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A  
P R O P O S A L  
for the  
P L A N N I N G A N D I M P L E M E N T A T I O N  
of a  
M O D E L U R B A N N E I G H B O R H O O D D E M O N S T R A T I O N  
in  
B A L T I M O R E

Submitted by:

Greater Baltimore Committee  
314 One Charles Center  
Baltimore, Maryland 21201

May, 1967

T A B L E O F C O N T E N T S

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FORMAL APPLICATION AND PROPOSED BUDGET

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## I. PROPOSAL FOR A MODEL URBAN NEIGHBORHOOD IN BALTIMORE

### The Participants and the Approach

This proposal is for the planning phase of a "model urban neighborhood" action and research program based on a program concept developed by the Office of Economic Opportunity.

The initial funding proposed will include the planning and research necessary to convert the concept into an effective program. However, most of the discussion in the following pages relates to the entire program.

The purpose of this program is to demonstrate that if appropriate resources are used in a carefully coordinated manner it is possible for a wide and diversified range of Federal and local programs to have a permanent and beneficial impact on the life style of a poverty neighborhood.

The first phase of the program will consist of research and planning as well as action. The research component will focus on the needs of the particular neighborhood, including developing an input-output model of a ghetto economy, building a simulation model of trade-offs in costs and benefits of alternative Federal programs, and possibly creating a communications model that will increase the effectiveness of information dissemination.



The action component during the first phase will tie economic development programs to community organization by experimenting with new information services and a neighborhood development corporation as a means of increasing the effective participation of poor people.

The Greater Baltimore Committee would function as coordinator of the research, planning and action effort for such a pilot neighborhood in conjunction with Westinghouse Electric Corporation, existing City agencies, principally the Community Action Agency, and economic, social and physical planning consultants as needed. The reasons for the involvement of Westinghouse are fully explained in Section VII, but for purposes of introduction, it is enough to say that the Greater Baltimore Committee and Westinghouse share the view that if modern computer technology and the systems management approach to problems can be used to conquer space, there is reason to think these techniques can be adapted to the solution of urban problems. The technical and management experience of Westinghouse would be used on a contract basis in the research and data gathering phase of the model neighborhood project, in the selection and scheduling of action programs and in the evaluation of results. The innovative resources which Westinghouse will bring to this effort are fully described in Sections V and VII.

The Community Action Agency is already at work in several of Baltimore's most impoverished neighborhoods, carrying out Federally sponsored programs designed to meet some of the problems to be addressed in the model neighborhood project. Because of its on-going experience with anti-poverty programs and its established procedure of reaching and working with the poor, the Community Action Agency would be the applicant agency and would delegate the direction of the program to the Greater Baltimore Committee as a third party contractor.

Poor people in the selected area would be hired and trained to perform as many of the research and information collection tasks as possible. Their involvement in this initial phase of the program is important for several reasons: first, it would serve as a reflection of the general policy of having the people in the affected area participate in the planning of their area. Secondly, it should offer an effective system of communicating the objectives of the program to others in the area and enhance their receptiveness of those objectives. Thirdly, the hiring of these people, preferably from the ranks of the unemployed, would be a practical demonstration of a fundamental goal of the entire program - the elimination of unemployment and poverty.

The research phase would develop a profile of the selected neighborhood in terms of such major considerations as



health services and facilities, housing inventory, employment opportunities for residents, educational, recreational and transportation facilities as well as other basic city services.

The purpose of this profile of the neighborhood and its inhabitants would be to suggest what services, what resources, where and in what amount, would be needed to restore an inner-city neighborhood to social and physical viability. While this profile would be refined as the project progressed, it would be capable at the outset of supporting a systems approach to the solution of the area's problems, thus avoiding the pitfalls of present-day planning practices which are based on partial considerations, too little information and poorly defined objectives. One of the most critical aspects of this project, if it is to become a successful prototype demonstration for attacking urban poverty, will be the development of new methods of urban decision-making and resource allocation. It is in this respect that the application of defense and space planning concepts can have a great impact on urban planning.

If innovative planning is one side of the coin in attacking urban poverty, follow-through in the form of adequate resources and services is the other. To date, no effort has been made to find out the true cost of lifting a given slum area out of its impoverished condition. By the same token, no

comprehensive attempt has been made to quantify and understand the social and economic trade-offs between the greater expense today of stemming the poverty cycle and the lesser expense in the future for welfare, crime, unemployment and other poverty-related ills.

The model urban neighborhood would serve as a laboratory for determining what thresholds of assistance are needed, the cost-benefit ratio of these assistance programs and the trade-offs which occur among various types of assistance; for example, to what extent the cost of creating employment opportunities reduces the cost of welfare.

To this end, the Greater Baltimore Committee would work with the City and its agencies to see that an adequate level of municipal services is maintained in the target area. New techniques of rendering these services, such as through decentralization into the neighborhood, would be tested. For proper demonstration purposes, every effort would be made to coordinate local services and to develop the most efficient means of delivery once the necessary thresholds had been established.

Upon this foundation of basic city services, the program would seek to build an edifice of Federal and private programs designed to meet problems of poverty, health, education, housing and others which represent an awareness at the Federal

level of the need for action and experimentation in these fields. As in the allocation of local resources, a prime goal of the systems management approach would be the effective coordination of Federal aid in the model neighborhood as a testing ground for the larger Demonstration Cities effort.

A necessary, but largely absent element in the war on slums and poverty has been the initiative and enlightened self-interest of private enterprise. Generally expressed, it would be the aim of the Greater Baltimore Committee, as a representative of the private sector in the Baltimore Region, to see business become actively involved in the model neighborhood experiment, to assume the responsibilities which are not properly those of the government, and to seek ways of introducing the profit motive into urban problem solving. A specific objective of the planning process would be to explore ways of shifting the burden of meeting inner-city problems from the Federal Government to the local and private resources.

This would be pursued in a number of ways. The Greater Baltimore Committee's Housing Development Corporation, a non-profit organization recently formed to stimulate new and rehabilitated low-cost housing, would concentrate its efforts in the model neighborhood area. The corporation is backed



by a revolving fund of privately subscribed capital which would be made available to churches and other neighborhood institutions as seed money for the initiation of 221 (d)(3) housing and other appropriate programs.

The Greater Baltimore Committee would attempt to work with business and industry in the target area, as well as outside, to institute training programs for local unemployed or under-employed residents. A program for the attraction of new, labor-oriented industry to the neighborhood would be devised as well as methods of transporting inner city labor to suburban employment centers. Assistance programs to small businesses in the model neighborhood would be explored as a means of strengthening the neighborhood economy and further increasing employment opportunities.

It is recognized that the maximum benefit of all of these Federal, city and private programs on the self-sufficiency of the target area population will be missed if they are administered in a paternalistic fashion, without the active participation of those affected in the policy making process. Therefore, it is proposed that a keystone of the entire demonstration project be the establishment of a Neighborhood Corporation, once the indigenous leadership in the target neighborhood is identified and involved. The Corporation would gradually assume more



and more responsibility for policy and implementation, through a professional staff, of activities in the area until it became the prime mover in economic development functions and housing construction programs, begun initially by the Greater Baltimore Committee. The Neighborhood Corporation would also act in applying for future Federal grants and, ideally, would have a strong voice in the direction of City programs within its area of operation. The Corporation would be democratically set up with a majority of its Board of Directors elected from the community leadership but also consisting of several recognized business and financial leaders whose participation would be helpful in the affairs of the corporation.

## II. BACKGROUND OF THE GREATER BALTIMORE COMMITTEE'S INTEREST

For the last decade, the Greater Baltimore Committee has functioned as an organization for mobilizing and focusing the resources of Baltimore's business leadership on the solution to this region's most vexing problems. The Committee was formed as an expression of the conviction that Baltimore: 1) had a host of major ills which could not be dealt with effectively by municipal government acting alone and 2) that a motivated business community, working with governmental leadership, could constitute a force capable of successfully combatting these ills.

In instance after instance over the last several years, this conviction has been borne out. The public-private partnership between local government and Baltimore's private sector has operated with a continuity and rate of achievement which is unique in the nation. In the vital fields of mass transportation, freeway planning, regional planning, urban renewal, taxation, civil rights and downtown redevelopment, the Greater Baltimore Committee has been able to stimulate or assist government in taking progressive steps.

