

E. ACTION TAKEN BASED ON RESULTS OR FINDINGS

Upon award of the shipbuilding contract the Bureau will endeavor to negotiate the essence of this contract into the shipbuilding contract and then cancel this contract.

CONTRACT NOBS-78082

A. IDENTITY OF THE CONTRACTOR

Dr. H. M. Teager, 21 Middlesex Road, Watertown, Mass.

B. COAST OF THE CONTRACT

\$23,500.

C. PURPOSE AND SCOPE OF CONTRACT

Conduct an extensive, 2-year feasibility study to develop a computer program for the optimization of scheduling of new construction shipwork at U.S. naval shipyards.

D. SUMMARY OF RESULTS OR FINDINGS

This contract is not scheduled to complete until December 1961. Intermediate reports have proved a clear picture of the magnitude and complexity of scheduling new construction shipwork by computer.

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None will be taken until final report is received in December 1961.

Admiral MOORE. Well, of course the purpose of this contract initially—and we entered into the first contract with Cresap, McCormick & Paget back in 1949. They are a group of industrial engineers that are expert in management techniques in large establishments such as our shipyard.

And these people were brought in to help us with our management problems within the shipyard complex, with a view to seeing how we could do the work that we had to do more efficiently, more timely, and with better coordination all the way through. Particularly in light of the increased complexity of building of ships.

And I might mention here that the putting together of a large combatant warship of the type that we have now is perhaps one of the most complex jobs of putting things together that we have in this country. It requires many skills, many people, and as I told the Secretary once, it is almost like directing the coordinated efforts of 100 football teams all at one time with a view to making sure that you won the ball game.

So this contract was entered into in 1949. They went out and surveyed our yards in the light of the new increased technology that we have, the increased complexity of our job, and the state of the art in management engineering. And made certain recommendations to us, which same were looked over carefully by the Bureau of Ships.

And these principles that they had recommended to us were accepted and implemented into the yards to a greater or lesser degree.

Mr. HARDY. And some of them, Admiral, if you will permit me—some of them that you put into effect: it took you 10 or 12 years to find out it wouldn't work.

Admiral MOORE. This is correct, sir.

And you would run into this, in a problem that is as complicated as the one we are facing here now.

The initial contract, as you say, was let in 1949.