

SELECTED M ACQUISITION
COST ANALYSIS

As of December 31, 1969

(Millions of Dollars)

WEAPON SYSTEM	CONTRACT DEFINITION (1)		PLANNED COST CURRENT QUANTITY (2)		CURRENT ESTIMATE TOTAL PROGRAM (3)			PERCENT COST GROWTH (4)	
	Program Quantity	Unit Cost	Program Quantity	Unit Cost	Program Quantity	Unit Cost	Total Cost	(3 vs 2)	(3 vs 1)
Army									
CHEYENNE	a/	a/	a/	a/	a/	a/	a/	-	-
LANCE	1,216	\$.595	1,216	\$.595	1,216	\$.662	\$ 805	11 %	11 %
SHILLELAGH	39,362	.004	39,211	.004	39,211	.006	526	50	50
SHERIDAN	1,740	.247	1,674	.245	1,674	.297	498	19	20
MBT-70	3,750	.567	a/	a/	a/	a/	a/	-	-
SAM-D (Battery)	124	32.6	49	53.5	49	69.9	3,423	31	114
SAFEGUARD b/	a/	a/	a/	a/	a/	a/	5,939	-	-
Navy									
A-7E	595	2.463	421	2.566	421	3.724	1,568	45	51
F-14	469	13.1	722	11.8	722	11.4	8,274	- 3	-13
P-3C	104	12.444	192	11.798	192	13.296	2,553	13	7
S-3A	199	14.5	199	14.5	199	14.7	2,932	1	1
CONDOR	3,264	.135	694	.318	694	.506	351	59	275
PHOENIX	2,384	.284	3,579	.252	3,579	.419	1,501	66	48
POSEIDON	31 e/	156.154	31 e/	148.297	31 e/	179.200	5,555	21	15
SPARROW III (E)	35,077	.021	8,562	.033	8,562	.034	289	3	62
SPARROW III (F)	10,785	.042	12,279	.056	12,279	.082	1,009	46	98
WALLEYE II	18,674	.019	18,174	.019	18,174	.022	396	16	16
MK-48 Mod 0	5,365	.120	5,882	.117	5,882	.615	3,615	426	413
MK-48 Mod 1	85	.842	60	1.082	60	2.297	138	112	173
SSN-688	10 d/	161.4 d/	25	157.0	25	173.8	4,458	11	8
DD-963	30 d/	59.5 d/	50	57.2	50	83.5	4,177	46	40
DLGN-38 (DXGN)	4 d/	192.3 d/	23	173.05	23	211.96	4,875	22	10
LHA	9	153.0	9	153.0	9	159.0	1,427	4	4
CVAN 68	1 d/	427.5 d/	1	427.5	1	544.2	544	27	27
CVAN 69	1 d/	519.0 d/	1	519.0	1	519.0	519	-	-
Air Force									
B-1	246 d/	36.4 d/	246	36.4	246	38.1	9,377	5	5
F-15	749	9.8	749	9.8	749	9.8	7,355	-	-
C-5A	120	25.4	81	33.1	81	53.2	4,310	61	87
FB-111A	264	6.75	77	9.59	77	15.67	1,207	63	132
F-111A/C/D/E/F	1,388	3.97	470	6.22	470	13.32	6,260	114	236
A-7D	517	2.67	387	2.83	387	3.61	1,396	28	35
AWACS	64 d/	41.4 d/	42	49.2	42	49.1	2,065	-	19
MAVERICK	17,205	.022	11,205	.028	11,205	.030	335	7	36
MINUTEMAN II	666	6.75	668	6.77	668	7.10	4,745	5	5
MINUTEMAN III	760	5.81	739	5.92	739	7.26	5,369	23	25
SRAM	700	.336	1,900	.196	1,900	.574	1,091	193	70
SPARROW III (E)	22,740 d/	.023 d/	13,943	.023	13,943	.026	361	13	13
SPARROW III (F)	375 d/	.031 d/	700	.031	700	.094	66	203	203
TOTAL PROGRAM COSTS									
SERVICE	CONTRACT DEFINITION		PLANNED COST CURRENT QUANTITY		TOTAL PROGRAM			PERCENT COST GROWTH	
								(3 vs 2)	(3 vs 1)
Army e/	\$ 9,885		\$ 8,441		\$ 11,191			33 %	13 %
Navy	26,568		36,203		44,181			23	66
Air Force	41,142		35,740		43,940			23	7
GRAND TOTAL e/	\$ 77,595		\$ 80,384		\$ 99,312			24 %	28 %

a/ Not available.