The Greater Baltimore Committee has been most closely identified with the conception, planning and implementation of the Charles Center and Inner Harbor Redevelopment Projects and it is primarily through these highly visible efforts at total planning for

large and important areas of the city that the working relationship between the business sector and all levels of city government has been developed and refined. Of course, the Greater Baltimore Committee, as a private organization having no power to legislate or enforce, has had to rely on this working relationship in virtually every area of activity. While achievements in these other areas have not been as visible as monumental downtown redevelopment projects, they have, nevertheless derived from the same essential determination to work with and through the leadership within the municipal government.

Notwithstanding the success we have had in utilizing this partnership, there is an awareness on the part of the Greater Baltimore Committee that past and present efforts to solve civic problems in Baltimore are piecemeal in nature. In too many cases, these efforts are limited in their nature or they apply to only some parts of the city. Still other problems, of critical importance to the viability of the City and the welfare of its residents, have been fundamentally ignored.

Charles Center itself has demonstrated a number of important things. It has shown, by its example, that the concerted thrust of public and private initiative, the commitment of the necessary resources, the thorough consideration of all relevant factors and the recognition of the need for total planning can produce results which far out-strip those which occur when efforts are fragmented, when sights are set too low and when the notion of compromise is built in from the start.



In a sense, the whole of Charles Center is greater than the sum of its parts. The planning concept, because of its imagination, stimulated development at a much faster rate than could have been possible without such a plan. The rate of development has materially increased the tax take from the area by the City (from \$500,000 per year to an estimated \$2,600,000 when the project is completed) and, as important, has changed the attitude and expectation of Baltimore's leadership and others about the City's future. Already, this fundamental change in attitude has made possible other progressive steps, including the even more ambitious Inner Harbor Redevelopment Program. The net result of the process of change begun by Charles Center is that the public and private leadership structure is enthusiastic about the philosophy of total planning and comprehensive action because they have seen it work. The question, then, is one of next steps.

The Greater Baltimore Committee recognizes that as important as Charles Center has been to the city, in absolute terms as well as a psychological boost to its aptitudes for tackling other problems, this type of "glamor project" cannot be expected to correct the largely unrelated and more complicated ills of the Inner City. Indeed, Charles Center and other efforts at downtown revitalization could become a house of cards unless the physical and social pathologies of the vast deteriorating area surrounding the Central Business District are attacked with the same intensity of concern and the same commitment to total solution as was the problem of downtown deterioration.

This intensity of concern is not evident in the Inner City today. Nor do the resources being applied there represent anything like the ingredients of a total solution. The problem of slum housing, perhaps because of its easy identification as well as its importance, has received more intensive and longer-term treatment through the City's urban renewal and public housing programs than any other Inner City malady. Yet it is clear that these programs are not providing decent housing on a large enough scale or at a low enough cost to eliminate slums in the foreseeable future. The City's anti-poverty program has been too severely limited both in terms of geography and resources to achieve its stated objective. The City's welfare program has not been able to reach a desired remedial object of restoring recipients to economic self-sufficiency. There is ample evidence that public education in the Inner City is not of the same high quality as that available in out-lying areas. Other basic city services -- from trash collection to the provision of open space and recreational opportunities -- have been unequal to the needs of the Inner City. Poverty and unemployment - themselves the causes of so many other physical and social troubles - are concentrated in the blighted areas of the urban core.

Regrettably, what actions are being taken against these rampaging disorders are fragmented and unrelated to each other. Nowhere has there been an attempt to pull together all of the many disciplines and resources presently at our command for the purpose

of achieving a "critical mass"; that is, a positive and beneficial force which is equal to the influence of the disorders now prevalent in the City's worn-out areas. By way of analogy, so far there has been no successful attempt to merge the interest and capabilities of the Federal and local governments with those of the private sector to achieve the total and integrated planning effort which has characterized Baltimore's downtown redevelopment program.

The Greater Baltimore Committee proposes to mount such an effort, using the tools and programs which are available and experimenting with new and innovative techniques, focusing on an area of Baltimore's Inner City, large enough in size and representative enough of the poverty situation to serve as a pilot project for this and other cities and particularly for the incipient Demonstration Cities effort.



### III. THE TARGET NEIGHBORHOOD: CRITERIA FOR SELECTION

Because the neighborhood to be selected will be a demonstration project, it should have a range of characteristics wide enough to permit the test-case initiation and operation of various programs relevant to the variety of disorders which typify a slum neighborhood. Ideally, it should exhibit a "sense of neighborhood" that is, a common understanding on the part of the residents as well as the rest of the city of what its dimensions are, both in terms of physical boundaries as well as social patterns. This is required in order to allow the residents to identify with what is going on, to take advantage of established as well as new institutions and systems of communication set up along neighborhood lines and to permit the application of orderly and accepted physical and social planning techniques.

The target neighborhood should have strengths as well as liabilities if it is truly representative and if programs aimed at self-help of the disadvantaged are to be carried out. For example, the area should possess some elements of local leadership potential for the development of internal methods of communication and participation by residents in the planning as well as the implementation of activities within their neighborhood. With respect to housing, conditions should be such that extensive programs of rehabilitation of existing structures are possible in addition to the trying-out of

techniques for building new low-cost housing. Obviously, rehabilitation cannot be achieved on a large-scale and economical basis in an area of mainly rock-bottom housing conditions.

Similar opportunities will be needed if employment and job-retraining programs are to be developed and tested on a meaningful scale. Thus, existing industrial, business and service establishments, together with possibilities for attraction of new job-creating institutions, would be necessary to provide a range of alternatives for testing methods of raising local income.

Another factor which is important in the selection of a neighborhood is visibility. An experimental or controversial project such as the one proposed cannot be carried out in a vacuum and still be expected to stimulate the understanding and support of leadership groups needed to translate its gains into broader policy programs. It should therefore be conducted in a key area of the City which is accessible to the view of as many citizens and decision makers as possible.

Recognizing the limitation of resources, the project will focus upon the effects of a mixture of inter-related programs to deal with inter-related problems rather than picking an area for its catastrophic unemployment rate or its rock-bottom housing conditions to the exclusion of other factors.

Inasmuch as the neighborhood to be chosen will be part of the Demonstration Cities area, selection will be made by taking into account information compiled in connection with that project and that contained in the recently completed Community Renewal Program.



#### IV. ORGANIZATIONAL CONSIDERATIONS

The policy-making function will reside in a corporation, initially including residents and later controlled by the residents. Similarly, there will be subsidiary corporations setting policy in areas of special interest.

Supporting these bodies, and carrying out their policies, will be a staff of professionals and non-professionals. The type of organization in which they must operate may determine to a large extent the ability of the staff to function effectively.

It is essential to use a project-type organization rather than a line organization in the management of the program, in order to promote program objectives efficiently, and gain the advantages of the system approach. However, the functional line organizations should not be eliminated -- they will provide a major source of personnel and professional continuity.

This type of dual organization has been used effectively by industry in the development and production of major military and aerospace systems. It represents a common-sense approach which is applicable to any complex program with interrelated objectives. For this "model neighborhood" or "model area" program, most of the line organizations already exist. Most of these are city agencies, and most are already operating in the area.

The detailed plan for implementing the line and project functions will be worked out during the planning phase. However, there are clearly certain basic principles which must be followed to achieve

an organization and operation which is responsive to the program objectives and schedule, which makes use of existing current experience and expertise, which does not draw already-inadequate resources away from other action areas, which permits innovation and research, and which will permit the extension of its successful techniques and programs to other areas of the city (and by example, to other cities).

All the current city services must be supplied by the city to the target area at the same level as at present. However, these should be decentralized in the target area, with the staff so designated reporting to the project manager for assignments and direction. These staff members should remain on the personnel rolls of their original agency, with full seniority, longevity, and benefits of their civil service status. The project manager should be responsible for staff selection with the right to refuse those employees whom he judges to be unsuitable.

For staffing in excess of that provided now, or for agencies not providing any services at present, the same form of "detached service" would be utilized, but the particular agency would be reimbursed by project funds for the excess staff over normal.

Additional staff for the model area programs could also be hired directly by the project, and all employees, whether directly-hired or "on loan", would be utilized according to project requirements, and not necessarily exactly according to original organizational lines.

