

them. All we require is that their proposal demonstrate that KSC will not be dealing, if it is a joint venture, with two different companies. We have to deal with a single responsible agent to get this job done. The answer to your question is, Yes, we are quite prepared to accept joint ventures.

Mr. PRESTON. To answer the point you have made regarding two contractors, where two contractors have their work combined into one new contract, we will have to change one of them at least.

Mr. WAGGONNER. What did the record show in the way of unsatisfactory performance by any contractor of any size? Who did you start with that you dropped because he couldn't cut the mustard?

Mr. SIEPERT. We have not dropped any contractor because he couldn't cut the mustard. However, we have had growing pains and substantial learning curves.

Mr. WAGGONNER. How do you relate that answer to my first question about becoming enamored with the people you started out with, all staying on the job because their performance was good?

Dr. DEBUS. From the very beginning these were incentive award contracts. Some of these will have almost no fee if their performance is only satisfactory. From the very first procurement process, these contractors were aware that we were asking for top management and top performance, and evaluation is only between satisfactory and excellent. Continued nonsatisfactory performance would have led to termination of the contract. So, we have had better than satisfactory or satisfactory performance. We were quite pleased with this incentive award scheme.

I don't believe that one could say our people have become enamored with these contractors. We are satisfied, but this does not mean that there cannot be better proposals and they will be evaluated by the best objective means.

As to your question about people staying on the job, I believe that whoever would be successful in competing against one of the existing contractors would count on taking over quite a number of people living here who would be phased to a new contractor.

Mr. WAGGONNER. I think that period of transition is the key to it. It seems impossible to me, in spite of the argument I advanced or the question I raised, that you can take an integral contractor and move him and his people out and move new people in.

Mr. SIEPERT. We have, in most of these cases, made specifications to all the proposers that, if a new contractor should win the award, he needs to plan on a 60-day startup time while the other contractor management is involved in a 60-day tapering-off time. We have an overlap to that extent.

Our procurement proposals make clear that we expect anyone proposing on this business to take into maximum account the utilization of local talent that is already here.

We don't mean to say that there will not be transition problems, but we think they are quite manageable.

Mr. WAGGONNER. You commented that you were quite successful and fortunate with the contractors and the quality of the personnel that they supplied here at the Center for you to do business with, and I think that is fine. But all the charts and everything that you had