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Approved For Release 2003/12/04 : CIA-RDP78B05171A000100010012-5

NPIC/TDS/D-1062-67
10 October 1967

MEMORANDUM FOR THE RECORD

SUBJECT: Optical Subcontract for the High Precision Stereo Comparator
Project []

1. As a result of a survey and request for proposals from over 120 domestic and foreign optical companies, [] (the prime contractor) recommended [] as the subcontractor for the design of the optical system for the High Precision Stereo Comparator. [] used Prof. [] as a consultant for one of their visits to [] and he was favorably impressed with [] capabilities.

2. The TD/DS of NPIC reviewed the proposals of the six leading contenders for the optical subcontract as well as the findings of [] Optical Survey. TDS of NPIC asked [] for his evaluation of []. He stated that [] is one of the leading optical firms in the World. He further stated that [] holds many zoom patents and is well qualified for the job. From a technical standpoint the [] was clearly the superior proposal. This was so stated in NPIC/TDS/D-925-67, dated 7 July 1967 and NPIC/TDS/D-960-67, dated 3 August 1967.

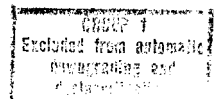
3. The West Coast Procurement Division had the security aspect of dealing with a foreign contractor investigated. They were given the go ahead by [] SS/OL via [] who is the [] Security Officer. The West Coast Procurement Division had an auditor from the Department of the Army (New York Region, []) go over [] books. After finding everything in order, [] was authorized to proceed with contract negotiations with [].

4. In mid August 1967 [] notified [] that several questionable items arose during the design computations and asked that [] personnel visit [] earlier than the scheduled visit of 30 October 1967. [] the project manager, passed this information on to the technical monitor and suggested that resolving the problem areas could be expedited by having NPIC personnel accompany [].

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25X1 5. On 24 August 1967 a rough draft of a memo was prepared by the technical monitor requesting authorization to travel to [] to help resolve the problem areas and guide the direction of the design effort. This action was approved by the cognizant Branch and Staff Heads in TDS of NPIC. A smooth copy of this was prepared for the Director's signature on 18 September 1967 (See NPIC/D/184-67). This memo requested authorization for [] to visit [] from 23-26 October 1967 and to make stops at other optical houses in Europe.

25X1 6. During the intervening period [] received several other telegrams from [] requesting an early visit to give them guidance in problem areas such as: adjustable eyepieces, resolving power of the system, use of two objective lenses instead of a 2 to 1 telescope, and approval of zoom ranges of 10 to 100 and 60 to 200. [] on several occasions, has asked TDS personnel for a date they could visit [] with the [] representatives. TDS personnel were unable to give them a firm date but did state they hoped to be able to make the visit on 23 October 1967.

25X1 7. On 28 September 1967, [] prepared memo NPIC/TDS/D-1047-67 on the subject: High Precision Stereo Comparator Proposed Travel to [] met with Capt. [] for an hour on 28 September 1967 explaining why TDS felt that a visit to [] would benefit the project and NPIC. No definite decision resulted from this meeting. [] was to check Headquarters on the Security aspect of the problem and all would meet again on 29 September 1967.

25X1 8. On 7 October 1967, [] informed the technical monitor that the proposed travel had been disapproved by the 6th floor of NPIC.

9. What are the consequences of this administrative decision?

a. TDS will have to rely entirely on the prime contractor monitoring the subcontract.

b. If decisions are made by [] that are sound engineering wise but not operation wise, we at NPIC must accept the consequences and responsibility.

25X1 c. If a major change in purpose or design is presented by [] the [] monitor [] will have to carry the information to NPIC, await a decision and then notify [] of the course of action to undertake.

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d. Delays such as the above could result in time extensions and overrun situations. The present cost of this contract is running at about [] per day for salaries which could contribute to large overruns in a very short period.

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e. The exchange of information between the contractor and the customer will be further complicated by transmitting the information through a third party.

f. The excellent opportunity for NPIC to work with one of the world's leading optical firms is lost.

8. On 6 October 1967, [] had a telephone conversation with [] [] informed them that funds are not available for NPIC personnel to accompany [] on the October monitor trip to [] asked [] to stop by at NPIC on his return trip from [] and brief TDS of NPIC on the progress of the optical subcontract. [] agreed to this and informed us that he planned a visit to [] for 23-25 October 1967.

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9. [] informed [] that [] will probably visit [] the latter part of December when [] personnel are there.

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TDS/NPIC

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