

OH.44-1

DR O
SUBCONTRACT UNDER AT(30-1)-1156 (1156)

OH.44

10/21/52

SUBCONTRACT NO. S-19
under AT-(30-1)-1156

PROCESSES RESEARCH, INC.

RETURN TO CONTRACT FILES

File

NATIONAL LEAD COMPANY
OF OHIO

P. O. BOX 158
MT. HEALTHY STATION
CINCINNATI 31, OHIO

Letter Subcontract # S-19

Dated: October 21, 1952

Under Prime Contract AT(30-1)-1156

TO: Mr. A. M. Kinney, President
Processes Research, Inc.
2905 Vernon Place
Cincinnati 19, Ohio

Gentlemen:

1. This letter, subject to your written acceptance and the approval of the Atomic Energy Commission (hereinafter called the "Commission"), sets forth the initial agreement between the National Lead Company of Ohio (hereinafter referred to as the "Contractor") and Processes Research, Inc. (hereinafter referred to as the "Subcontractor"), in anticipation of a definitive subcontract under which the Subcontractor shall perform the work, which involves the investigation, experimentation with and the development of methods of machining materials of the Contractor; the design, manufacture and use of tools, attachments, jigs and fixtures related thereto.

2. This letter subcontract is being entered into by the Contractor under its prime contract No. AT(30-1)-1156 with the Commission. Pending the execution of a definitive subcontract referred to in paragraph 1 above, the subcontractor shall enter upon and continue performance of the work outlined above, to the extent requested by the Contractor from time to time.

3. All applicable articles and provisions required by law, regulation or executive order to be included in subcontracts under government prime contracts for the type of work described in paragraph 1 above are incorporated herein by reference.

4. Negotiations have been undertaken and will be continued for the execution of a definitive subcontract which will supersede this letter subcontract. It will include all provisions and articles mentioned in paragraph 3 hereof and such other detailed terms and conditions as the parties agree upon and the Commission approves which may or may not be at variance with this letter subcontract.

5. Pending the execution of said definitive subcontract:

Encl 42

(a) The subcontractor's expenditures, purchase orders, sub-subcontracts or other commitments in its performance hereunder shall not exceed \$10,000.00 in the aggregate.

(b) Payments, not in excess of the subcontractor's actual expenses in such performance, may be made from time to time by the contractor to the subcontractor with the approval of the Commission.

6. (a) In case said definitive subcontract is not executed by January 22, 1953, (or any subsequent date mutually agreed upon and approved by the Commission), this letter subcontract will terminate on the stated date or such subsequent date, as the case may be.

(b) The contractor, at the request of the Commission, may, by written notice at any time, terminate this letter subcontract for the convenience of the government.

(c) In the event of termination pursuant to either sub-paragraph (a) or (b) of this paragraph 6, the contractor, subject to the approval of the Commission, will pay the subcontractor an amount equal to the sum of its actual expenditures in the performance of this letter subcontract (less payments previously made), plus an amount equal to the sum paid or to be paid in settling, with the approval of the contractor and the commission, the subcontractor's obligations for commitments made in such performance. The contractor or the government may assume any such obligations. In no event shall payments under this paragraph 6 exceed the amount set forth in paragraph 5 (a) hereof as said paragraph may be amended from time to time.

7. (a) All property furnished by the contractor to the subcontractor for use in the performance of this letter subcontract shall remain the property of the government.

(b) Title to all property specifically procured by the subcontractor in or for performance of this letter subcontract shall pass directly from the vendors or other suppliers to the government at the respective points of delivery thereof to the subcontractor and shall remain the property of the government.

(c) All technical data (including, without restrictions, drawings, designs, specifications, memoranda and notes) of whatsoever kind or nature furnished or prepared by the subcontractor pursuant to or developed in connection with its performance under this letter subcontract, shall be and remain the property of the government.

8. (a) Whenever any invention or discovery is made or conceived by the subcontractor or its employees in the course of any of the work under this letter subcontract, the subcontractor shall furnish the contractor with complete information thereon; and the commission shall have the sole power to determine whether or not and where a patent application shall be filed and to determine the disposition of the title to and the rights under any application or patent that may result. The judgment of the commission on this matter shall be accepted as final; and the subcontractor for itself and its employees agrees that the inventor or inventors will execute all documents and do all things necessary or proper to carry out the judgment of the commission.

(b) No claim for pecuniary award or compensation under the provisions of the Atomic Energy Act of 1946 shall be asserted by the subcontractor or its employees with respect to any invention or discovery made or conceived in the course of any of the work under this letter subcontract.

