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PROCUREMENT - HISTORICAL DATA

From 1920 to 15 July 1930, all procurement functions of the Signal Corps Radio Laboratory, subsequently changed to Signal Corps Laboratories as a result of the transfer of all research and developmental activities of the Signal Corps (Meteorological and Light from Wright Field, Dayton, Ohio; Wire, Cryptographic and Telephone, etc., from Washington, D. C.; Sound from Fort H. G. Wright, Conn.) to Fort Monmouth, N. J., were included in the duties and responsibilities of the Supply Section.

Major W. R. Blair on succeeding Major Louis B. Bender, (July 1930) as Director of the Signal Corps Laboratories activated a procurement section. The reason for segregation from the Supply Section was the increased procurement work load resulting from a centralization of all Signal Corps research and developmental work at Fort Monmouth.

The Procurement Section consisted of three civilians and one officer; the officer acting in a dual capacity as Supply and Contracting Officer until the latter part of 1939. By this time, the responsibility of the Contracting Officer had become a full time job. The procurement personnel complement continued from July 1930 until 7 April 1935, which is the date the Signal Corps Laboratories moved from the old World War I wooden buildings, consisting of seven in all, to the new modernistic (20th Century) Laboratory, dedicated in memory of General George Squier. From then on, based on additional responsibilities assigned to the Procurement Section, the number of persons engaged in procurement work was gradually increased to 17 on 6 January 1941.

In the prosecution of research and developmental work from 1930 to 1944; the following is a resume of statistical facts pertaining to procurement through organizational changes:

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ORGANIZATION - SIGNAL CORPS LABORATORIES

Fiscal Year	Total Amount Obligated	No. of Contracts & Purchase Orders Executed	No. of Laboratory Purchase Requests Processed	Contracting Of
1931	127,456.50	883	1281	*Albert N. Pigg - 1st LC.
1932	123,299.50	1098	1592	*Wm. M. Meck - 1st Lieut
1933	118,889.05	1116	1618	"
1934	112,630.48	834	1220	"
1935	125,519.20	960	1378	*Carey J. King - 1st LC. *Byron Falk - Capt. -
1936	85,845.31	1173	1697	*Byron Falk - Capt. S.
1937	116,306.59	1206	1747	*Walter C. Ellis - Maj
1938	208,630.30	2241	3299	*Wm. J. Daw - Capt. -
1939	247,582.71	2199	3036	"
1940	1,412,718.30	2576	3802	*Emil Lenzner - Capt. *R.V.D. Corput, Jr. - C.
1941	30,229,921.91	4907	7179	R.V.D. Corput, Jr. - C.
24 Apr 1942	65,200,996.81	13702	20091	Fred'k. N. Spoerl - M. Military Assistants -

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ORGANIZATION: SIGNAL CORPS GENERAL DEVELOPMENT LABORATORY

Calendar Year	Total Amount Obligated	No. of Contracts & Purchase Orders Executed	No. of Laboratory Purchase Requests Processed	Contracting Officer
25 Apr 1942 to 20 Jan 1943	\$ 39,783,747.11	15158	22273	Fred'k. N. Spoerl - Lt. Col. - S. C. Military Assistants - 8

ORGANIZATION: SIGNAL CORPS RADAR LABORATORY

1 May 1942 to 20 Jan 1943	262,758,488.77	6552	Not Available	T. R. MacDougall - Maj. - S. C. Military Assistants - 6
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ORGANIZATION: SIGNAL CORPS GROUND SIGNAL SERVICE

21 Jan 1943 to 10 Aug 1943	**700,000,000.00	20000	Not Available	T. R. MacDougall - Maj. - S. C. Military Assistants - 32
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ORGANIZATION: SIGNAL CORPS GROUND SIGNAL AGENCY

11 Aug 1943 to 31 Jan 1944	6,129,795.10	7421	9390	T. R. MacDougall - Maj. - S. C. Military Assistants - 14
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\*Promoted to full Colonels in 1942-1943.

