

Answer. The fiscal year 1967 procurement involved five basic launchers. The two for the Air Force were the LAU-3/A and LAU-59/A. The LAU-3/A data are in possession; the procurement of LAU-59/A data was not requested, authorized, or funded by the Air Force. The three basic launchers procured for the Navy/Marine Corps in the fiscal year 1967 buy are the LAU-61/A, 68/A, and 69/A. Negotiations are continuing to secure required data upon conversion of the existing letter contract.

Mr. LUMAN. In the sequence of this thing now, did you go to the contractor and say, "Look, this is our problem, we have the longer round, we have these problems, how about designing it for us?" or did he stay out ahead of you, find out what your requirements were and then come and say "Look what I have done"; which way did it happen?

Mr. MORGAN. Essentially the latter is the way it worked.

The contractor was very industrious about keeping up with new warhead and fuse development, and would build models for us to test to see whether they would accommodate the new weapons.

Mr. ROBACK. Captain McMorries, can you supply for the record this kind of information?

On each of these contracts, whether there was an extension of delivery items from the RFP as first announced and as later; and secondly, any extension of delivery items granted to the contractor; and thirdly, instances in which the contractor delivered before time?

Now we discussed that matter somewhat yesterday. On the one hand, a timely delivery, in fact a contractor who delivers beforehand is to be praised and it is a matter of gratitude, I mean pleasing to the receiving department. But there was some question as to whether the contractor was delivering early, so that he could collect some extra costs. I mean that is, he collects some charges and demurrage, storage, or something like that.

In other words, we want to see what the pattern of delivery was, early or late on each of those contracts.

(The following information was furnished:)

*Question. With respect to each contract, was any extension of delivery time permitted prior to, and/or subsequent to negotiation of the contract? Also, cite cases of early and late deliveries by the contractor.*

Answer. The administrative contracting officers in Chicago, Ill., and St. Louis, Mo., have been requested to provide detailed information covering deliveries as documented by form DD-375 (monthly production progress report). The Chicago office is preparing information concerning the Radiant Manufacturing Co. contracts which will be furnished upon receipt. The St. Louis office has advised that it is necessary to defer indefinitely the presentation of AlSCO contract delivery data due to the fact that most of the files have been forwarded to the office of the U.S. Attorney in and for the District of Columbia.

Mr. ROBACK. We also would like to have a little narrative on what was the response to the Navy audit reports in 1963 and 1965 which were critiques of the Chromcraft accounting system and failure in some cases to introduce or to include in contracts with vendors certain of the contractual clauses that are required, as for example access to records, and several others.

(The requested material appears at p. 28.)

Mr. LUMAN. With regard to these things, they were summed up in the General Accounting Office letter of August 15, 1966, to Admiral Shinn.