

BEASER QUERIES AUTHORITY TO AMEND THE CONTRACT

Mr. BEASER. What is your authority for paying that?

Mr. JACOBSON. I looked into this question, Mr. Beaser, and I found cumulatively over the life of the contract this was—let me see—12,837 hours where the billings had exceeded the initial work order approvals, but that with respect to all of them, in each instance there was a certification of approval on the part of either the officer in charge or the marshaling site superintendent accepting this.

Mr. BEASER. Did he have authority?

Mr. JACOBSON. He had authority to amend in advance. And equally, it seems to me that he had authority to amend by ratification.

Mr. BEASER. He isn't the contracting officer?

JACOBSON'S DEFENSE: "... A MATTER OF FORM"

Mr. JACOBSON. No, I think that is really a matter of form. What you are saying is that they could have stopped the work in the midst of the work and negotiated the new contract for additional hours as discovered. As a matter of fact, I have been insisting that they should proceed on this basis, notwithstanding that the contractor pointed out, and had pointed out months before, that to do this would simply result in a paralysis of his operations, because as he got into the opening up of an engine, or the equipment, and it was found that additional work was necessary, if he were unable to reach an agreement early with the marshaling site superintendent, it would simply mean that he left that piece of equipment in the stall it was being operated in, and within a short period of time he would have a fairly well paralyzed operation while he went back into negotiations.

PISTONS: "SHOULD I PUT THEM IN OR SHOULDN'T I?"

Mr. BEASER. But isn't that, Mr. Jacobson, exactly what you do with a mechanic repairing your own car? He breaks it down, and sees that you now need pistons, and gives you a call, and says: "Should I not