\*\*Approximate

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I. Created Pursuant to Statutes

1. The purpose of the Priorities System is to prosecute essential production requirements in accordance with available supplies and to expedite deliveries of critical materials. The statutory basis for imposing priorities and the procurement of materials and products is Section 2, Public Act No. 671, dated 31 June 1941. These statutes state in part that deliveries of materials under all orders placed for national security shall, in the discretion of the President of the United States, take priority over all deliveries for private account or for export.

2. The first method adopted was the preference rating system (first things first) so that equipment, supplies, and materials could be diverted from nonessential to essential production.

3. Contracts and purchase orders placed by military establishments were assigned priority ratings in accordance with their conceived importance. The ratings in turn determined the sequence in which manufacturers had to fill rated orders. For example, a contract rated AA-3 would be set aside to fill contracts rated AA-1.

4. The war program could not be achieved under this arrangement and a new set of regulations was adopted called War Production Board Limitation and Allocation Orders ("L" & "M").

5. Each new step in the development of production and material control can accordingly best be regarded as an additional departure from the rated priority system originally established.

6. Merely to give essential production relative preference over non-essential production was not enough to increase the maximum output of material,

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equipment, and supplies for the war effort; nonessential production was directly curbed. The major instruments used to achieve these results are the above mentioned "L" & "M" Orders issued from time to time by the War Production Board. Limitation, or "L" orders, specifically restrict the production of less essential products and simultaneously stimulated their producers to switch over to more essential industries. Allocation Orders in the "M" series control the distribution of critical commodities to prevent their leakage into nonessential usage. These twin procedures accomplished a great deal in conserving equipment, supplies, and materials which the original preference rating system failed to do.

7. To establish satisfactory allocation procedures and in trying to break specific bottleneck problems, the War Production Board developed different methods for different commodities without effecting over-all coordination. A radio manufacturer might receive tubes to complete his governmental contract and fail to receive mica for his capacitors. It soon became apparent that it was necessary in this stage of the war program to have positive methods of directing the essential production, rather than negative methods for curbing the output.

8. The first tentative setup in this direction was the Production Requirements Plan (PRP) (Priorities Regulation No. 11). This regulation attempted to allot balance quantities of material on a quarterly basis. However, PRP suffered from one basic defect which proved it a failure; it attempted to allot material without assuming control over production programs and delivery schedules. Under PRP a military establishment which had placed a contract with a prime contractor could never be sure he was getting the required material to complete the item contracted. A manufacturer of an

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but many of his important subcontractors might have been cut back 40% to 60% on the material requested. This resulted in radio equipment without tubes, tanks without treads, planes without propellers, and a tremendous waste in scarce materials tied up in unfinished end products and parts.

9. Approximately six months after it was put into operation, the PRP gave way to the present Controlled Materials Plan (CMP) announced on 1 November 1942. Under the Controlled Materials Plan, the War Production Board has brought about the adjustment of production programs to conform to material supply and allot certain materials to different governmental agencies, representing all military and essential civilian requirements. These agencies in turn subdivided their allotments of materials among their prime contractors and other manufacturers of products for which they are responsible. The manufacturers receiving these allotments will in turn subdivide them among their contractors, and the subcontractors will again subdivide these allotments to the suppliers and so on down the line until all manufacturers have received their appropriate share. Each manufacturer receiving an authorized order or authorized delivery schedule from a governmental agency for his products will receive an allotment of the materials which he and his subcontractors must buy in order to fill the contract. Such allotments are obtained by manufacturers from the governmental agencies to which his products are sold or from the appropriate Industries Branch of the War Production Board for certain Class B products. The controlled materials initially allotted under the Controlled Materials Plan are steel, copper, and aluminum.

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II Application of Priorities System as an  
Integral Part of Procurement

1. The Priorities Subsection of the Signal Corps Ground Signal Agency serves a vital part of the Purchase Branch, Materiel Division, since every contract and purchase order is processed through this Section and the deliveries of supplies, equipment, and material depend on one or more of the following assignments:

- A. Priority Rating.
- B. WPB Allocation.
- C. WPB Allotment.
- D. WPB Directive Action.
- E. CMP Allotment.

