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Minutes of the Agency Contract Review Board

23 June 1971







PRESENT:



1. The Board met to hear and make recommendations to the Director of Logistics on the following cases:

- a. 
- b. 
- c. 
- d. 

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2.  opened the meeting by calling on  to brief the Board on the  case.  deferred to  the negotiator of the case.  tion system. The selection of the contractor was based on (a) the best technical

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GROUP 1
Excluded from automatic
downgrading and
declassification

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proposal, (b) the lowest cost, and (c) the best delivery schedule. [] had originally proposed costs of [] Their final submission being a firm-fixed price (FFP) proposal of [] This last proposal was negotiated down to a round figure of [] and included an additional piece of equipment valued at [] plus wiring diagrams and manuals which were not included in the original proposal.

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3. The Board was satisfied with the contracting officer's efforts and agreed in a recommendation that the Director of Logistics approve the case for negotiation and execution without further Board review.

4. [] asked to be allowed to present the [] case at this time as he felt that it was rather cut-and-dried. The Board concurred in his request. [] stated that 15 requests for proposals had been issued and that 7 responses were received. [] was chosen from the seven responses after a comparison evaluation was completed by the technical representative. He noted further that the choice was based on price, reputation of contractor, and available in-house equipment essential to the efficient performance of the contract. The fact that [] has the equipment on hand was a significant factor in the choice. [] complemented [] and [] on the detail analysis and methodical evaluation that had been made on this case. [] commented that he would like to see more cases supported by an evaluation of competing contractors.

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5. [] asked if the reasonableness of the number of labor hours had been reviewed by the technical representative. Noting that the audit report stated that the labor hours had not been evaluated and recommended that the technical representative should review the item. [] stated that he was satisfied with the contractor's labor hour proposal. [] expressed concern that there was no evidence in the docket or supporting documentation to substantiate the fact that a review had been made of the labor hours. [] pointed out that the statement was a boiler-plate type paragraph and that there was continuing dialogue between the auditors and the technical representatives where serious difference exists. [] noted that the Business Justification contains a statement to the effect that the labor hours had been reviewed.

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6. [] asked the Board members for their comments. They expressed satisfaction with the case and recommended the Director of Logistics approve the negotiation and execution of the contract without further Board review.

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7. [] asked that the Procurement Policy Panel discuss and review the procedures employed to verify that comments contained in the audit reports are being reviewed and responded to by the appropriate persons.

8. The [] case was also presented by []. He informed the Board that this contract was for the purchase of a prototype high capacity processor for []. The contractor has proposed a CPPF contract in the amount of []. He noted that we had purchased three processors of a similar type several years ago on a fixed-price contract. In addition we had a cost-sharing contract for the development of [] with this contractor. This effort however is based on a different design concept and is substantially beyond the present state-of-the-art. [] was questioned concerning the possibility of commercial value. [] responded noting that this effort would go beyond commercial needs and that there would be no commercial market for the processor. Concerning the possibility that there would be other Government agencies interested in the developments from the contract, [] was unable to speculate on the use of the equipment beyond our own Agency.

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9. [] asked why it was necessary for the contract to be classified. In response, it was noted that all our contracts in this area have been traditionally classified. In addition, the material is made for us exclusively and that similar contracts written by the Air Force are classified. [] noted that there was a need for a "sensitivity" course for contracting officers and technical representatives.

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10. When [] was asked if there would be any automatic follow-on he answered by stating that each requirement is individually handled on separate contracts. [] further remarked that he felt that the proposed cost of [] was a little high and would be negotiated down if at all possible. In addition, consideration would also be given to another form of contract.

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11. [] asked the Board members for their opinions and comments. The members were satisfied with the efforts and intent of the contracting officer and recommended the Director of Logistics approve the case for negotiation and execution without further Board review.

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12. [redacted] requested to be allowed to present a case that had just been approved by the Executive Director-Comptroller. He noted that the case would be negotiated by the [redacted] and that it was necessary to get the material and the recommendations of the Board to the contracting officer as soon as possible.

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13. With the Board's concurrence [redacted] continued with his briefing. He noted that the [redacted] had proposed a CPFF contract in the amount of [redacted] for the fabrication of [redacted] These units will be [redacted] [redacted] The Board accepted [redacted] proposal and agreed in a recommendation that the Director of Logistics approve the negotiation and execution of the proposed contractual action.

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[redacted signature box]

PMS/OL