b/ See opposite page.

c/ Includes 31 SSBNs and accompanying missiles, tenders and range ships.

d/ Reflects Planning Estimate; Contract Definition has not been completed.

e/ Less MBT-70.

Directorate for Information Operations
Office of the Secretary of Defense

SELECTED MAJOR ACQUISITIONS
COST ANALYSIS

The table presented on the opposite page reflects comparative data on selected items of program quantity and cost for all weapons systems currently reported each quarter to the Senate Preparedness Investigating Subcommittee (Stennis Committee). The table for December 31, 1969, reflects limited data for CHEYENNE and MBT-70. For CHEYENNE, program quantity and unit cost are not shown due to the cancellation of the production contract, but development costs are included in the Army total dollars. For MBT-70, current data are not available due to reorientation of the program. The dollar figures for the Army and for the Grand Total include the SAFEGUARD. The SAFEGUARD dollars are as of February 28, 1970, and reflect a Modified Phase II program. (See SAFEGUARD item below.)

The Percent Cost Growth (Col. 4) is measured in terms of unit cost for the individual weapons systems, and in terms of total cost of the listed systems for the Military Service and grand totals. In each case, the percent cost growth shown is derived from a comparison of the Current Estimate Total Program (Col. 3) with each of two baselines, Planned Cost at Current Quantity (Col. 2), and the cost estimate made at the conclusion of Contract Definition adjusted to the current program quantity.

The following is an array of the Percent Cost Growth shown in Column 4 for the 35 weapons systems which reflect unit cost:

Percent Cost Growth	Number of Weapons Systems			
	Army	Navy	Air Force	Total
	Column 3 vs 2	Column 3 vs 2	Column 3 vs 2	Column 3 vs 2
0 - 25 %	2	10	7	19
26 - 50	2	4	1	7
51 - 75	-	2	2	4
76 - 100	-	-	-	-
Over 100%	-	2	3	5
Total	4	18	13	35

The systems which have experienced the most significant cost growth as of December 31, 1969, and the principal reasons attributed thereto are:

P-3 - The cost growth of \$287.5M or 13% in total program is the result of inflation, program quantity changes and program stretchout.

PHOENIX - The \$597.8M or 59% cost growth is attributed by the Navy to funding delays, changed program phasing and redirection due to cancellation of the F-111B.

Navy SPARROW F - This program has been affected by changes in program phasing, reduced procurement in the FYDP years, economic escalation and new compatibility requirements brought about by new systems such as the F-14. Total cost growth is now \$326M or 46%.

DD-963 - Soaring costs of labor and materials, new price estimates based on actual design plus contractor proposals and the lack of an adequate basis for estimating the cost of complex destroyers are given as reasons for a cost growth of 46% or \$1,317M in the DD-963 program.

A-7D - A reduced program, production rate and deferred procurement of 4th Wing all contributed to a program increase. Total cost growth to date 28% or \$299M.

Air Force SPARROW F - Principal cause of cost growth is attributed to providing for a short range capability and reliability improvements during an extended development phase. Growth of \$44M is a 203% increase.

SAFEGUARD - Contract Definition for Phase I of SAFEGUARD called for a total program cost of \$4.185B. The February 28, 1970, SAR, which includes a Modified Phase II Program, estimates the total program will now cost \$5.939B. This is an increase of \$1.754B. The February 1970 program (Modified Phase II) includes addition of one site (Whiteman AFB), advanced preparation for five additional sites, some missile quantity changes plus provision for long lead time items.

