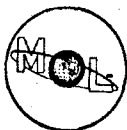
CONTRACTOR: AGC

FY68
TOTAL

EXP+FEE-PROJ	6.5	7.9	9.5	11.0	12.4	13.6	14.8	16.0	17.1	18.0	18.9	19.8	14.0
EXP+FEE-ACTUAL	6.5	7.9	9.5										
EXP+FEE+UNC.C-PROJ	7.2	8.6	10.0	11.5	12.9	14.1	15.2	16.3	17.3	18.2	19.0	19.8	13.5
EXP+FEE+UNC.C-ACTUAL	7.2	8.6	10.0										

CUM \$
(MILLIONS)





~~SECRET~~ - SPECIAL HANDLING

UTC
FY 68 FIRST QUARTER ACTUALS

LABOR	.5
MATERIAL	0
SUB'S	.7
OTHER	.1
OVERHEAD	1.4
TOTAL EXPENDITURES	<u>2.7</u>
PROFIT/FEE	.2
UNCANCELABLE COMMITMENTS	.2
TOTAL	<u>3.1</u>

~~SECRET~~ - SPECIAL HANDLING

FUNDING REQUIREMENTS FY 68

DATE: 25 OCT 67

SYSTEM SEGMENT: T-III M

CONTRACTOR: UTC

FY68
TOTAL

EXP+FEE-PROJ	6.1	6.8	8.2	8.9	9.7	10.7	11.5	12.5	13.4	14.5	15.7	17.2	11.9
EXP+FEE-ACTUAL	6.1	6.8	8.2										
EXP+FEE+UNC.C-PROJ	6.1	6.9	8.4	9.3	10.6	12.1	13.3	14.8	16.3	17.9	19.7	21.8	16.5
EXP+FEE+UNC.C-ACTUAL	6.1	6.9	8.4										

CUM \$
(MILLIONS)

30

20

10

E+F+UC
E+F

13.9

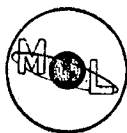
LEGEND
--- PROJECTED
— ACTUAL

JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN

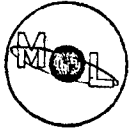
~~SECRET~~ - SPECIAL HANDLING

	<u>CUM 68 AVAIL</u>	<u>FCST REQMT</u>	<u>DIFF</u>	<u>DEFICIENCY COMMIT.</u>	<u>CASH</u>	<u>JUSTIFIED NEED (EXP BASIS)</u>	
DAC	264.6	293.2	28.6	28.6	-	0	
GE	96.2	131.4	35.2	13.0	22.2	10 - 22	
EK	151.5	176.5	25.0	20.0	5.0	0	
MAC	84.5	94.2	9.7	12.9	(3.2)	(3-5)	
T-111M	82.3	113.3	31.0	8.2	22.8	20 - 22	
MMC	35.4	49.7	14.3	3.3	11.0	11.0	} NOT BILLABLE
ACED	11.9	13.8	1.9	.3	1.6	1.1	
AGC	12.9	19.8	6.9	.0	6.9	.7	
UTC	13.9	21.8	7.9	4.6	3.3	3.3	
MISC	8.2	8.2	0				
OTHER	43.2	43.2	0				
	<u>722.3</u>	<u>851.8</u>	<u>129.5</u>	<u>82.7</u>	<u>46.8</u>	<u>27 - 39</u>	

~~SECRET~~ - SPECIAL HANDLING



NEW PROGRAM REQUIREMENT



~~SECRET~~ - SPECIAL HANDLING

IVS
PARALLEL DEVELOPMENT (12C SCHEDULE)

