

Number of people involved in award fee evaluation exclusive of board

TWA -----	41	Douglas -----	11
LTV -----	21	IBM -----	13
Bendix -----	14	NAA -----	10
RCA -----	9	Boeing -----	16
FEC -----	20		
Chrysler -----	17	Total -----	172

Mr. WAGGONNER. A single contractor?

Mr. SIEPERT. Practically all of these were technical representatives—Kennedy Space Center top specialists—in each of these subfunctions. We now feel the number can be abbreviated, because the people above that level are sufficiently close to the functions of a contractor to provide evaluations of equal or superior objectivity. This means evaluations from as few as, let's say, six or seven rather than the two dozen.

Now, the two dozen technical representatives are still monitoring the contractor and are still giving information up the line in terms of how the contractor is doing, but they are not engaged in the formal written evaluation process.

Mr. WAGGONNER. The only thing you are saying is, you have gotten better at that game?

Mr. SIEPERT. Yes, we have learned, and I think the contractor has very much appreciated our efforts to focus the evaluation higher in our organization rather than lower.

The CHAIRMAN. Why not two or one contract instead of four?

Mr. SIEPERT. That's a hard question. There is no magic number in saying "four" versus "five." For the benefit of some of the members of the committee who have not visited here before, we ought to answer this historically.

At the time this Center was getting underway in 1963, we made a study of how many supporting service contracts there should be on our Merritt Island installation. We studied four possible ways to get our job done. One was to have no support contractors of our own, but just go to the Air Force Eastern Test Range and utilize their prime contractor, Pan American. The second one was for us to have our own separate contract with Pan American. The third was to do it all with civil service. And the fourth was to do it with a series of specialized contractors. I am going back 4 years. Our people first reached the conclusion that they wanted to work with a wide variety of specialized contractors. I recall that the desired number initially was as many as 12 or 15. We actually obtained approval to work with six. It turned out to be seven, as you see here. The negotiations with NASA Headquarters really rested on the question of whether the Center, if it had fewer contracts, would be able to handle the monitoring and direction of the total effort with less overall increase in the civil service. The burden of evidence was that we could economize if we dealt with fewer contractors, but we could not answer then that seven would be better than six or eight. The basic management question there is whether or not you have to cross organizational lines within the Center in order to deal effectively with a contractor.

My personal appraisal, Mr. Teague, would be that if we had only two contractors at the Kennedy Space Center, we would have more organizational problems than if we had three or four.