

What is the overhead factor in this? This is a cost plus fixed fee contract. What is the overhead factor in the fee?

Mr. STIEGLITZ. My name is Stieglitz. I am the contracting officer at Fort Monmouth.

The fee is approximately 6 percent. The charges are all direct. They only charge 15 percent for general and administrative expense.

Mr. HÉBERT. Fifteen percent as compared to 110 percent on the other contract we had just a while ago.

Mr. HARDY. Fifteen percent overhead.

Mr. STIEGLITZ. General and administrative expense.

Mr. HARDY. And you said the fee is how much?

Mr. STIEGLITZ. Six percent.

Mr. HARDY. Six percent based on the face amount of the contract?

Mr. STIEGLITZ. No; direct labor cost.

Mr. HARDY. On the direct labor cost.

Mr. COURTNEY. Well, it is a fixed fee.

Mr. STIEGLITZ. Approximately an overall of 6 percent.

Mr. HARDY. Wait a minute. Is it a percentage fee? I didn't think we had any percentage fees.

Mr. STIEGLITZ. No, it is equivalent to 6 percent, to be accurate.

Mr. COURTNEY. It is a sum which would be the equivalent of 6 percent on the contract; is that it?

Mr. STIEGLITZ. Yes.

Mr. HARDY. It is 6 percent on direct labor, not on the face amount.

Mr. STIEGLITZ. Well, we have various charges so it may be a little—

Mr. HARDY. Do you know what the amount of the fee is?

Mr. STIEGLITZ. At the present time, I don't have that. I could get it for you.

Mr. HARDY. We are taking in percentages here, and percentages of what?

Mr. GOLDWAG. I have the exact figure, sir.

Mr. HARDY. I think that would be better. If we could just get the fee for each of these contracts, we would know more about what we are talking about.

Mr. STIEGLITZ. I have the exact figure. Estimated cost is \$2,930,509, and the fixed fee is \$175,735. That adds up to just slightly under 6 percent—5.99, to be exact.

Mr. HARDY. The figure came out something over a hundred thousand dollars above the estimated cost that you have there, according to the sheet that I have in front of me.

Mr. STIEGLITZ. Total allotment is \$3,106,244, and I have broken it down into those two elements.

Mr. HARDY. I see.

I still don't know if I understand, but that is all right.

Mr. HÉBERT. Next contract.

Mr. COURTNEY. Let me ask this question, please, Mr. Chairman. Was this done by university personnel?

Mr. GOLDWAG. The contract is with Cornell Aeronautical Laboratory. They are a separate entity. They are located in Buffalo instead of Ithaca, but they are a wholly owned subsidiary of the university. There is no connection with the university except at the highest level.