31 December 1969

Contract Definition Program	Planned Contract Quantity	Current Estimate 5/69	Current Growth 5/69	% Cost Growth Over Original Plan	PK	31 December 1969		
						Current Estimate Total Program	% Cost Growth Over Original Plan	
P-1	824.9*	824.9	937.3	312.6	35	9,377.0	417.0	4.7
P-15	6032.0*	6032.0	7589.4	1550.4	25.7	7,355.0	-	-
C-5A	3413.2	3413.2	5005.9	1590.7	45.6	4,310.0	1,633.0	61.0
A-70	2012.1	2012.1	2012.1	0.0	0.0	1,396.0	299.0	27.3
F-111A/c/b/w	5905.5	3866.6	7871.6	1681.0	122.8	6,260.0	3,336.0	114.1
F-111A	1781.5	733.2	1877.1	468.9	63.5	1,207.0	469.0	63.6
RF-111	579.4*	579.4	780.4	161.0	27.8			
RAVENHOCK	382.1	382.1	387.0	(15.0)	(3.9)	Cancelled		
AMACS	2659.7*	2659.7	2659.7	0.0	0.0	338.0	28.0	9.0
MODULAR II	4519.1	4519.1	4721.5	203.4	4.6	2,065.0	-	-
MODULAR III	4313.6	4375.9	5136.6	760.7	17.4	4,745.0	226.0	5.0
SRAC II	261.1	421.6	1470.1	1049.0	249.2	5,369.0	993.0	22.7
POSITION C-3	4381.0	4272.0	5651.0	1370.0	39.3	1,091.0	718.0	192.5
COMBAT (RSD only)	126.0	126.0	182.2	56.2	44.6	5,239.2	967.4	23.0
WALTON II	345.0	340.7	348.7	8.0	.02	351.1**	131.0	60.0
A-7E	1465.6	1432.8	1697.6	484.8	33.8	396.3	59.2	18.0
PHOENIX	677.4	903.4	1493.9	595.5	69.9	1,568.0	487.7	45.0
SPYGLASS F	387.1	245.3	425.9	179.6	78.9	1,501.2	597.8	66.0
SPYGLASS E	75.7	265.6	262.7	(2.9)	(1.1)	1,009.3	326.0	48.0
P32	1294.2	2259.3	2251.7	(3.6)	(.16)	288.9	8.0	3.0
F-117A	6165.0	6165.0	6373.0	207.0	3.3	3,702.1	381.3	11.0
MR 48 Mod 0	612.4	655.2	3245.8	2589.6	304.6	8,273.6	-	***
MR 48 Mod 1	71.6	63.8	132.0	69.0	103.2	137.8	72.9	112.0
SRV 68	1658.0*	4192.1	4872.2	277.8	6.6	(3,614.7)	(2,927.3)	(426.0)
CVAF 68	427.5*	427.5	544.2	116.7	27.3	4,457.7	423.7	11.0
CVAF 69	519.0*	519.0	519.0	0.0	0.0	544.2	116.7	27.0
IRV	1355.5	1355.5	2425.2	39.7	2.9	519.0	-	-
DRG	466.6*	333.0	4874.9	1539.9	46.2	1,427.3	47.0	3.0
S3A	289.1	289.1	289.1	0.0	0.0	4,057.1	877.1	22.0
DRS3	1395.6*	1437.6	3422.1	1694.5	95.9	3,607.2	507.0	16.0
SANITIZATION	4135.0	4135.0	4135.0	0.0	0.0	4,176.7	1,317.3	46.0
CHEVALIER	Not available because of litigation					5429	N/A	N/A
GRS. SIBERIAN	393.1	548.0	679.0	127.6	23.2	N/A	N/A	N/A
SHILLBEGG	363.6	376.9	531.5	154.5	32.2	498.0	81.2	19.6
LANCE	609.1	729.6	824.2	94.0	12.0	525.7	178.8	51.2
TOTALS	65915.8	74328.5	94109.4	19720.9	26.5%	91,013.3	17,708.1	24.0%

* Planning estimates.
/ June 30 figures used.