Any function which does not lend itself to direct reporting to the project manager (such as the police function), should nevertheless be decentralized over a corresponding area as far as feasible, with close cooperation between corresponding levels in both organizations.

Along with the personnel assignment program and intermingling of staff on programs according to project requirements, there will be a strong program of job analysis and job development, along the lines of the "New Careers" concepts of Frank Riessman. This program will be aimed at providing more opportunities for advancement as well as a better definition of the true requirements of many of these jobs, which do not fit well into the conventional formal-education-biased standards which are currently in general use. The program anticipates developing some useful guidelines to assist in revising some of the current civil service standards.



## V. THE SYSTEMS APPROACH AND ITS APPLICATION TO URBAN PROBLEMS

Although sophisticated techniques of systems analysis have developed in the defense industry over the last twenty years, it is only very recently that consideration has been given to applying these techniques to the War on Poverty. Since much of the "systems approach" involves intangibles it is not surprising that there is no generally accepted definition for the term. Rather an implicit understanding is developed within the team for each specific project. Therefore, it becomes important to explore the basis of such an understanding, particularly in cases where the contractor and client have no previous basis of understanding; and even more particularly when there is little or no prior precedent in the particular application area.

For these reasons it is appropriate and desirable that Westinghouse present here its views on such questions as:

What is the Systems Approach?

Why should it be appropriate to the Urban Problem?

What is the basic goal of applying it to this problem?

Further, it should be emphasized that the systems approach is not necessarily a panacea but does contain potential pitfalls. This adds to the list of questions:

What are some pitfalls of the systems approach? and;

How are they avoided (or rather minimized)?



Next we come to an important tool of the systems approach-modeling.

What is a model?

How does it support systems analysis?

How does a model provide direct assistance to the policy maker? and;

How does a model contribute to further development toward an optimum solution?

Finally, we come to the hard headed questions which determine the management of the modeling and system analysis effort.

What are the prerequisites for a successful model?

In view of the current state of the art, how much effort should be directed toward modeling; and how should it be applied.

What can we realistically expect from such effort in the short term, and in the long term?

### The Systems Approach

In order to examine the systems approach in regard to urban problems, we should consider a particular influence of the Industrial Revolution in the creation of these problems.

The urban problem is not one problem, but a complex of problems: Health, Employment, Education, Housing, Recreation, etc. Diverse specialists and agencies deal in each of these areas.

In the past we have had to treat each of these phenomena as isolated entities since we had neither the system knowledge nor the computational resources required to treat them on an integrated basis. Furthermore, in the past much of our entire technology was based upon specialists each solving isolated problems in their own specialities. This approach was needed in order to exploit the full potential of the Industrial Revolution. However, there is no such thing as 100% efficiency, especially in problem solving. Thus each time we solve a problem, new problems appear as by-products. Traditionally, a specialist could shrug his shoulders and say, "I've solved my problem". If there is a new problem, it is in somebody else's backyard.

If we asked the housing specialist why his latest effort turned into a bigger and better slum, he shrugs his shoulders and says these people don't know how to live in civilized housing - that is a problem for the sociologist.

Now, as the pace and scale of technology accelerates, we can no longer dismiss these "new problems". The systems approach is required in order to treat the urban problem across the board on an interdisciplinary basis, continuously over a definite period of time.

Numerous specialized projects have been tried in the past. Many have produced even a high degree of success, but

for limited goals. Now we have come to the realization, that no matter how ingenious, or how successful, a limited attack on a single front: Education, or Health, or Employment, or Housing will not solve the problem.

If we are to have success in the urban problem we must find some way of priming the pump so that it will continue to run on a self sustaining basis. However, if we are to achieve this, it will be through a coordinated effort across all fronts. This is the basis for introducing the systems approach.

"Total Systems Analysis" is today accepted in many fields as the most advanced and sophisticated approach to the solution of our more complex problems, and "Systems Management" is accepted as the most promising method of implementing these solutions in a real situation. This acceptance has not been won easily, and may not at this time extend far beyond the boundaries of the aerospace/defense industry, but it will in time become fundamental to the management of large enterprises.

This is so because the approach, while presently cloaked in a veneer of sophistication, is really basic common sense. Total systems analysis is, quite simply, methodical analysis which takes into account all the diverse factors which affect the development, design, implementation and operation of the system, be it tangible or intangible, in its intended environment.



"Systems Management" is the process of planning, organizing, controlling, and directing the melded efforts of necessarily diverse contributing disciplines and organizations in implementing the system operational objectives. The fundamental requirement of systems management is that each participating element be provided with adequate instruction and guidance to establish its responsibilities and give priority to its action in context with all other elements affecting the common objective.

The Systems Management process will be utilized in the planning and operation of the program. Systems analysis techniques will be adapted and utilized to the extent applicable.

#### Purpose of Systems Analysis

The purpose of applying systems analysis to the urban problem is to determine whether there is a "Critical Mass" which will bring a neighborhood to a self sustaining level, and what the optimum composition of this mass might be.

It is possible that such a critical mass does not exist. If this proves to be the case, and we must reconcile ourselves to a permanent dole, two problems still remain. First is the reconciliation of this situation to our basic protestant ethic that "work is the means of gaining title to goods". Secondly, we still have the problem of optimizing such a dole.

When an application such as the urban problem borrows a technique such as Systems Analysis from another field such as the defense industry, there are often great expectations which are later disappointed. In part this may be due to premature arrival before the state of the art exists to provide adequate support. (Knowledge of relationships and the data which are required may just not be available.) Another contributor to such disappointment is that recipients welcome the miracle working messiah with glowing reports of prior success and little notice of prior failures.

Thus over enthusiastic converts to the new gospel set over ambitious objectives. We can solve this dilemma by following the athletes method of training to meet a strenuous goal. An athlete who strains for a goal completely beyond his reach can expect only frustration. Thus, it is expedient to limit certain phases of the study to what is realizable and credible. On the other hand, an athlete who does not attempt to break his previous record will only atrophy and not realize his full potential. The solution to this dilemma is to incrementally raise the goal so that it is always just barely out of reach. In the urban problem our ultimate goal is complete integration of the many different disciplines involved on an integrated systems basis.

This is an extremely ambitious goal which can only be approached asymptotically. Some historical review of

technological development will provide us with an indication of reasonable steps toward this goal as well as the supporting role which can be played by the computer in a data processing and in a modeling function.

In order to exploit the potential of the Industrial Revolution, large quantities of empirical and analytic results were summarized in handbooks. This was an efficient operation since the cost of repeating the experiment, or repeating the analysis were prohibitive. However, now the volume of handbooks has reached the point where the costs of retrieval are frequently exorbitant. At the same time our computational resources have reached the point where in many cases recomputation is more efficient than retrieval. This affects the system integration in a number of ways.

In the past our fragmented treatment was due to our state of knowledge. The computer can help us improve these individual fragments. But even more important the expediencies of the handbook technology required that the handbooks make simplifying assumptions and deal with special cases. For the most part these special cases are adequate for the needs of the originating discipline. But frequently they lack the flexibility and generality required by interfaces with other disciplines. It is here that the computer serves as a connecting link providing the generality and



flexibility, as well as the bulk resource required for interdisciplinary communication.

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In the late fifties, as computers came into prominent use, there was frequent pressure for a rapid payoff. There was no time to analyze the job and develop new methods. In order to produce next week's payroll, the methods of the old equipment were hastily adopted to the new equipment. Extreme cases can be cited where the latest equipments are being hobbled by procedures developed for punch card equipments which were functionally designed forty years earlier.

Around 1960 the "Total Systems Concept" and its major right arm "Systems Analysis" emerged. Here it was re-

cognized that past procedures were compromises to new equipment. In order to make full use of the new equipment we must dismiss past procedures and take a new look at just what the job is.

However, then the pendulum swung to the opposite extreme. Many a system was held up endlessly because of a dispensible feature. Too many cadillacs were built that were useless because the ash tray emptier did not work, and some "nut" had integrated the ash tray emptier with the starter.

To summarize, one difficulty with the Total Systems Approach is that it is frequently overdone. A second difficulty is a long lead time to a payoff.

A staged priority module approach attacks these difficulties. This approach proceeds with an overall skeleton of a total approach. But we avoid any "all or nothing approach". Rather we review the various elements of the total approach from a number of viewpoints: technical risk, and the value on an isolated entity as well as cost and lead time.

