(U) Lox Valve Program

Contract AF 04(647)-161, Robertshaw-Fulton Controls Company, Anaheim, California, Change Order #1 was forwarded to LRFP and LEWA 10 February 1959, to add funds in the amount of $120,000 as an allowable cost with no additional fee to CEPF-type contract. An additional overrun of approximately $327,000 (making a total overrun of $327,000) and an extension of the delivery schedule is estimated by the contractor. The contractor states that this overrun is a result of analysis, development and test activities of considerably greater magnitude and complexity than originally envisioned from the contract Statement of Work. Acceptance of this projected overrun is currently under advisement and is expected to be resolved by 28 February 1959.

(U) Space Technology Laboratories, Inc.

Negotiation of Definitive Contract No. AF 04(647)-302 covering work under Projects ABLE-3 (L/C SA #1 to AF 04(647)-205) and ABLE-4 (L/C AF 04(647)-302) are presently in progress. Cost negotiations were commenced on 4 February 1959, agreement has been reached on all contractual aspects (work statement, special clauses and estimated cost), with the exception of fixed fee. Based on an agreed total estimated cost of $9,750,000, STL proposed a fee of $811,500 (8.3%). STL is presently reconsidering their proposed fee at the request of the Air Force negotiation team.

(U) Space Technology Laboratories, Inc.

Amendment #1 to Letter Contract AF 04(647)-309, covering System Engineering and Technical Direction for ARPA Space Probes, is presently being written with a projected issue date of 13 February 1959. STL effort in the Space System area is being allotted on a monthly basis. For the months of January and February 1959, a total 23 man-months of MTS effort has been authorized for ARPA Order 17-59 (Vehicles 1 and 3). It is contemplated that Systems Engineering and Technical Direction effort will also be required for other Space System requirements in the near future.