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WEEKLY DIARY ITEMS - LBZSF

28 Jan 60 Thru 3 Feb 1960

(U) Douglas Aircraft Company, Inc.

1. (U) SA No. 61 to Contract AF 04(645)-65 is being written to incorporate the results of the negotiations completed 22 January 1960. This SA will definitize Letter Contract Designated Supplemental Agreement No. 49, including Amendments 1 through 4, Amendments 1, 3, 4, 5, 7, and 8 of L/C Desig. SA No. 20, will incorporate 60 additional items of IOC-GSE and 15 Contract Change Notifications. This SA will increase the contract estimated cost \$28,114,129 and fixed fee \$1,820,419, a total of \$29,934,548.

2. (U) The transfer of THOR Pads 1 and 2 at Vandenberg AFB from SAC to AFBMD has been delayed pending acquisition of funds by AFBMD. Upon receipt of necessary funds, maintenance of the THOR 1 and 2 Pads will be accomplished under Contract AF 04(647)-527.

3. (U) ARPA funds in the amount of \$2.24 million have been initiated for the launch services at AFMTC. Letter Contract AF 04(647)-554 will be issued to Douglas Aircraft Company, Inc., for this effort which, when combined with the services provided under NASA Contract NA SW-38, will afford the Government a launching capability at AFMTC of one missile per month for the period 8 March 1960 through 28 February 1961.

(U) ABLESTAR Stage - Aerojet-General Corporation

(U) Amendment No. 1 to Letter Contract AF 04(647)-509 was transmitted to Aerojet-General Corporation on 2 February 1960. The amendment obligated an additional \$200,000 (for a total now obligated of \$700,000) and made other changes and corrections of a minor nature. We are still awaiting the analysis and comments of the ACO on the Aerojet proposal. He has promised to forward these comments not later than Monday, 8 February 1960. We anticipate negotiating the definitive contract during the week of 23 February 1960. A potentially serious problem has developed in that security clearance on Space Electronics Corporation has been suspended as the result of two security violations within recent months. The problem is being investigated by the Sixth Army and WDIP. Space Electronics Corporation is the major subcontractor and lengthy suspension could cause serious slippage of the entire program.

(U) Liquid Hydrogen Testing Program

Contract AF 04(647)-547 with Douglas Aircraft Company, Inc., for this program probably will not be formalized until 19 February 1960 due to the time required for processing the Purchase Request and other documents. All the arrangements for the program, e.g., our furnishing of the liquid hydrogen, have been made.

(S) Solid Particle Study

Contract AF 04(647)-221 with Stanford Research Institute (SRI) for the study concerning the solid particles in the MINUTEMAN engine exhaust will be formalized on or before 19 February 1960. This delay of approximately three weeks in formalization is due to the necessary processing of papers and obtaining co-ordinations.

WEEKLY DIARY ITEMS - IBZSA

23 January Thru 3 February 1960

(U) Letter Contract AF 04(647)-449 with Aeronutronics - Program 609A

1. The Definitive Contract was returned from Initial Review without approval. IBPC recommended that the type of contract be changed from a Cost Reimbursement to a CPFF contract. This recommendation is based on the fact that the Contractor intends to perform only the work statement on the Definitive Contract without fee, and that any subsequent new work would be fee bearing. In writing the Cost Reimbursement Contract, we used CPFF provisions suitably altered to delete reference to fee. Thus, if the first supplemental agreement was fee bearing it would have been necessary to revise the general provisions and also to secure new Determinations and Findings for a CPFF contract. The idea of a \$1.00 fee is an excellent idea which is enhanced by its simplicity, and we have made the necessary changes in the contract. The Contractor concurs in this change.

2. We have received a requirement from WZJM (AFBMD) to add a requirement for a transporter erector-launcher to the contract. While AFBMD wants this added to the contract immediately, we feel that the issuance of a CCN or Letter Contract amendment would be difficult to justify since this requirement has been known to AFBMD for several weeks. We intend to negotiate this addition (which is simply a \$70,000 subcontract) before giving the contractor authority to proceed.

3. Amendment #1 to the Letter Contract was processed this week to add \$300,000 which will last the Contractor through 15 February, and we are now preparing a second amendment to add an additional sum to last until 30 March 1960.

(U) Contract AF 04(647)-476 with General Electric - Communications Satellite

The problem mentioned in last week's Diary regarding the "best efforts" clause has been resolved by means of negotiation with General Electric. The end result is a best efforts clause which specifies that the Contractor must perform either to the date specified in the schedule or until General Electric has spent 1.7M of their own money, whichever occurs later. Thus, the best efforts clause has been revised to take into consideration the unique cost absorption feature of this contract.

(U) Amendment #2 to Contract AF 04(647)-361 with STL (Definitive Contract Number to be AF 04(647)-504) - SE/TD for the Communication Satellite Program

Negotiations have not yet commenced with STL for the definitization of this portion of Letter Contract AF 04(647)-361. The Air Force has an in-house problem on the wording of the work statement which evolves around STL's relationship with other contractors in the program who do not contract directly with BMC, but rather the Army or WADD. A pre-negotiation pitch will be made to IBFP and negotiations will probably commence next week.

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(S) Contract AF 18(600)-1847 with Lockheed - Project "AICBM Insetrac"

9 This systems study contract with Lockheed Aircraft has been recently transferred to AFEMD/BMC from ARDC Headquarters. The first Air Force contractor coordination meeting was held 28 January 1960 to hear the contractors' discussion of their periodic technical report. Re-orientation of the program objectives was discussed to broaden the concept of rocket booster detection and interception. It has subsequently been determined to redirect these phases of the program. ARPA concurrence and money (\$200,000) has been tentatively secured and programming details are now being worked out with all interested agencies.