Milestones with priorities can be established and a schedule of effort developed as a tradeoff between these factors. The advantages of this approach are manifold:

- (1) payoffs from short lead time items are not delayed by longer term items;
- (2) the long term objectives can be iteratively reviewed on the basis of short term returns;

- (3) the long term integration can evolve gradually as the pieces become available - this is possible because the pieces are designed for ultimate integration.

In order to achieve these ends it is necessary to use a systems approach even for the task of designing the effort. For example, as the modules are designed there must be constant design tradeoff analysis between features required for the short term, and those required for long term. Particularly because the long term objectives will probably change, there is a constant need to balance economy with flexibility and growth potential.

#### Role of the Computer

There are three ways in which the computer assists us in handling the large volumes of complex data involved in the urban problem.

- (1) reduction and analysis of data and filling in gaps of our knowledge in many of the supporting specialities;
- (2) verification of hypothesis upon which we can construct reliable models, and the exercising of these models to simulate experiments which are too costly, time consuming or impractical to conduct in reality;
- (3) the ability to provide sufficient generality and flexibility so that these models can be combined across the board, interconnecting diverse disciplines.

The role of the computer in the first two areas has been much discussed and needs no elaboration here. However,



the combination of the computer to the integrated systems approach does bear further discussion.

In the previous discussion we have implied that a model is an important tool for systems analysis. Therefore, it is desirable to discuss just what is a model. Here it is convenient to use a definition of a model taken from an economist, David Gale in his book, The Theory of Linear Economic Models states that, "An economic model is an abstraction and simplification of some typical economic situation" or from Nicholas Georgescu-Roegen's Analytical Economics, that an economic model is "an Analytical Simile".

In order to perform his function the policy maker must have some knowledge of cause and effect; that is the improvement which can be expected from a particular set of policies. The obvious way of learning this is to perform appropriate experiments germane to the particular problem; affect the controls and measure the results. Unfortunately, credible urban experiments are difficult to achieve in the real world. The cost of implementation is prohibitive for experimental purposes. The time span is too long. The results of unsuccessful experiment can be very costly and disastrous, conceivably setting progress back several years.

The problem then becomes one of developing a means to conduct an experiment at a reasonable cost on a near term schedule to gain confidence in an approach so that large

commitments can be safely made. This is the same problem which has long faced the military in defense projects and NASA in space projects. The solution which has evolved to a high degree of sophistication has been the construction of simulation models. These models represent those portions of the real world which are most significant to the phenomena under study. The modern computer permits us to exercise fairly complex and sophisticated models, with negligible cost and time in comparison to the real experiment. Thus for every booster launch in our space program, hundreds of alternate vehicle configurations are simulated, and thousands of mission profiles are evaluated by means of the model to select the best and/or most cost-effective solution.

It must be borne in mind that the modeling portions of this proposed or any other total systems approach is not an end in itself but a critical and important step toward the longer range objective of optimization of resource utilization.

#### The Role of Models in the Scientific Method

It is worth reviewing the general pattern of technological development in order to recognize the ultimate purpose of a model. It is convenient to consider this technical evolution in four stages.

The first stage is OBSERVATION: random initial observations are followed with systematic observation in an at-



tempt to comprehend the form and structure of the unknown phenomena. During this stage the observations are (perforce) based upon expensive and time consuming experimentation. Eventually the emphasis of the effort shifts to development of an hypothesis on the relationships between cause and effect.

The verified hypothesis provides the basis for the second stage of the art - PREDICTIVE MODELING. Since we now have a model in which we have faith, it is no longer necessary to evaluate a proposed solution through extensive experimentation. The model is used to predict the performance which will be attained by a proposed design.

However, the question of usual concern is "what design do we need to obtain a desired performance?" This is the inverse of the question treated by a predictive model. Unfortunately, non-linear models are usually a one way street. Effectively, we can drive a car the wrong way on a one way street by going around the block. In the third stage of the technology, INVERSION, we achieve a similar effect by exercising the one way model under control of a systematic search strategy. Here a trial solution is posed and its performance is predicted by the model. The search strategy compares predicted to desired performance and adjust the trial solution. This cycle is repeated until hopefully it converges.

In complex problems involving many design variables there will generally be many different combinations of the



design parameters which will yield the desired performance. This brings us to the fourth stage of technology, OPTIMIZATION. The problem here becomes the selection of the optimum design from the numerous possibilities which yield equivalent performance.

### Model Development

The development of a model proceeds along certain lines which are virtually standard without regard to subject matter. We begin much as we do in any experiment design.

- (1) Define the purpose of the experiment.
- (2) Identify the independent parameters and the means to measure them.
- (3) Identify the dependent parameters and the means to measure them.

Next come the internal relationships of the model, where the development of a model differs from an experiment.

There are only two basic methodologies for developing relationships for a model. One is empirical, and the other is analytic. The empirical model is derived statistically from experience, while the analytic model is derived from fundamentals (such as Newton's Law, the laws of thermodynamics and the probabilistic theory). The two are not independent, but feed each other iteratively. The empirical approach is used to analyze the observations and gain an insight into the unknown phenomena. These phenomena then inspire an analy-

tic model, which is then verified statistically. Finally, holes in the analytic model indicate the need for further empirical work. The mix of these two approaches in a given model may constantly change during the evolution of the model.

In general the analytic model, once verified, is more reliable and more flexible than the empirical model and in the long run will yield more. However, the empirical model has a shorter lead time and serves as a foundation for an analytic model. Thus, it is generally desirable to develop both approaches side by side so that they may feed each other, and also in order to permit maximum return for both the short and the long term.

#### Present State of the Art

At the present time there are few models available for the urban problem. Various models of businesses should be appropriate to the Corporation. In the large view there should also be some parallels of the community as a whole to a large and complex business. Another possibility lies in economic models of national input/output. However, a neighborhood economy is more complex than a national economy - at least in regard to flow across the boundaries. Other models covering attitudes and reactions of people, community communications, and community power structure are either

wide, or non-existent. Still other areas which are somewhat stronger include transportation and utility, as well as traffic networks. However, these are less germane to the problems of poverty. Finally, all of the models mentioned deal with individual urban functions, rather than the entire urban system.

In order to make maximum use of such existing models we propose to evaluate these models from two viewpoints.

- (1) Adaptability to a neighborhood and to the specific neighborhood
- (2) Potential for ultimate inclusion in a comprehensive model of the entire urban system.

A major problem in applying modeling techniques to the urban problem is lack of yardsticks. This is more than the setting of goals. It is a matter of establishing measurable terms which can be used for rationale discussion of goals, as well as for measurement of progress.

This discussion provides a basis for a set of objectives in Systems Analysis Modeling, and computer usage in the proposed effort.

We propose the following tasks as a realistically balanced program for this effort.

- (1) Evaluation of existing models
  - (a) for neighborhood
  - (b) for integration
- (2) Identification of measurable parameters



(3) Support Data Reduction and Analysis

(4) Start exploration of hypothesis for model

These tasks have been designed to yield a realistic balance between short and long term goals. The benefits which can be expected are as follow:

(1) Short Range

(a) Yardsticks serve as basis of discussing values

(b) Discipline of constructing model

(c) Data Bank

(2) Long Range

(a) Laying basis for model

(b) Ultimate optimization

## VI. SCHEDULE OF ACTIVITIES

Listed below are the steps that will be followed in the development of the Model Neighborhood Program. Each step is explained in detail in the body of the proposal.

- (1) Structural analysis of several neighborhoods as a preliminary to selection.
- (2) Informal discussions with representatives of several neighborhoods leading to the selection of one of them.
- (3) Work up of a preliminary description of the neighborhood selected using existing data from the Census.
- (4) Development of an action research design.
- (5) Employment and training of neighborhood residents for data collection and community development, as dictated by the research design.
- (6) Analyze data collected and begin work on economic model of the neighborhood.
- (7) Organize Central Planning Group made up of neighborhood residents.
- (8) At the discretion of the Central Planning Group, launch small scale action program based on analysis of data.
- (9) Evaluate action program. Expand existing program or develop new ones based on the wishes of the Central Planning Group.
- (10) Build new institutions and human capabilities for support of Model Cities program or other private and public programs for the development of the neighborhood.
- (11) Continuous evaluation of program and feed back to Central Planning Group.