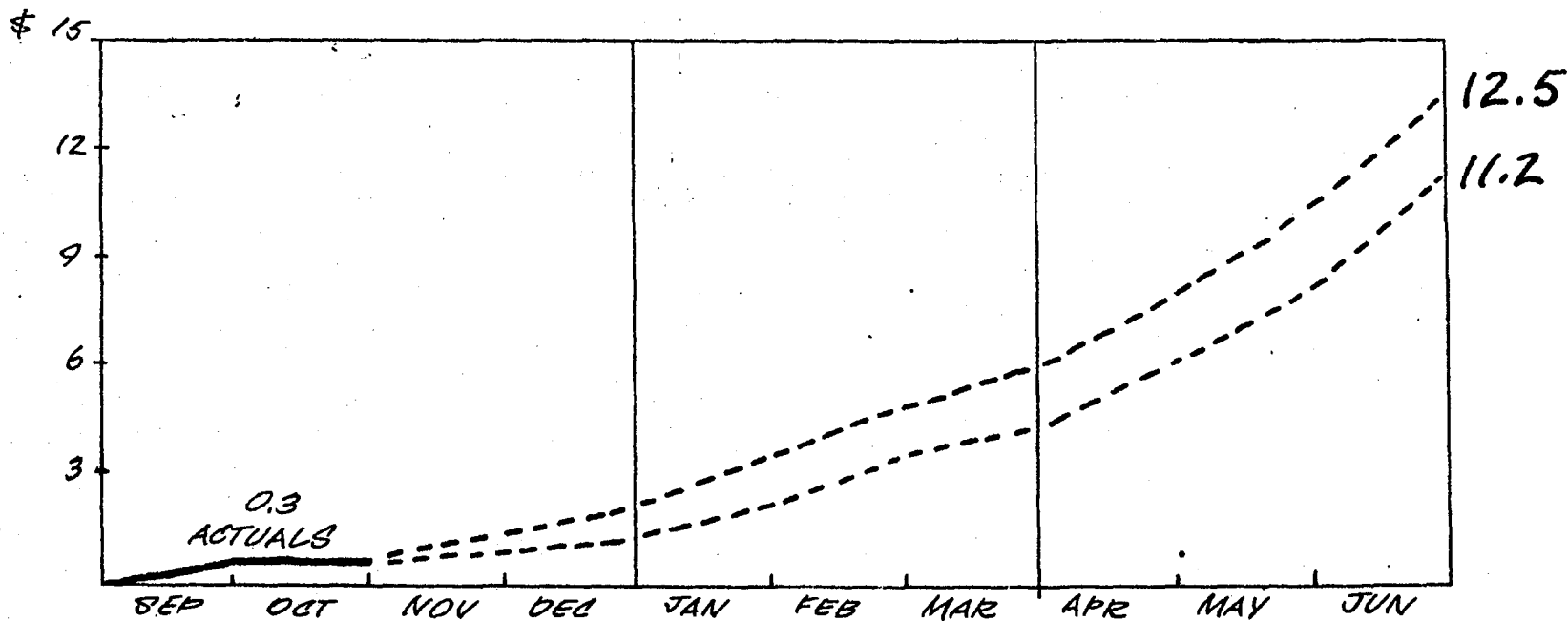
	<u>DESIGN & DEV</u>	<u>QUAL</u>	<u>HDW</u>	<u>TOTAL</u>
ITEK	8.0	2.5	2.5	13.0
GOOD YEAR	5.0	2.0		7.0
HYCON	1.5			1.5
	<u>14.5</u>	<u>4.5</u>	<u>2.5</u>	<u>21.5</u>
ITEK TEST (BUILD THE TESTER)				1.0
GE IN-HOUSE DESIGN, SPECS, & TEST				<u>5.0</u>
TOTAL				<u>27.5</u>

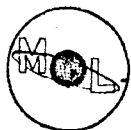
~~SECRET~~ - SPECIAL HANDLING

~~SECRET~~ - SPECIAL HANDLING

	<u>68</u>	<u>69</u>	<u>70</u>	<u>71</u>	<u>72</u>	<u>TOTAL</u>
E + F	11.2	9.2	5.0	1.6	.5	27.5
E + F + UC	12.5	8.9	4.3	1.4	.4	27.5

FY 1968



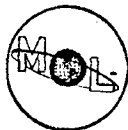


COMMITMENT FUNDING PROBLEM



LIMITATION OF GOVERNMENT'S OBLIGATION

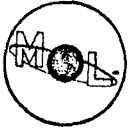
THE CONTRACTOR AGREES TO PERFORM..... UP TO THE POINT AT WHICH.....THE TOTAL AMOUNT PAYABLE BY THE GOVERNMENT (EXCLUDING....."SPECIAL TERMINATION COSTS".....) WOULD IN THE EXERCISE OF REASONABLE JUDGEMENT BY THE CONTRACTOR APPROXIMATE THE TOTAL AMOUNT ALLOTTED TO THE CONTRACT. THE CONTRACTOR SHALL NOT BE OBLIGATED TO.... WORK BEYOND SUCH POINT. THE GOVERNMENT SHALL NOT BE OBLIGATED IN ANY EVENT TO PAY.....THE CONTRACTOR IN EXCESS OF THE AMOUNT..... ALLOTTED TO THE CONTRACT, PLUS THE AMOUNT DESIGNATED FOR SPECIAL TERMINATION COSTS.....



