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CMLWD-PP

6 July 1980

SUBJECT: Proposed Contract for G Agent Manufacturing and Munitions Loading Plant

**TO: Commanding Officer
Chemical Corps Procurement Agency
Building No. 1
Army Chemical Center, Maryland**

1. At the tenth meeting of the Industrial Mobilisation Review Committee a discussion of priority items on the 1981 Budget was held. With reference to the G Agent plant design the following information is furnished:

a. Messrs. Berzof and Abbruscato of Supply & Procurement Division, and Mr. I. N. Beall, Research & Engineering Division, visited the offices of three potential contractors in regard to technical details of the design of subject plant. Prior to this visit consideration had been given to the seven contractors who had previously submitted their qualifications under the negotiations for a contract for X-201. As a result of this preliminary sifting, it appeared that there were three contractors potentially capable of executing subject design. The criteria for the selection of three contractors for further investigation was essentially the same as that used to determine the potential contractors for X-201. These criteria include sufficient personnel having either "Q" or "TS" clearances and the necessary security facilities, equipment, floor space, and qualified chemical plant design personnel at the establishments where this work is to be done.

b. Reference paragraph a. above, the three firms contacted were the Ralph M. Parsons Company, Los Angeles, California, the Blaw Knox Company, Pittsburgh, Pennsylvania, and the Monsanto Chemical Company, Engineering Division, St. Louis, Missouri. Of the three firms contacted it was the consensus of opinion that the Ralph M. Parsons Company more nearly met all of the criteria established of the three selected for detailed investigation.

Handwritten notes:
X 1635 - Chemical Dept. Agency
X 470.6
X 161 - Ralph M. Parsons Co.
Proc. Agency
Roy

Handwritten signature:
M. J. [unclear]

GROUP 4
DOWNGRADED AT 3 YEAR INTERVALS;
DECLASSIFIED AFTER 12 YEARS
DOD DIR 5200.10

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c. The Blaw Knox Company already has a contract with the Chemical Corps for the X-201 plan, and further work is contemplated for this company under the X-301 plan. This, together with the present workload of that company apparently would overload their facilities to the extent where new personnel would need to be hired or part of the design work would need to be sub-contracted. Since there is a time limitation set for the date to be in production on this item, extremely close phasing will be required both for design and for construction. It is necessary that the Chemical Corps be assured that any work undertaken under contract will meet the present phased requirements.

d. Mr. Nichols and his staff of the Monsanto Company were contacted in St. Louis and it was found that this company already contemplates a very large work program of their own involving a mentioned sum of sixty to eighty million dollars. Mr. Nichols was not willing to state that the Monsanto Company would be willing to undertake the work of the Chemical Corps prior to meeting with their executive committee. On Friday, 30 June, Mr. Nichols called Mr. Seall and stated that they had had a meeting of their executive committee but that Monsanto was not ready to undertake this work without an understanding as to the amount of profit that could be anticipated. Apparently the Monsanto Company would not, at this time, be interested in the ten percent or less profit which might be expected from the cost-plus fixed fee type contract. Monsanto is familiar with the work of design since a large part of the development work was done by that company at their Anniston Plant. Mr. Nichols and Mr. Graham indicated that a design of the type contemplated might cost as much as two to two and one-half million dollars. The Monsanto Company is already in the possession of construction cost estimates since this company did a large part of the development work leading up to the proposed design of the twenty-five ton per day plant. However, the sum mentioned in the estimate for the design is far in excess of the amount estimated as required by the Chemical Corps. Monsanto also indicated that approximately eighty-five percent of the work would be done under sub-contract since all of their engineering personnel are already occupied with their internal plans. Monsanto also indicated a possible interest in acting as consultants to the Chemical Corps and/or its contractor for this project.

e. The Ralph M. Parsons Company appear to have the engineering organization and facilities necessary for a design of this scope and magnitude. A very large proportion of their engineering personnel have "Q" and "TS" clearances and their floor space, security facilities, and equipment appear to be adequate. The type of engineering work performed

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by this company compares in quality and detail with that which is necessary for the design of this plant. It is believed that Parsons would be able to handle the workload without material increase in personnel or the necessity of sub-contracting.

f. Monsanto mentioned that du Pont would probably be able to do the job if it doesn't interfere too much with their present program. The du Pont Company has not been contacted relative to undertaking this work, but were contacted in regard to the previous process development and design and declined due to pressure of their own workload. The present time limitations as set by higher authority are that the plant will be designed, constructed, and test operated by 1 July 1952. It will be impossible to give consideration to other companies not cleared or qualified for this work. It is emphasized that the design of a G Agent manufacturing and munition loading plant has no parallel within the Chemical Corps. The chemistry of the G Agents embraces an entire new field and much time must be given to the instruction of any contractor selected for this work. The Chemical Corps has spent five years and a considerable sum of money in the development of the G Agents. This has been supplemented by the work of the British and Canadians and also by the work done by the Germans both prior and subsequent to the war. Materials of construction are highly specialized and substantially all of the equipment will be of special design and fabrication. The closest comparison to the type of design required is that done by such firms as the Parsons Company under contracts for AEC plants. It will require the very highest type of engineering skill and design a plant which can be guaranteed to produce. This necessitates coordination on the part of the contractor and extremely close supervision by the Chemical Corps during the course of the contract.

2. In view of the foregoing facts, it is the recommendation of the Industrial Mobilization Review Committee that negotiations be conducted with the Ralph M. Parsons Company.

BY COMMAND OF BRIGADIER GENERAL WALLINGTON:

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STANLEY LEVY
Major, Chemical Corps
Chairman, Industrial Mobilization
Review Committee

Concurrence - Research & Engineering Div.

S. M. B.

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