2. A thorough check is made of purchase orders and contracts by this Section to determine which of the five classes listed above are needed to expedite delivery of the necessary supplies, equipment, and materials being purchased.

3. In cases where material, supplies, and equipment being procured are of an electronic nature, a precedence listing may be employed to facilitate delivery. A precedence listing means a schedule issued and amended from time to time by the Joint Communication Board of the Army and Navy, which sets forth by numerical designation the relative urgency of delivery of types and quantities of electronic equipment. The numerical designation assigned by the precedence listing shall establish the relative urgency of certain deliveries of types and quantities of electronic equipment, within any single preference rating category. Any delivery assigned a lower numerical designation in any preference rating category shall be deferred to the extent necessary to assure within the time specified those deliveries assigned higher designations within

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the same preference rating category, even though such deferment may cause default in deliveries assigned lower designations.

4. In cases where purchase orders or contracts need a War Production Board allocation, allotment, or directive action, it is obligatory upon the part of this section to have a thorough knowledge of the interpretations, of General Preference ("M") Orders, General Limitation ("L") Orders and the various Miscellaneous Orders issued by the War Production Board. To date there are approximately seven hundred or more of these "L" and "M" and Miscellaneous Orders, as well as amendments, supplements, interpretations, and revocations in relation thereto, issued by the War Production Board. This knowledge is necessary in order to designate which purchase orders and contracts do and do not require War Production Board clearance. What is meant by clearance? It might mean that one of the forty or fifty War Production Board forms, elaborate and technical in nature, has to be clearly and correctly completed before approval is granted by the War Production Board for some component part to a radio receiving equipment pursuant to General Preference Order (O). It might mean that raw or critical material being purchased is one requiring a special allocation of molybdenum, tungsten, or cadmium, in which case a regular monthly report has to be completed; and again it might mean that a certain form of War Production Board certification would have to become a part of the official purchase order or contract. Regardless of the manner in which such clearances are obtained, whether it be in the form of a request for allocation or allotment of such material, a WPB special directive, or one of the War Production Board forms, the necessary War Production Board clearances are the only means to procure deliveries of material, supplies, and equipment necessary for the successful prosecution of the war effort.

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Production Board. This Plan is a system for the distribution of the three common denominator materials; namely, steel, copper, and aluminum. Signal Corps Ground Signal Agency's contracts and purchase orders for equipment and supplies containing controlled materials are divided into two classifications:

a. A products.

b. B products.

6. To define the above two classifications, "B" product list is issued by the War Production Board which is amended from time to time. All other products not listed on the "B" product list are called "A" products. A manufacturer upon receiving a contract or purchase order for the production of an "A" product obtained his allotment for controlled materials in the following manner: Upon receipt of the contract or purchase order for the production of an "A" product, an application Form CMP-4-A was submitted to the Priorities Subsection, Purchase Branch, Materiel Division. After careful analysis of the CMP-4-A form, the Priorities Subsection submits the CMP-4-A form to Monmouth Signal Corps Production District, who in turn issues the necessary allotment. A manufacturer receiving a purchase order or contract for "B" products, filed War Production Board Form CMP-4-B with the appropriate Industry Division, quarterly, for the necessary allotment of controlled materials. Contracts or purchase orders for controlled materials in unfabricated or semifabricated forms, to be consumed by the various Laboratories, were accepted by producers of controlled materials in the order they were presented. Priority ratings are not applicable and are disregarded in the scheduling into production and the delivery of controlled materials. Controlled materials are accepted by the producers only if accompanied by the appropriate CMP allotment symbols

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indicating that they are a part of an authorized allotment. An authorized allotment for controlled materials in unfabricated and semifabricated forms were assigned to contracts and purchase orders by the Priorities Subsection, Purchase Branch, Materiel Division.

III. What the Priorities System Accomplishes.

1. The many priorities regulations and allocation systems have accomplished the following: "Enough material on time instead of not enough too late."

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