(1) Structural Analysis of Several Neighborhoods

Westinghouse will contribute the services of a community development specialist who will begin work before the contract is signed by OEO. He will do a rapid analysis of several neighborhoods to determine: the strength and leadership potential of existing organizations; the potential for the emergency of new leaders, the delineation of natural boundaries, and the possibility of developing a genuine sense of community. Other criteria that will be used in evaluating neighborhoods are: distinct neighborhood services - neighborhood school, settlement house, shopping center, etc., Stabilizing influences - percentage of home ownership, length of residence, etc. - Resources - Overall economic, human and physical resources providing an adequate base for short term and long term success.

(2) Selection of the Model Neighborhood

This will be based on a review of the above factors. Primary importance will be given to a genuine desire to participate in the program on the part of the formal and informal leaders of the neighborhood.

(3) Preliminary Description of the Neighborhood

This will be based on a gathering and analysis of statistical data and descriptive information already available from the Census, from city agencies, from social service organizations and other sources. The only new information gathered at this time will come from the community development specialist who will analyze the leadership structure of the neighborhood in greater depth than in step one.

A group of highly trained social scientists will compile the information under the supervision of the Director of Research. The validity of the data will be checked by a panel of consultants hired from among the residents of the neighborhood. The information sought through the above sources will be:

- (a) Economic resources - manufacturing plants, banks, income producing property, income producing services, etc.



- (b) Human resources - number of people in the employable age group, level of job skills, education, physical and mental health, etc.
- (c) Housing resources - condition of housing, extent of home ownership, potential for rehabilitation, number of inhabitants per acre, etc.
- (d) Services Available - City services including schools, police protection, sanitation, welfare, etc. - Consumer services including shopping facilities, transportation, cleaning establishments, etc. - Recreational services including parks, playgrounds, etc.

(4) Development of Action Research Design

This would be based on an analysis of the information developed in step three. The Director of Research, the social scientists, the planners and the neighborhood consultants would develop certain questions to be tested for the formulation of hypotheses concerning the elimination of poverty in the neighborhood. At this time questionnaires will be developed, a schedule for the survey prepared, and a one year plan outlined for research, model building, action and evaluation.

(5) Employment and training of neighborhood residents for Data Collection and Community Development

About five or six weeks after the beginning of the contract, Westinghouse will carefully screen, hire and train a number of neighborhood people for the dual function of data gathering and community development. They will be drawn from the ranks of the unemployed or underemployed poor. Training will be conducted at a neighborhood project center. It will consist of two weeks of instruction and two weeks of on-the-job training. Training will be experience based and participant oriented. It will employ role playing, micro laboratory techniques and other new approaches to training. The educational philosophy expounded by Dr. Frank Riessman in his "New Careers for the Poor" will serve as a keystone for the training program. Specific course content will include:

Community Development Philosophy,

Orientation to the neighborhood and its role  
in the structure of Baltimore,

Interviewing Techniques,

Building inspection and code violation,

Writing and computational skills,

Survey design (actual participation with the  
Director of Research in refining the research  
design).

We anticipate that about 10% of the neighborhood households will be surveyed. The interviews will be directed toward finding out what the residents consider to be the most pressing problems of the neighborhood, toward updating and amplifying the information gathered in step three, and toward asking other important questions developed during step four.

(6) Analyze Data Collected and Begin Work on Economic Model of the Neighborhood

The process involved in constructing an urban economic model are discussed at length in a separate section of the proposal. The issues involved in developing such a model are such that they do not lend themselves to a brief description here but must be considered in some detail in the other section.

(7) Organize Central Planning Group made up of Neighborhood Residents

At the beginning of the program, existing neighborhood organizations will be asked to designate members of a small Central Planning Group. This group will assist with the formation of a neighborhood corporation that will eventually have final decision-making power regarding all aspects of the Demonstration Neighborhood Program.



Initially the Central Planning Group will provide guidance and support to the project director of the Demonstration Neighborhood Program, who will be named by the Greater Baltimore Committee. Based on the best estimates available, it may take two or three years or more to develop a viable organization controlled by the poor of the neighborhood. A substantial effort will be made to speed up this process. One technique would be to develop appropriate types of leadership training for the community leaders. The Greater Baltimore Committee will turn over complete control of the project as soon as feasible. Neighborhood residents will participate in the decision making process on an increasing basis as time passes, so they will be well trained in the operation of such a project by the time they take control.

(8) Launch Small Scale Action Program

This will begin after a careful analysis of the data collected in step five and after market sampling or pre-testing of the plan. It will be clearly defined as an experimental effort. It will be relatively small in scope and in dollar investment and will be expanded only after careful evaluation.

Before selecting the first action program the neighborhood group will examine certain questions: (a) does it provide a solution to a problem that is considered important by a large number of people in the neighborhood; does it have symbolic importance and emotional impact? (b) is the goal realistic - easily attainable in a short period of time with present resources (c)



does it support the short and long term economic development of the neighborhood without wasting or siphoning off valuable resources?

Before the program is initiated several steps would be necessary: (a) organize financial resources (b) provide necessary training for neighborhood residents; (c) publicize and develop community support.

After the program has begun, continuing assistance in the form of management consultation will be provided for as long as necessary.

(9) Evaluate Action Program, Expand Existing Program or Develop New Ones Based on the Wishes of the Central Planning Group

We would rely heavily on our outside evaluation team, contracted from one of the leading university departments of Urban Affairs. In addition, it is expected that some aspects of our economic model building effort could be utilized for examining the efficiency of the action program. And sampling of neighborhood opinions would be done to see how public acceptance of the program compares with economic efficiency.

(10) Build New Institutions and Human Capabilities for Support of Model Cities Program or Other Programs for the Development of the Neighborhood

If it appears that Baltimore will be funded under the Model Cities Program of HUD, we would create new institutions and train neighborhood residents to make a maximum contribution to the Model Cities Program and to derive maximum economic and social benefit from it. One of the new institutions might be a construction company managed and staffed by neighborhood residents.

Because of the importance of "new institutions" we have devoted a separate section of the proposal to a discussion of them.

(11) Continuous Evaluation of the Program and Feed  
Back to Central Planning Group

As mentioned earlier, we will contract with one of the leading university departments of Urban Affairs to provide a continuous in-process evaluation of the program. This use of evaluation is an integral part of the systems method. It would begin at the very outset of the program and would call for frequent reports to the Westinghouse Project Director, the Director of Research and the model building team. We would expect a member of the evaluation team to be employed on a nearly full time basis and several team members would be employed at critical stages of program development.

## VII THE ROLE OF WESTINGHOUSE IN THE PROGRAM

Westinghouse would be the prime consultant to the Greater Baltimore Committee, making available to GBC the resources of the Advanced Programs Department based at Friendship Airport and drawing upon the capabilities of the Baltimore Defense and Space Center, Westinghouse Learning Corporation and other groups within the Company as needed. The specific tasks that Westinghouse feels it can perform most effectively are:

- (1) Research, Planning and Evaluation.
- (2) Job Training and placement, management consultation for the establishment of cooperatives and small businesses, training of the poor for "New Careers" etc.
- (3) Provide skilled personnel to support the action programs launched by the neighborhood corporation. Specialists in public information, community organization, educators, sociologists, etc.
- (4) Developing proposals to bring new government or foundation supported programs to the neighborhood. These programs would be aimed at improving education, law enforcement, legal services, health, etc.
- (5) Providing management assistance to GBC to support neighborhood level administration of city services.



## Reasons for Involving Westinghouse Electric Company

Westinghouse Electric Company has considerable experience that equips it to deal with the problems of poverty. Through its job training programs, its capability in systems analysis, research, data processing and the efficient management of highly complex programs, it has clearly demonstrated its ability to meet the goals of government agencies which support social and economic development programs. Below are several programs of this type which have been administered by Westinghouse.

- Job Corps -                   Camp Atterbury, Indiana one of the large Job Corps Centers, with 1500 corpsmen, has been cited by OEO for the quality of its management. Capital Job Corps Center, Washington, D.C. provides advanced training for 50 select corpsmen from centers all over the U.S. This experimental program is geared toward developing new approaches to training and placement.
- Vista -                        At this time Westinghouse is the only industrial company which provides training for Vista Volunteers. It has pioneered two highly successful on-the-job training programs in Louisville, Kentucky and Durham, North Carolina.
- Peace Corps -                Westinghouse is the leading company in Peace Corps training. It has trained more volunteers than any

other company and more than many universities. Through the application of the systems approach to management and training it has developed organizational techniques and new approaches to training that Peace Corps is now using for its own in-house training programs.

