

ever, this has been extended for several months, and this extension was required because the equipment was damaged in transit to the proving ground, so, therefore, the contractor could not complete his tests.

Mr. HARDY. How much is the additional cost involved?

Major BEAM. To extend the contract?

Mr. HARDY. That is right.

Major BEAM. No cost, sir.

Mr. HARDY. He couldn't begin as soon as he was supposed to begin, is that right?

Major BEAM. That is right.

Mr. HARDY. All right, sir. Now what about the other elements of cost to the contractor besides personnel?

Major BEAM. Elements involved here are the renting of equipment; that is, the specialized test equipment required to conduct this test. We may have some of this equipment in our system, but the chances are that we do not have the newer types which will do the best job for us.

Mr. HARDY. Did the contract specify the equipment which the contractor was supposed to furnish?

Major BEAM. The contract is a performance-type contract which specifies what tests will be run.

Mr. HARDY. Well, does it have anything to say about the equipment, who is going to furnish the equipment?

Major BEAM. Yes, sir; it says that most of this will be furnished by the contractor.

Mr. HARDY. Well, it spells out then the equipment that the contractor is going to furnish?

Major BEAM. I don't believe so, but I will have to defer to—

Mr. HARDY. Well, how do we arrive at a price if we don't know what the contractor is going to supply; that is the thing that I am trying to get at.

Now, you have a price on here of \$250,000, approximately, and I am trying to figure out what it consists of, what we are getting for that.

Major BEAM. This is a competitive bid, sir. The contract is cost-plus-fixed fee.

Mr. HARDY. This was not negotiated?

Major BEAM. This was a solicited bid.

Mr. HARDY. Cost-plus-fixed fee. The only thing that he could bid on then was his fee.

Major BEAM. We solicited 18 different contracts, or we solicited across the board to industry 18 manufacturers, 3 bidders were responsive, and 1 was nonresponsive to the invitation to bid. In the invitation to bid we told them what it was that we expected them to do. Of these three—they were Melpar, General Analysis, and Design Services. Of them, Melpar was chosen as being the most responsive and offering the best service to the Government.

Mr. HARDY. And thereafter you began negotiations; is that right? You did not accept a proposal that was sent in without any negotiations, did you, Major?

Major BEAM. Oh, no sir. This is all factors.

Mr. HARDY. So after the proposals came in, and they were not bids, they were proposals, I take it—