(c) Except, as otherwise authorized in writing by the contractor and approved by the commission, the subcontractor will obtain patent agreements to effectuate the purpose of sub-paragraph (a) and (b) of this paragraph from all persons who perform any part of the work under this letter subcontract, except such clerical and manual labor personnel as will not have access to technical data.

(d) Except as authorized in writing by the contractor and approved by the commission, the subcontractor will insert in all sub-subcontracts provisions making this paragraph 8 applicable to the sub-subcontractor and its employees.

9. (a) It is understood that unauthorized disclosure of any, or failure to safeguard all top-secret, secret, confidential and restricted matter and matter classified "Security Information" that may come to the subcontractor or any person under its control in connection with the work under this letter subcontract may subject the subcontractor, its agents, employees and sub-subcontractors to criminal liability under the laws of the United States. (See Atomic Energy Act of 1946, 60 Stat. 755, as amended Title 42, U.S.C. Sec. 1801 et seq. See also Title 18, U.S.C. Sec. 791-797 and executive Order 10104 of February 1, 1950, 15 F.R. 597.)

(b) The subcontractor agrees to conform to all security regulations and requirements of the commission. Except as the commission may authorize in accordance with the provisions of the Atomic Energy Act of 1946, the subcontractor agrees not to permit any individual to have access to restricted data until the Federal Bureau of Investigation shall have made an investigation and report to the commission on the character, associations and loyalty of such individual and the commission shall have determined that permitting such person to have access to restricted data will not endanger the common defense or security. The term "Restricted Data" as used in this sub-paragraph means all data concerning the manufacture or utilization of atomic weapons, the production of fissionable material, or the use of fissionable material in the production of power, but shall not include any data which the commission from time to time determines may be published without adversely affecting the common defense and security.

(c) The subcontractor shall insert in all sub-subcontracts under this letter subcontract and in other agreements entered into by the subcontractor under this letter subcontract if the scope thereof includes classified data provisions similar to the text of sub-paragraph (a) and (b) above.

10. (a) The contractor and the commission shall have the right to inspect in such manner and at such times as they deem appropriate all activities of the subcontractor arising in the course of the work under this letter subcontract.

(b) The subcontractor shall make such reports to the contractor and the commission with respect to the subcontractor's activities under this letter subcontract as the contractor may require from time to time.

11. The subcontractor agrees to conform to all health and safety regulations and requirements of the commission. The subcontractor shall take all reasonable steps and precautions to protect health and minimize danger from all hazards to life and property and shall make all reports and permit all inspections as provided in such regulations and requirements.

12. The subcontractor shall not sub-subcontract any part of the work it is obligated to perform under this letter subcontract except as is authorized in writing by the contractor and approved by the commission. No purchase in excess of \$300.00 shall be made or placed by the subcontractor in its performance hereunder without prior written approval of the contractor and the commission.

13. This letter subcontract does not bind or purport to bind the government or the commission but it is assignable by the contractor to the government. The terms "Atomic Energy Commission" and "Commission" as used herein mean the United States Atomic Energy Commission or its duly authorized representative or representatives.

14. Except as otherwise specifically provided in this letter subcontract, all disputes which may arise under this letter subcontract, and which are not disposed of by agreement, shall be decided by the Manager, Fernald Area Office of Commission, who shall reduce his decision to writing and mail a copy thereof to the Contractor and Subcontractor.

Within thirty (30) days from receipt of such notice of a decision the subcontractor may appeal in writing to the commission, whose written decision or that of its designated representative or representatives or board shall be final and conclusive; if no such appeal is taken, the decision of the Manager, Fernald Area Office of Commission, shall be final and conclusive. Pending decision of any dispute, the subcontractor shall diligently proceed with the performance of the work under this subcontract.

15. This letter, executed in quadruplicate, is forwarded to you for your consideration; if satisfactory, it is requested that the following acceptance form be executed in behalf of your company and that such copies 1, 2 and 3 hereof be returned to this office as promptly as possible. Copy 4 is for your retention. It is understood and agreed that this letter subcontract is not binding unless it has been approved by the U. S. Atomic Energy Commission in the space provided below.

Very truly yours,

NATIONAL LEAD COMPANY OF OHIO

Malte Ericson *Asst. Insp.*

ACCEPTED AS OF THE 30th

DAY OF October 1952

By *G. D. Finney*
(Title) *Ins.*

APPROVED: *[Signature]*

DATE: 10/24/52

U. S. ATOMIC ENERGY COMMISSION