Industrial,  
Vocational -  
Training

At its Baltimore Defense and Space Center, Westinghouse has provided vocational/apprentice training, management and supervisory training for more than 10,000 employees. In addition, it has trained hundreds of groups of military personnel in the operation and maintenance of complex communications equipment, computers and radar.

Law Enforcement  
Assistance

The Advanced Studies Group in Boston is currently developing a new system of rapid response manpower allocation for the Massachusetts State Police Department. Westinghouse Systems Operations Group has worked with the School of Police Administration at Michigan State University and with the Michigan Department of Corrections in Police Community Relations Programs and Vocational Education Programs for prison inmates.

Community Action  
Training

Westinghouse's Behavioral Technology Department is now entering into a contract with OEO to develop an experimental training program for members of CAP Boards.



## WESTINGHOUSE ORGANIZATIONAL RESOURCES

### Systems Operations Division - Baltimore

This Division acts as a focal point for Systems Management activities within the Westinghouse Electric Corporation. It was created originally to provide systems analysis, evaluation, integration and management services for defense and space programs and to coordinate the management of Westinghouse Corporate efforts in major systems programs. More recently, the Division has been charged with the responsibility of applying these basically scientific and engineering capabilities to more socially oriented programs. Three groups within the division have specific capability that is relevant to the model neighborhood program: The Advanced Programs Department, the Technical Training Department and the Advanced Studies Group.

The Advanced Programs Department is composed of some 30 senior level personnel chosen from among the 2500 professional managers and scientists employed at the Baltimore Center. The Department has strengths in program evaluation, training, management services, systems analysis model building and data processing. Among its staff are those who pioneered the Job Corps, Peace Corps and Vista Training Programs at Westinghouse.

The Technical Training Department employs 55 technical and vocational instructors, management training specialists and curriculum development experts. Many of these people have advanced degrees in education. Each year the Technical Training Department provides training for several thousand company employees and military personnel.



The Advanced Studies Group of 12 social and physical scientists has extensive experience in providing in-depth analyses of future political, economic and military trends that are required inputs for effective long range government planning. The enclosed brochure describes the work of this group in detail.

Other Corporate Capabilities

Westinghouse Learning Corporation has a core of 15 educators and training specialists at its Bladensburg, Maryland office. Skills range from vocational education to group dynamics. The focus of the group is on government training programs.

The Behavioral Technology Department at Albuquerque, New Mexico, is engaged in basic research on learning and motivation for the Federal Government. A group of Doctoral-level psychologists, educators and sociologists are employed by the Department.

Westinghouse Research Laboratories at Pittsburgh in 1962 began the development of the country's first Computerized Classroom. This has served as a prototype for the growing application of computers to the educational process.

All of the above groups can be called on to assist with studies conducted by the Advanced Programs Department.

Westinghouse Has a Stake in the Future of Baltimore

With more than 14,000 employees at its installations in Greater Baltimore, Westinghouse is the second largest employer in the area. Its rapidly expanding programs demand an increasing supply of new workers and new centers for manufacturing, training and administration. The inner city may provide new sources for meeting these

needs. Thus, Westinghouse has a big stake in the economic, social and physical development of Baltimore City. Evidence of the commitment in the past is illustrated by several major programs: (1) In cooperation with the Baltimore Urban League, Westinghouse has loaned top executives and contributed financially to the leadership Development Program which has involved several thousand people in the inner city. In addition, Westinghouse has placed several hundred people in permanent jobs through the League's Skills Bank Program, (2) aimed at potential school drop outs from deprived sections of the city Westinghouse's Youth in Industry Program has involved more than 1500 young people in programs at the Baltimore Defense and Space Center.

The attached full page advertisement, which appeared in the metropolitan Baltimore newspaper in January 1967 is but one example of the importance Westinghouse gives to social and economic changes.



AGREEMENT

THIS AGREEMENT, Made this 17th day of July, 1967, by and between THE GREATER BALTIMORE COMMITTEE, INC., a Maryland non-profit corporation with principal offices at One Charles Center, Baltimore, Maryland (herein called the Committee) and WESTINGHOUSE MANAGEMENT SERVICES, INC., a Delaware corporation with principal offices at Friendship International Airport, Baltimore, Maryland (herein called Westinghouse).

WITNESSETH:

WHEREAS, pursuant to a grant from the Office of Economic Opportunity, Executive Office of the President of the United States (herein called the OEO) dated June 24, 1967, under the Economic Opportunity Act of 1964, the Mayor and City Council of Baltimore, acting by and through the Community Action Agency (herein called the Agency), is undertaking a Community Action Program Component known as the Model Urban Neighborhood Demonstration (herein called the Project), being more particularly described in Sections 1, 2, 3, 4, 6 and 7 of "A Proposal for the Planning and Implementation of a Model Urban Neighborhood Demonstration in Baltimore" which is attached hereto and designated as Appendix A and the "Summary of Research Design to be Undertaken by Westinghouse Management Services, Inc. for the Model Urban Neighborhood Demonstration" which is attached hereto and designated as Appendix B, and

WHEREAS, the Agency entered into an Agreement with the Committee on July 1, 1967, for the conduct and administration of the Project, and

WHEREAS, the Committee desires to engage Westinghouse to undertake certain portions of the Project.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the Committee and Westinghouse do mutually agree as follows:



I. Scope of Services. The Committee hereby engages Westinghouse and Westinghouse agrees to use its best efforts and provide the necessary qualified personnel to perform in a satisfactory and proper manner, as determined by the Committee, the following services:

1. To provide an over-all Project management function with regard to the scheduling of activities of Westinghouse staff and other consultants and for coordination of activities at the neighborhood level. The three major components of the Project that will be staffed directly by Westinghouse employees are: research, economic development and community development. In addition to staffing these activities, Westinghouse will coordinate the activities of other consultants to the Project who will be hired by the Committee. This coordination will consist of including consultants requests for information in the Westinghouse neighborhood survey, providing consultants with analyses of the survey for their own purposes, and focusing consultant activities on experimental programs in the neighborhood selected. Finally, Westinghouse will develop a report for the first year of the Project.

2. To analyze several neighborhoods as a preliminary to selection. This shall include the development of criteria for an evaluation of nine or more neighborhoods of 12,000 to 15,000 people in inner-city Baltimore. The evaluation will be based on the suitability of these neighborhoods for the implementation of a program of social and economic development as described in the Committee-Westinghouse proposal to the OEO. Each neighborhood will be evaluated against a set of criteria on the suitability of the neighborhood by using existing data from the 1960 census, and other more recent sources of



information, including windshield surveys, to determine physical conditions, and direct contacts with residents of the neighborhood by social scientists to determine patterns of neighborhood leadership. Three of the most promising neighborhoods will be looked at in greater depth. The findings of this research will be presented to the Committee and to the Project Steering Committee for consideration and final selection of a neighborhood.

3. To develop an action research design for the Project. This will include a one-year plan and a five-year projection. The one-year plan will include the following items:

a. Research of the literature related to the application of systems technology to urban problems with focus on employment, housing and economic development. In this search of the literature, and in the Project itself, there will be an effort devoted to defining the variables that contribute to poverty and describing the interrelationship of these variables to one another.

b. Development of an over-all approach to data collection, data analysis and the design of specific pilot programs or experiments in the neighborhood and the application of cost analysis to the results of these experiments. Particular attention will be paid to the development of a quantitative model or models to be used in the evaluation of these research programs.

c. Survey of the area will include approximately 10% of the households in the neighborhood finally recommended by the Steering Committee. Westinghouse cooperation with a survey of poverty in inner-city Baltimore conducted by the University of Pennsylvania is to provide



data for control purposes. Westinghouse will hire, supervise and train fifteen neighborhood residents to conduct door-to-door interviewing. Priority in hiring these aides shall be given to residents of the area to be served.

d. Central to the entire research effort will be a focus on analysis of economic factors, particularly on the application of private capital and private industry to the solution of inner-city problems.

