

TO: Mr. B. B. Turner New York

FROM: A. C. Burdick, Jr. Baton Rouge

SUBJECT: Continuing Contracts for 1959 December 15, 1958

This is to request authority to sign the following two contracts for renewal in 1959.

1. Drafting and Design Contract (Barnard & Burk).

This contract is to furnish sufficient manpower of specified qualification to supplement the General Engineering manpower requirement in 1959. It provides flexibility in available manpower for expeditiously handling extra work as well as decreasing the rate of expenditures for technical manpower promptly when project work is completed. The contract unit cost of \$10,700 per man-year is less than Ethyl book cost of \$14,100 per man-year, but more than Ethyl incremental man-year cost of \$9,400. The 1958 experience resulted in a contract manpower fluctuation of over 50% which partly justifies the unit cost of contract over incremental Ethyl cost. A greater fluctuation in contract manpower is expected in 1959. Other justification is based upon morale of Ethyl employees and advantageous recruiting factors. Specifically, Ethyl employees and applicants feel that the Ethyl Engineering department jobs offer increased security and less routine drafting demand than would be possible without the subject contract.

The contract charging rate is lower than standard because the original basis of fee negotiation was primarily for a hiring service, while in practice it has been essentially equivalent to normal engineering services.

The 1959 Engineering department budget allows for 21 man-years of work estimated at \$225,000. This figure is subject to considerable variation depending upon approval to definitively engineer some major construction projects. Terms of the contract are the same as in 1958, the only change being a clause to clarify the basis for holiday pay.

2. Concrete Testing Laboratory Services

Bids are being taken for 1959 concrete inspection and testing services for the Baton Rouge plant from Pittsburgh Testing Laboratory

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and Shilstone Testing Laboratory. The contract was given to Shilstone for 1958 because of poor service from Pittsburgh in 1957. Both laboratories quoted the same unit cost. Shilstone now indicates that a cost increase will be forthcoming. The amount of the contract is indeterminant, but it is estimated that it will be less than \$2,000. The cost of this contract is charged to the projects using the concrete.



A. C. Burdick, Jr.

ACB/GSR/mew

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