

Introduction

Part II of this project requests an additional authorization of \$131,154 to complete all phases of Technical work required to place this gun in production.

Description of Proposed Work.

Additional funds requested will cover unpredicted overruns in the various categories as follows:

	Authorized 19-27-46	Spent 6-15-47	Est. Total.	Est. (Overrun)
Design, Specifications and Tooling -	67,145	69,072	73,000	(5,855)
Processing	61,937	83,816	85,800	(23,863)
Tool & Pilot Operators	69,169	82,675	102,700	(33,531)
Tool Design, Tooling and Tooling Services	283,826	325,823	349,000	(65,174)
Machining - Production Aids	399,346	394,285	401,527	(2,181)
Administrative	15,950	14,796	16,500	(550)
Total Cost	\$ 897,373	970,467	1,028,527	(131,152)
Indicated % Overrun				15%

Additional technical service is necessary
to establish sustained production to required

quality standards. The study cost of
an R. & M. specialist on cutting tools
to improve tool mortality is included.

Change in the design of the fire control
to avoid patent infringement has been
necessary subsequent to the authorization
of Part I. Further engineering work is
required to use off-standard parts for
this mechanism until parts are received
from the vendor to required specifications.

~~We had hoped to complete the project
sooner or later, but shall be
unable to do so and provide necessary
technical service. We have no intention of
our ability to provide maintenance and~~

Remarks

The extent of ~~overrun~~ work required for revisions to processing and tooling and for trial and pilot operations to establish production of components to required standards of quality were not anticipated in September 1946 when Part I of the project was authorized. At the time of the estimate for Part I no provision for advancing costs was added as has subsequently been done on projects for other ^{new} models. This would have amounted to \$55000.

We had hoped to complete the project within a 10% overrun but ^{will} ~~shall~~ be unable to do so and provide necessary

technical service. We ~~have~~ underestimate
our ability to provide new methods
and facilities for successful production
within the estimated cost as it looked
* us in September 1946. We request
this additional authorization to finish
the job.

In the total expenditures on this
project is a quarter of a million
dollars of new machine capacity
which is not required ^{exclusively} for Model 721 and
722 production but is available for
other models.