4. In conjunction with the Committee, to develop a neighborhood central planning group comprised of residents of the area. Leading up to the development of this group will be numerous meetings with leaders of existing neighborhood organizations and leaders who are not affiliated with any existing group at the present time. Specific actions to be taken in connection with the community development effort are the following:

a. Open and staff a neighborhood office providing the services of a professional community development worker, a communications worker and a new career specialist.

b. Provide training in community development for the fifteen neighborhood workers, in the event that the Agency relinquishes its contractual responsibility to provide this training.

c. Coordinate meetings with Project consultants and members of the Neighborhood Central Planning Group.

d. Supervise the work of the fifteen neighborhood employees in performance of duties connected with pilot action programs in the neighborhood.

e. Explore the development of neighborhood cooperatives as instruments of economic and social developments.



5. At the direction of the Committee, to provide support for the Model Cities Program and other public and private programs for the development of the neighborhood.

6. To investigate the possible sources of additional support and funding for new programs within the neighborhood which augment the over-all goals of the Project.

II. Time of Performance. Westinghouse shall complete performance of this Agreement on or before the 30th day of June, 1968, or such later date as may be mutually agreed upon by the parties hereto.

III. Compensation. Westinghouse shall be compensated for its services in the following manner:

1. The Committee will pay Westinghouse a fixed fee of \$14,147.

2. In addition thereto, the Committee will pay Westinghouse allowable costs according to the schedule of costs which is attached hereto, designated as Exhibit 1 and made a part hereof.

3. Once each month (or at more frequent intervals, if approved by the Committee), Westinghouse may submit an invoice or a public voucher supported by a statement of costs incurred by Westinghouse in the performance of this Agreement. Once each month, Westinghouse may include: (i) an overhead factor of 4.9% on all direct cost and may include (ii) an amount of \$1,178 on account of fixed fee. The balance of total fixed fee shall be included and paid with the final invoice. Promptly after receipt of each invoice or voucher and statement of cost, the Committee shall make payment thereon.

4. It is expressly understood and agreed that in no event will the total compensation to be paid to Westinghouse hereunder exceed



the maximum sum of \$300,000 for all the services required and expenses incurred. It is further understood that Westinghouse will in no event incur total costs in excess of those set forth in Exhibit 1.

5. All requisitions for final payment shall be presented by Westinghouse to the Committee no later than sixty (60) days after the completion date of this Agreement.

IV. Facilities. The Committee shall furnish at no cost to Westinghouse all the facilities, equipment, supplies, utilities and related services at the "neighborhood office" necessary for the performance of this Agreement.

V. Records and Accounts. Westinghouse shall maintain such records and accounts, including property, personal and financial records, as are deemed necessary by the Committee, the Agency or the Director of OEO, to assure a proper accounting for all project funds. These records will be made available at any time for audit purposes to the Committee, the OEO or the Comptroller General of the United States or any authorized representative of them, and will be retained for three years after the expiration of this Agreement. Westinghouse stipulates that its accounting system is approved by the Federal Government for contract purposes and will satisfy the requirements of the Agency and the OEO.

VI. Reports. Westinghouse agrees to prepare and submit periodic reports and feedback as these reports are requested by the Committee and to prepare and submit a final written report detailing the results and conclusions reached by it in performing these activities and suggestions for further development of the Project. The timing of the



informational reports shall be in the sole discretion of the Committee and shall be coordinated as closely as possible with the activities and reports of other consultants retained by the Committee.

VII. Termination. If, through any cause, Westinghouse shall fail to fulfill in timely and proper manner its obligations under this Agreement, or if Westinghouse shall violate any of the covenants, agreements, or stipulations of this Agreement, or if the grant from OEO under which this Agreement is made is terminated by OEO or the Agency, or if the Agency, after an evaluation of the Program determines to discontinue or curtail the Program, the Committee shall thereupon have the right to terminate this Agreement by giving thirty (30) days written notice to Westinghouse of such termination and specifying the effective date thereof.

In the event of termination, all property and finished or unfinished documents, data, studies and reports purchased or prepared by Westinghouse under this Agreement shall become the property of the Committee and the Agency, and Westinghouse shall be entitled to compensation for any unreimbursed expenses necessarily incurred in performing the services required in paragraph I hereof to and including the termination date of the Agreement.

VIII. Changes. The Committee, when required so to do by the Agency, may request changes in the scope of the services of Westinghouse to be performed hereunder. Such changes, including any increase or decrease in the amount of compensation to be paid to Westinghouse, which are mutually agreed upon by and between Westinghouse and the Committee, must be incorporated in written amendments to this Agreement. Westing-



house agrees to accept any additional conditions imposed by the Director of OEO on the grant dated June 24, 1967, from the OEO to the Agency and any additional conditions governing the use of OEO funds or performance of OEO programs as may be required by law, by executive order, by regulation or by other policy announced by the Director of OEO.

IX. Approval of OEO. This Agreement is subject to the written approval of OEO and shall not be binding upon the parties hereto until such approval shall have been obtained. At the time this Agreement is submitted to the OEO for its approval, Westinghouse shall also submit to the OEO a list of all senior professional personnel to be assigned to this Project together with a statement of the time allotment which each will devote to this Project, and their professional qualifications, particularly in the fields of social and economic analysis.

X. Incorporation by Reference of Other Documents. This Agreement is subject to and incorporates by reference Part II of the Contract dated July 1, 1967, between the Committee and the Agency entitled "Terms and Conditions Governing Contracts Between Community Action Program Agency and Private Agency Contractor for Conduct and Administration of Community Action Program Component", which is attached hereto designated as Exhibit 2 and made a part hereof.

By executing and accepting this Agreement Westinghouse affirms that Form HEW-441 "Assurance of Compliance with the Department of Health, Education and Welfare Regulation under Title VI of the Civil Rights Law of 1964" previously executed by Westinghouse is fully applicable to this Agreement and all activities thereunder.

XI. Assignability. None of the services covered by this Agreement shall be assigned or subcontracted by Westinghouse without the prior written consent of the Committee, and Westinghouse shall not assign any interest in this Agreement and shall not transfer any interest in the same without the prior written approval of the Committee.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

ATTEST:

THE GREATER BALTIMORE COMMITTEE, INC.

\_\_\_\_\_

By \_\_\_\_\_

ATTEST:

WESTINGHOUSE MANAGEMENT SERVICES, INC.

\_\_\_\_\_

By \_\_\_\_\_



# EXHIBIT A

Westinghouse Project Director	\$ 15,750.00	
Westinghouse Community Development Worker	\$ 15,750.00	
Westinghouse Model Designer, Programmer, Engineering Support, Data Collector, Systems Analysis	\$ 28,700.00	
Westinghouse Communication Study Specialist	\$ 11,300.00	
Westinghouse Trainee Instructors; Data Collection Supervisors (2)	<u>\$ 22,600.00</u>	
		\$ 94,100.00
Consultant for Community Research	\$ 7,500.00	
Consultant for Area Profile	\$ 4,500.00	
Consultant for Program Evaluation & Feedback	\$ 15,000.00	
Westinghouse Computer Cost	\$ 6,000.00	
Travel and Expenses	<u>\$ 6,000.00</u>	
		\$ 39,000.00
Engineering Labor Overhead	<u>\$ 64,400.00</u>	
		\$ 64,400.00
Research, Survey & Neighborhood Aides	<u>\$ 75,000.00</u>	
		<u>\$ 75,000.00</u>
Sub Total		\$ 272,500.00
General & Administrative Expense	<u>\$ 13,353.00</u>	
		<u>\$ 13,353.00</u>
Total <span style="border: 1px solid black; display: inline-block; width: 50px; height: 1em; vertical-align: middle;"></span> Cost		\$ 285,853.00
Fixed Fee	<u>\$ 14,147.00</u>	
		<u>\$ 14,147.00</u>
<span style="border: 1px solid black; display: inline-block; width: 80px; height: 1em; vertical-align: middle;"></span> Cost Plus Fixed Fee		<u>\$ 300,000.00</u>



# EXHIBIT "B"

## PART II (of 2 parts)

### TERMS AND CONDITIONS GOVERNING CONTRACTS BETWEEN COMMUNITY ACTION PROGRAM AGENCY AND PRIVATE AGENCY CONTRACTOR FOR CONDUCT AND ADMINISTRATION OF COMMUNITY ACTION PROGRAM COMPONENT

In addition to any conditions specified in Part I, this Contract is subject to all of the conditions listed below. Waiver of any of these conditions must be upon the express written approval of an authorized representative of the Office of Economic Opportunity, and such waiver shall be made a part of this Contract.

