

same time. Now, when I say "source evaluations," what I mean is we cannot do an objective job of really looking at these proposals—and some of the proposals are more than 1 foot thick—without pulling out of the line many of our very best people to do this kind of evaluation. This often becomes a continuous, full-time, closed-door assignment. It is almost like convening a grand jury.

Under such circumstances, they are real limitations as to how many source evaluations you can handle well. We were worried about doing this in the same time scale.

The other factor we were concerned with is that this is a very large contract in terms of the amount of money involved. The level of Fiscal Year 1968 administrative operations funds directly affects this contract. It was our feeling that we would be better off if the scope of that contract during this period were negotiated with a better knowledge of what might be the actual funding level in the budget. We have gained some time to remove that uncertainty.

Mr. GURNEY. Did the idea of reducing this from seven to four come from you or from Washington?

Mr. SIEPERT. It came from Washington.

Mr. GURNEY. You made no suggestion or proposal that the mode of operation be changed?

Mr. SIEPERT. This is not exactly what we proposed, but, given the guidelines that we were asked to consider, this is the Kennedy Space Center proposal. In other words, our Center assumes total responsibility for the particular combination of contractors.

Mr. GURNEY. You did not initiate the idea of changing the mode of operation?

Mr. SIEPERT. To fewer contractors; no, sir.

Mr. GURNEY. What were the reasons given when you were instructed to do this study?

Mr. SIEPERT. As resources for the total space program had become more and more stabilized, and the cost requirements have, in fact, been increasing, NASA has been under a great self-initiated pressure to make its dollars go further. Headquarters analysis of service support contracts was that field centers can get overall economies and a more economical response from a contractor if the packages are in larger chunks.

Mr. GURNEY. How long have you had experience with the seven contractors?

Mr. SIEPERT. Three years.

Mr. GURNEY. How many did you have before that?

Mr. SIEPERT. Well, we didn't have these contracts, Mr. Gurney, because we weren't operating a facility of our own. You see, we were entirely at the Cape as tenants of the Air Force, and, therefore, the people doing this kind of work for us were contractors of the Air Force. So, I can't answer your question.

Mr. GURNEY. The seven-plan is really your plan, initiated when you started operating your own Space Center?

Mr. SIEPERT. Yes, sir; but it is again the result of agreements reached after guidelines and negotiations were signed off by NASA in Washington.