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28 November 1958

MEMORANDUM FOR : Special Assistant to the Director  
for Planning and Development

THROUGH : Director of Development and Procurement, DPS

SUBJECT : Trip Report of Daniel M. Kelly to  
San Francisco and Vicinity

1. On 20 November 1958, the undersigned attended a progress report meeting on the CORONA program. On 21 November 1958, negotiations were attended between the prime Contractor and one of its subcontractors (ITEK).

2. ITEK felt very strongly that the [redacted] figure often referred to was unrealistic and that the lowest figure that the Company would recommend was approximately [redacted]. Mr. Walt Levison stated that a total of [redacted] had already been obligated or expended by ITEK and Fairchild. An additional [redacted] was required to complete the Fairchild work. These two figures alone total the [redacted]. Accordingly, ITEK indicated that to reduce the total to [redacted] would mean that they could perform no additional work beyond 1 November 1958 (already past). Regardless of this, the prime Contractor requested that ITEK submit a proposal to them, indicating what items it would be necessary to cut in order to reduce the figure to [redacted]. ITEK advised that if this were done many areas of joint responsibility would be eliminated and they could not be responsible for the operation of the system.

3. The following general items were discussed with the prime Contractor:

- a. Reviewed the present status and record keeping required for Government-furnished equipment supplied by the White program.
- b. Again stated the system by which equipment approvals would be processed, particularly with regard to the furnishing of various items by the Government in lieu of being Contractor-purchased.
- c. Reviewed the need for documentation indicating receipt of equipment and an operationally expended certificate.

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- d. Reviewed the present status of audit findings at the various subcontractors' plants.
- e. Discussed the need for quality control and the prime Contractor's responsibility therefor.
- f. Discussed packing requirements.
- g. Discussed THERMAL problem which apparently could increase the prime Contractor's costs in the vicinity of [REDACTED]. However, additional costs, if any, due to this problem, will not be reflected until submission of ITEK's revised proposal.

4. [REDACTED] was also visited on the afternoon of 21 November 1950. [REDACTED] and the undersigned visited [REDACTED] of the Company and briefed him on security and contract matters.

DANIEL M. KELLY  
Contracting Officer, IPS

[REDACTED]

Distribution:

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