

Representative GRIFFITHS. Further than that I would like to know what kind of an organization you set up to supply this type of service.

Mr. STAATS. What type of organization is set up?

Representative GRIFFITHS. Is set up to supply this type of service, and when did such organizations come into being?

Mr. STAATS. The idea of having contracts for personal services is, of course, a very old one, but it is a matter of growing importance to the Government because the dollar costs for contracts for these types of services have increased.

In the case of NASA, for example, the projected cost under their original budget was an increase of more than 50 percent for contract services of this kind in NASA over a 2-year period from 1966 to 1968.

BASIS FOR PRICING SERVICE CONTRACTS

Representative GRIFFITHS. How do they write a service contract, so much service for a year or is it a production-line contract?

That is what Thompson-Ramo-Woolridge got away with.

Mr. STAATS. It would be a contract worked out on a case-by-case basis. In some instances it is a simple thing like guard or maintenance services. In other cases, it would be a highly complex technical service, engineering service, testing service, other items of this kind, and each one of them represents a different kind of contract.

Representative GRIFFITHS. In this instance I would like to know exactly what type of an organization it is, exactly how the contract is written, what they are supposed to supply, and why they up the price.

Thank you.

Chairman PROXMIRE. Isn't it true that all this is public record?

Mr. STAATS. I believe it is.

Chairman PROXMIRE. I mean all that Mrs. Griffiths is asking you?

Mr. STAATS. I believe it is in this case. If so, there is no problem.

Mr. WEITZEL. With reference to Mrs. Griffiths' last question, did we find that the contractors upped the price or was this an increase in the amount of services provided?

Representative GRIFFITHS. Or just a simple little change order thought up by the contractors?

Mr. AHART. I think in this particular case, Mrs. Griffiths, it was the question of increasing the level of support required to support some of the increased programs of NASA.

I think one of the particular ones was when NASA undertook the responsibility for the B-70 program. This required them to really take over some of the contract support which the Air Force had previously had to support this program.

Representative GRIFFITHS. Of course, the service contract could require so many people to work so long. The moment you write it like a production contract, you will work on this and this and this, then if you add one single item, you give them a chance to increase the price.

Mr. AHART. I think in these particular contracts most of them were cost-type contracts, cost reimbursement plus an award fee, and in general, they were stated in terms of a general level of effort, the number of man-years which would be provided over a period of time, and the