** December 31 dollars include both RDT&E and Production.

*** Under revision.

SELECTED ACQUISITION REPORT COST SUMMARY

(\$ Millions)

30 September 1969

31 December 1969

Weapon System	Contract Definition Plan	30 September 1969			% Cost Growth Over Original Plan	31 December 1969			
		Planned Cost @ Current Quantity	Current Estimate Total Program	Cost Growth		Planned Cost @ Current Quantity	Current Estimate Total Program	Cost Growth	% Cost Growth Over Original Plan
B-1	8,954.5*	8,954.5	9,267.3	312.8	3.5	8,959.5	9,377.1	417.6	4.7
F-15	6,039.0*	6,039.0	7,589.4	1,550.4	25.7	7,355.2	7,355.2	-	-
C-5A	3,413.2	3,413.2	5,003.9	1,590.7	46.6	2,677.0	4,310.1	1,633.1	61.0
A-7D	2,012.1	2,012.1	2,012.1	0.0	0.0	1,097.5	1,396.0	299.5	27.3
F-111A/C/D/E	5,505.5	3,266.6	7,277.6	4,011.0	122.8	2,924.2	6,259.8	3,335.6	114.1
FB-111A	1,781.5	738.2	1,207.1	468.9	63.5	738.2	1,206.9	468.7	63.6
MAVERICK	382.1	382.1	367.0	(15.1)	(3.9)	310.4	338.2	27.8	9.0
AWACS 1/	2,652.7*	2,652.7	2,652.7	0.0	0.0	2,064.5	2,064.5	-	-
MINUTEMAN II	4,515.1	4,519.1	4,727.5	208.4	4.6	4,519.1	4,745.1	226.0	5.0
MINUTEMAN III	4,413.6	4,375.9	5,136.6	760.7	17.4	4,375.9	5,368.8	992.9	22.7
SRAM 1/	261.1	421.0	1,470.1	1,049.1	249.2	373.4	1,090.7	717.3	192.5
CONDOR (R&D only)	126.0	126.0	182.2	56.2	44.6	220.1**	351.1**	131.0	60.0
WALLEYE II	345.0	340.7	348.7	8.0	.02	337.1	396.3	59.2	18.0
PHOENIX	677.4	903.4	1,498.9	595.5	65.9	903.4	1,501.2	597.8	66.0
SPARROW E	740.7	265.6	262.7	(2.9)	(1.1)	605.1	649.4	44.3	7.3
SPARROW F	387.1	246.3	425.9	179.6	72.9	705.1	1,075.3	370.2	52.5
MK 48 Mod 0	642.4	655.2	3,240.8	2,585.6	394.6	687.4	3,614.7	2,927.3	426.0
MK 48 Mod 1	71.6	63.8	132.8	69.0	108.2	64.9	137.8	72.9	112.0
CVAN 68	427.5*	427.5	544.2	116.7	27.3	427.5	544.2	116.7	27.0
CVAN 69	519.0*	519.0	519.0	0.0	0.0	519.0	519.0	-	-
LHA	1,385.5	1,385.5	1,425.2	39.7	2.9	1,380.3	1,427.3	47.0	3.0
DLGN (DXGN)	726.6*	3,335.0	4,874.9	1,539.9	46.2	3,980.0	4,875.1	895.1	22.5
DD 963	1,396.6*	1,737.6	3,422.1	1,684.5	96.9	2,859.4	4,176.7	1,317.3	46.0
CHEYENNE (R&D only)	Not available because of litigation.					125.9	203.9	78.0	62.0
GEN. SHERIDAN	398.1	548.0	675.0	127.0	23.2	416.8	498.0	81.2	19.6
SHILLELAGH	383.6	346.9	531.5	184.6	53.2	346.9	525.7	178.8	51.2
LANCE	600.1	729.6	824.2	94.6	13.0	723.5	805.2	81.7	11.1
TOTALS	43,878.8	48,983.9	66,359.8	17,372.3	35.5	49,696.3	64,813.3	15,117.0	30.4

* Planning estimates. ** December 31 dollars include both RDT&E and Production. 1/ June 30 figures used for 30 Sept.