FULCRUM

REFERENCE ACORN 716

ATTENTION: FRANK MADDEN

1. CONTRACT APPROVAL HEREBY GRANTED TO ACCEPT
OVERRUN ON CONTRACT MB-1957 NOT TO EXCEED SEVENTY-FIVE
THOUSAND DOLLARS.

2. HEADQUARTERS WILLING TO NEGOTIATE UP TO EIGHTY
THOUSAND DOLLARS UPON JUSTIFICATION BY ACORN AS TO OVERHEAD
RATES. SUCH NEGOTIATION CAN TAKE PLACE DURING CONTRACTING
OFFICERS NEXT VISIT WITHIN NEXT TWO WEEKS.

END OF MESSAGE
<table>
<thead>
<tr>
<th>COLUMN NBR. 1</th>
<th>COLUMN NBR. 2</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT LABOR</td>
<td>$10,820</td>
<td>$4,563</td>
</tr>
<tr>
<td>OVERHEAD</td>
<td>$39,568</td>
<td>$6,388</td>
</tr>
<tr>
<td>MATERIAL</td>
<td>$5,809</td>
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<tr>
<td>O.D.C.</td>
<td>$4,413</td>
<td>$75</td>
</tr>
<tr>
<td>SUB-TOTAL</td>
<td>$58,934</td>
<td>$11,026</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>$8,546</td>
<td>$1,598</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$67,483</td>
<td>$12,624</td>
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</tbody>
</table>

The overhead amount under COLUMN NBR. 1 includes the adjustment of FY64 overhead to 133 percent and FY65 overhead to 140 percent, which reflects the current estimated recoverable rates for the years.
COLUMN NBR. 2 REPRESENTS ADDITIONAL ANTICIPATED OVERRUN CAUSED BY EFFORT EXPENDED AND TIME LOST IN PREPARING FOR AND CARRYING OUT THE BRIEFING WHICH TOOK PLACE AT THIS FACILITY ON 18 JANUARY 1965. COST EXPENDITURES (INCLUDING O/S/C TOTAL 2,615,000 FOR WEEK ENDING 1/8/65. ALTHOUGH COST DETAIL IS NOT AVAILABLE FOR WEEK ENDING 1/15/65, EXPENDITURES WERE VERY HEAVY.

PLEASE FORWARD INSTRUCTIONS IMMEDIATELY REGARDING THIS MATTER.

END OF MESSAGE
REFERENCE ADVICE DOES NOT SUFFICE. PLEASE PROVIDE DETAILED COMPOSITION OF $68,000 OVERUN.

END OF MESSAGE
TO:  DIRECTOR
FROM:  KVACORN

PRIORITY ADIC  INFO
SITE  ACORN 698

ATTN:  J. MCDONALD

PLS BE ADVISED THAT WE WILL REQUIRE $62,000 FUNDING IN ADDITION TO THE NEGOTIATED COST OF $2,851,186 IN ORDER TO COMPLETE CONTRACT NB-120.

END OF MSG