

## Defense Procurement Circular #55

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Schedule A1

Item 1(1) and 1(2)Explanation of Raw Material Prices

1. Material A is purchased under contract from M Co. and N Co. at \$.10/pound delivered to New York. This procurement was competitively bid with 4 suppliers, and contracts at this price are effective January 1, 1966, and have been renegotiated at the same price for 1967.
2. Material B is purchased under an escalation contract from J Co. The proposal requires a monthly consumption rate of 60-70,000 lbs. at a cost of \$.09/lb. Competitive bids were obtained prior to contract award. The contract runs from 2/64 to 6/68.
3. Material C is purchased from K Co. and P Co. at \$.08/lb. delivered to New York.
4. Material D is purchased from L Co. at \$.067/lb. Freight from \_\_\_\_\_ is \$.003/lb. for a total delivered price of \$.07/lb.
5. Material E is purchased under an escalation contract from H Co. The proposal requires a monthly consumption rate of 15-20,000 lbs. at a cost of \$.06/lb.
6. Material F was derived from the July 4 issue of Oil, Paint and Drug Reporter. This was \$.048/lb. Freight, with \_\_\_\_\_ as the equalizing point, is \$.002/lb. This is to be supplied by Doe. Doe will purchase quantities in excess of those quantities required under this contract for use or sale in its overall operations.