

JAN 15 1960

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION  
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LD (AHE:amh)  
15 January 1960

MEMORANDUM FOR THE ASSOCIATE ADMINISTRATOR

SUBJ: Management plan and competition plan for second stage for Saturn; request for approval

On December 16, 1959, Dr. Silverstein presented the recommendations of his Committee for the configuration of the upper stages of the Saturn vehicle to the Administrator. Dr. Glennan approved the implementation of the C-1 vehicle as recommended by the Committee subject to the submission by ABMA of a satisfactory management plan.

The Director of the Development Operations Division, ABMA, has submitted the attached two documents; one is a management plan for the Saturn vehicle, and the other is a summary of the procedures proposed for the implementation of the contracts for the two upper stages for Saturn. Detailed development plans for C-1 and C-2 configurations including funding break-downs will be submitted by Dr. von Braun in the near future.

The Huntsville Center organization to conduct the Saturn program is displayed in Figure 1 of enclosure 1. This organization is divided functionally into two parts. First, the Saturn Project Management Team under the Project Director comprises groups charged with the day-to-day management of the development and integration of individual stages and NASA payload projects. These groups will marshal the manpower and plant resources of the Center to accomplish their respective assignments. Second, a Saturn Coordination Board will convene monthly to review technical progress, programming and budgeting from the perspective of the complete program and insure coordination of all aspects of the program, including inputs from NASA and other applications projects managed outside the Center. The activities of the Coordinating Board will afford the Center Director, as Chairman, the inputs he needs intelligently to guide the program. The Project Director is designated Executive Secretary of the Board to facilitate giving prompt and accurate effect to decisions stemming from Board meetings.

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The plan for implementing the competition for the second stage and procurement of the third stage for the C-1 Saturn vehicle is contained in enclosure 2. A total of twenty companies (Appendix 3, enclosure 2) will be invited to a bidders conference to be held on the 26-27 January 1960, at Huntsville, Alabama. The closing date for submitting proposals is 29 February 1960. A Technical Evaluation Team and a Business Evaluation Team (Appendix 1, enclosure 2) are proposed to evaluate the proposals in their respective areas. The findings of both teams will be submitted to a Source Selection Board (Appendix 1, enclosure 2) which will in turn review the work of the Technical and Business Evaluation Teams and present the Board's recommendations to the Administrator of NASA on 1 April 1960. The contracts will be let by the Industrial Division of AEMA through the Army Ordnance District in which the selected contractor is located.

#### RECOMMENDATIONS

It is recommended that the plan submitted by Dr. von Braun be approved subject to the following principal modifications. A number of detailed changes and wording changes to clarify intent will be discussed separately with AEMA.

1. The Director of Development Operations Division, AEMA, will be requested to limit information regarding the Selection Board's findings and recommendations to members of the Board, the Director and Deputy Director of Launch Vehicle Programs, NASA, and to such persons as the Administrator will designate to be present at the presentation of the Selection Board's findings on 1 April 1960. The members of the Technical and Business Evaluation Teams and all other persons are specifically excluded from this information. Final responsibility for the selection of a contractor rests with the Administrator, NASA. The winner will be announced only after the Administrator has so directed, and through proper channels.
2. Dr. von Braun will be requested to add Mr. Milton B. Ames as a member of the Source Selection Board.
3. Dr. von Braun will be requested to add three members from other NASA Centers and one member from the USAF to the Technical Evaluation Team. A USAF member will also be requested to serve on the Business Evaluation Team.

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4. Dr. von Braun proposes to contract directly with PSM for up-rating the Centaur engines and with Convair for procurement of complete Centaur stages. Such action would result in two elements of NASA contracting separately with the same companies for similar or identical items. The usual results are cost duplication, conflicts on priorities and design changes, and delay in completion of contracts. A number of solutions to this problem are possible. It is recommended that ABMA be requested to defer the decision on the mode of contracting for these items until Headquarters has had an opportunity to study all aspects of this situation.
  
5. ABMA proposes to conduct its contract negotiations and administration through the cognizant Army Ordnance District. Mr. Siepert will explore this approach with BMD because it is likely that the Ordnance District will have to work through an Air Force plant representative. Dr. von Braun has been informed of our concern in this area. Since a very similar situation is now in effect in the case of the Los Angeles Ordnance District having negotiated the contract with Rocketdyne which is an Air Force cognizant plant, Dr. von Braun does not believe this is a problem. Relations throughout the chain of administration have been good so far.

Approval is requested for the plans as submitted by Dr. von Braun, subject to the above modifications.

Abraham Hyatt  
Deputy Director, Launch Vehicle Programs

cc: Dr. Glennan  
Dr. Dryden  
← Mr. Siepert