1. Termination of Contract. If, through any cause, the Contractor shall fail to fulfill in timely and proper manner his obligations under this Contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, or if the grant from OEO under which this Contract is made is terminated by OEO, the Agency shall thereupon have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof. If the Agency, after an evaluation of the program component as described and authorized in Part I hereof, determines to discontinue or curtail the said program, the Agency shall thereupon have the right to terminate this contract by giving written notice to the Contractor of such termination and specifying the effective date thereof. If the Agency, after an evaluation of the program component as described and authorized in Part I hereof, determines to discontinue or curtail the said program, the Agency shall thereupon have the right to terminate this contract by giving thirty (30) days written notice to the Contractor of such termination and specify the effective date thereof.

In the event of termination, all property and finished or unfinished documents, data, studies, and reports purchased or prepared by the Contractor under this Contract shall, at the option of the Agency, become its property



and the Contractor shall be entitled to compensation for any unreimbursed expenses necessarily incurred in satisfactory performance of the Contract. Notwithstanding the above, the Contractor shall not be relieved of liability to the Agency for damages sustained by the Agency by virtue of any breach of the Contract by the Contractor, and the Agency may withhold any reimbursement to the Contractor for the purpose of set-off until such time as the exact amount of damages due the Agency from the Contractor is agreed upon or otherwise determined.

2. Changes. The Agency may, from time to time, request changes in the scope of the services of the Contractor to be performed hereunder. Such changes, including any increase or decrease in the amount of the Contractor's compensation, which are mutually agreed upon by and between the Agency and the Contractor, must be incorporated in written amendments to this Contract.

3. Travel Expenses. If the Contractor is a private agency, expenses charged for travel shall not exceed those which would be allowed under the rules of the United States Government governing official travel by its employees.

4. Expenses Disallowed. No contract funds shall be expended for:

- (a) Any expenses other than those necessarily incurred in the performance of this Contract;
- (b) The purchase of real property;
- (c) The purchase of personal property at prices exceeding \$250.00 per item; if personal property exceeding \$250.00 per item is required by the contractor, prior written authorization for such expenditure must be obtained from the Agency.
- (d) The cost of meals for employees or officials of the Contractor, except when on travel status, or



- (e) costs incurred before the effective date of the Contract.

5. Title to Property. If the property properly acquired with project funds (1) costs \$250 per item or less, (2) is expected at the time of acquisition to be used indefinitely in the program for which it was purchased, and (3) is in fact used for such purposes for a period of one year from the date of acquisition, title to such property shall vest in the Agency. In all other cases--including all cases in which the acquisition of property shall be treated as owned by the Agency subject to reimbursement to OEO for excess of cost over a fair rental value for the period of actual use.

6. Publication and Publicity. The Contractor may publish results of its function and participation in the approved community action program without prior review by the Agency, provided that such publications acknowledge that the program is supported by funds granted by OEO pursuant to the provisions of the Economic Opportunity Act of 1964, and that five copies of each such publication are furnished to OEO, plus such copies to the Agency as the Agency may reasonably require.

7. Copyrights. If the Contract results in a book or other copyrightable material, the author is free to copyright the work, but the Office of Economic Opportunity and the Agency reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, all copyrighted material and all material which can be copyrighted resulting from the Contract.

8. Patents. Any discovery or invention arising out of or developed in the course of work aided by this Contract shall be promptly and fully reported to the Agency and to the Director of OEO for determination as to whether patent protection on such invention or discovery shall be sought and



how the rights in the invention or discovery, including rights under any patent issued thereon, shall be disposed of and administered, in order to protect the public interest.

9. Labor Standards. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Contract shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5).

10. Covenant Against Contingent Fees. The Contractor warrants that no person or selling agency or other organization has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warrant, the Agency shall have the right to annul this Contract without liability or, in its discretion, to deduct from the compensation, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

11. Discrimination in Employment Prohibited. The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms



of compensation; and selection for training, including apprenticeship.

12. Discrimination Prohibited. No person in the United States shall, on the ground of race, creed, color or national origin, be excluded from participation in, be denied the proceeds of, or be subject to discrimination in the performance of this Contract. The Contractor will comply with the requirements concerning discrimination and compliance information set forth in regulations promulgated or to be promulgated by OEO pursuant to the Civil Rights Act of 1964, and will furnish the Director of OEO with such assurances as may be required by those regulations to be included in applications for grant funds. In the event that the Contractor signs any contract which would be covered by Executive Order 10925 (March 6, 1961) or Executive Order 11114 (June 22, 1963), the Contractor shall include the equal-employment opportunity clause specified in section 301 of Executive Order 10925, as amended.

13. Political Activity Prohibited. None of the funds, materials, property or services contributed by the agency or the Contractor under this Contract shall be used in the performance of this Contract for any partisan political activity, or to further the election or defeat of any candidate for public office.

14. Religious Activity Prohibited. There shall be no religious worship, instruction or proselytization as part of or in connection with the performance of this Contract.

15. Compliance with Local Laws. The Contractor shall comply with all applicable laws, ordinances, and codes of the State and local governments.



of the State and local governments.

16. Reports and Inspections. The "Delegate Agency" shall make financial, program progress, and other reports as requested by the "Agency" or the Director of OEO, and will permit audits and on-site inspections by "Agency" or OEO representatives at the request of either.

17. Status of Employees. Responsibility for the selection and retention of personnel to be employed in the administration hereof rests exclusively with the "Delegate Agency" and such personnel shall be employees of the "Delegate Agency" for all purposes and subject to its sole direction and control.

A

P R O P O S A L

for the

PLANNING AND IMPLEMENTATION

of a

MODEL URBAN NEIGHBORHOOD DEMONSTRATION

in

B A L T I M O R E

Submitted by:

Greater Baltimore Committee  
314 One Charles Center  
Baltimore, Maryland 21201

May, 1967



# Appendix B

## SUMMARY OF RESEARCH DESIGN TO BE UNDERTAKEN BY WESTINGHOUSE MANAGEMENT SERVICES, INC. FOR THE MODEL URBAN NEIGHBORHOOD DEMONSTRATION

1. A broad brush survey of some ten to twenty variables which would impinge on a poverty neighborhood in the Inner-city. This will be a review of each of these elements using existing statistics and other existing sources of information. Each element will be reviewed in profile form but not in depth. The purpose of this effort is to set our neighborhood in perspective against other regions by establishing norms and to help prevent an oversight of any critical variation in our neighborhood with respect to any one of these variables.

2. A comprehensive survey of some 800-1000 families in the Greenmount Neighborhood. This survey will be used to accurately describe the major variables of the neighborhood and its residents. It will also serve as a benchmark against which future progress can be evaluated.

3. The development of several candidate programs for a pilot research effort to be launched on or about February 1968. The selection of the final candidate program for implementation will be decided through discussions with Westinghouse and GBC staff members, members of the project Steering Committee, and residents of the Greenmount Neighborhood. The neighborhood survey and the research mentioned in item 1 above will be the other contributing factors leading to the final selection of the pilot program. The pilot program will be financed with some \$45,790 of unprogrammed funds.

4. Westinghouse will measure the project efforts in employment and housing. These two items are not viewed as controlled experimental efforts but as programs to which the project as a whole is already committed. Westinghouse and the other consultants will make an effort to measure the cost-benefit of these programs up to the limits imposed by research funds already available in the present contract.



GREATER BALTIMORE COMMITTEE

January 19, 1968

MEMORANDUM

TO: The Planning Council of the  
Greater Baltimore Committee

FROM: Eugene F. Petty, Associate Executive Director

RE: Greater Baltimore Committee/Westinghouse Model Urban  
Neighborhood Demonstration Agreement

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Attached is a revised copy of the contract with Westinghouse, incorporating the recommendations made by the Planning Council at its meeting on January 3rd.

Specifically, the first page of the agreement now makes reference to several sections of our original proposal to the OEO, wherein the concept of the demonstration program is spelled out, and to a summary of the research effort to be conducted by Westinghouse. The Planning Council had agreed that reference to these documents would classify the meaning of the language in the agreement itself.

I would appreciate your letting me know as soon as possible whether this revised copy meets your approval.

EFP: jy

Enclosures