SPECIAL TERMINATION COSTS

THE GOVERNMENT HAS DESIGNATED THE SUM OF \$ _____ TO COVER ITS LIABILITY FOR ANY SPECIAL TERMINATION COSTS TO WHICH THE CONTRACTOR MAY BE ENTITLED IN THE EVENT THIS CONTRACT IS TERMINATED FOR THE CONVENIENCE OF THE GOVERNMENT..... SPECIAL TERMINATION COSTS..... ARE DEFINED AS.....:

- A. SEVERANCE PAY.....
- B. REASONABLE POST-TERMINATION PLANT MAINTENANCE AND OPERATIONAL COSTS.
- C. SETTLEMENT EXPENSES.....
- D. COST OF RETURN OF FIELD SERVICE PERSONNEL FROM SITES.
- E. COSTS IN CATEGORIES A, B, C, AND D ABOVE TO WHICH SUBCONTRACTORS MAY BE ENTITLED IN THE EVENT OF TERMINATION FOR THE CONVENIENCE OF THE GOVERNMENT.



THE ISSUE

SPECIAL TERMINATION COSTS

A CONTINGENT LIABILITY BECOMES A REAL LIABILITY
ONLY IN EVENT OF TERMINATION

TERMINATION LIABILITY

UNCANCELABLE COMMITMENTS AND UNPAID BILLS

REAL LIABILITIES

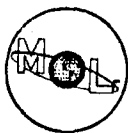
EXPOSURE ON TOP OF EXPENDITURES

PROBLEM ONLY MAY - JULY TIME PERIOD

CONTRACTORS NEED PROTECTION

FUNDS

CONTRACTUAL LANGUAGE



AUTHORIZATION NEEDED TO ADD CONTRACT LANGUAGE

CONTRACTOR AGREES -

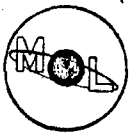
- o THAT FY FUNDS COVER FY PERFORMANCE
- o TO CONTINUE PERFORMANCE 15 DAYS INTO NEW FY WITHOUT INCREASED FUNDING
- o TO NOT EXERCISE RIGHT TO REQUEST TERMINATION DURING PERIOD OF INSUFFICIENT FUNDING

GOVERNMENT AGREES -

- o TO PROTECT CONTRACTOR FOR A SPECIFIED DOLLAR LIABILITY DURING PERIOD OF INSUFFICIENT FUNDING
- o TO TERMINATE CONTRACT IF FUNDS NOT ADDED BY 15 DAYS INTO NEW FY

BOTH AGREE -

AMOUNT PAYABLE TO CONTRACTOR ABOVE FUNDS ALLOTTED TO CONTRACT LIMITED TO SPECIFIED DOLLAR LIABILITY PLUS SPECIAL TERMINATION COST PROVISION



~~SECRET~~ - SPECIAL ACCESS REQUIRED

ALTERNATIVES TO LEGAL POINT

- FUND FOR TERMINATION LIABILITY.

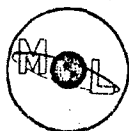
AVAILABLE FUNDS LAY IDLE

- GET TOP LEVEL AGREEMENTS (EXTRA-CONTRACTUAL).

COMPANIES ASSUME RISK AT YEAR-END AS NORM FOR DOD
R&D CONTRACTING

OR - - - - WHY NOT DO IT LEGALLY ?

~~SECRET~~ - SPECIAL ACCESS REQUIRED

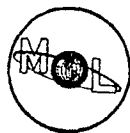


~~SECRET~~ - SPECIAL HANDLING

FY 1969 FORECAST

	<u>CUM 69 AVAIL</u>	<u>FCST REQMT</u>	<u>DIFF</u>	<u>EST DEFICIENCY COMMIT</u>	<u>CASH</u>
DAC	490.6	561.5	70.9	30.6	40.3
GE	202.2	237.4	35.2	12.0	23.2
EK	251.5	307.1	55.6	11.0	44.6
MAC	152.5	164.4	11.9	11.9	-0-
T-IIIM	168.3	219.3	51.0	8.7	42.3
MMC	71.4	95.2	23.8	3.0	20.8
ACED	13.9	15.8	1.9	.5	1.4
AGC	23.9	33.0	9.1	0	9.1
UTC	45.9	61.1	15.2	5.2	10.0
MISC	13.2	14.2	1.0	0	1.0
OTHER	97.2	97.2	-0-	-0-	-0-
	<u>1362.3</u>	<u>1586.9</u>	<u>224.6</u>	<u>74.2</u>	<u>150.4</u>

~~SECRET~~ - SPECIAL HANDLING



FY 1970 \$ 540M ??