

Contractor Bridgeport Brass Company

02-33-5

Contract No AT(50-1)-1405

Account Contract

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CONTRACT NO. AT-30-1-1405

CLASSIFICATION CANCELLED
DATE 5/23/57
For The Atomic Energy Commission
H. P. Carroll
Chief, Declassification Branch *69*

*CC 2-11-53
H/K 2-11-53
C/S 2/14/53
V/O 2/12/53
S.M.S. 2/12/53
W/S 2/18/53
J.R. 2/20/53*

CONTRACT REVIEW

CONTRACT

APPROVED

*J.W. 2/19/53
W.R. 2/27/53
V/O 3/4/53
J.B. 3/1/53*

CONTRACTOR AND ADDRESS:

Bridgeport Brass Company
30 Grand Street
Bridgeport, Connecticut

CONTRACT FOR:

RESEARCH ON DRAWING URANIUM AND RELATED OPERATIONS

AMOUNT OF INITIAL LIMIT ON COMMISSION OBLIGATION:

\$80,000.00

PAYMENT TO BE MADE BY:

Division of Disbursement, United States Treasury Department, New York, New York, Submit invoices to: United States Atomic Energy Commission P. O. Box 30, Ansonia Station, New York 23, New York

A TRUE COPY

M. M. Murray

Richard Delling

In accordance with authority delegated to the Atomic Energy Commission by the President, the Secretary of Energy, and the Board of Atomic Energy, the undersigned is authorized to execute this contract.

Richard Delling

Authorized Representative

~~This information is classified "Secret" under the provisions of Executive Order 11652, dated 12/13/56, and the Atomic Energy Act of 1954, Title 18, U.S.C., Sec. 793 and 794, and the transmission or revelation of information in any manner to an unauthorized person is prohibited by law.~~

ORO

58104

THIS CONTRACT, entered into as of the 26th day of June, 1952, by and between the UNITED STATES OF AMERICA (hereinafter referred to as the "Government"), represented by the UNITED STATES ATOMIC ENERGY COMMISSION (hereinafter referred to as the "Commission"), and BRIDGEPORT BRASS COMPANY (hereinafter referred to as the "Contractor"), a corporation organized and existing under the laws of the State of Connecticut, with its principal place of business in Bridgeport, Connecticut;

WITNESSETH THAT:

WHEREAS, by Letter Contract No. AT(30-1)-1405, dated June 18, 1952, effective as of June 26, 1952, the Government and the Contractor agreed, among other things, that the Contractor would perform certain research work for the Government; and

WHEREAS, the Government and the Contractor, as contemplated by said Letter Contract, have negotiated and arrived at the definitive agreement set forth in this Contract No. AT(30-1)-1405, which contract merges with and supersedes said Letter Contract; and

WHEREAS, this contract is authorized by law, including the Atomic Energy Act of 1946;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I - WORK

X
1. Scope of the Work. The Contractor shall, at its plant at Bridgeport, Connecticut, perform research work calculated to develop suitable and economic procedures for the following:

- a. Alpha extrusion of uranium
- b. Extrusion of zirconium or zirconium alloy tubing
- c. Mechanical cladding of uranium with aluminum, zirconium or zirconium alloy and the development of slug-end closures
- d. Investigation of other commercial procedures such as drawing, rolling, rocking, annealing, etc. at various temperatures pertinent to the above.
- e. The execution of such metallographic, thermocycling and X-ray crystallography in connection with the above work

necessary to evaluate and control the products in regard to their suitability for pile operation and such additional work as the Commission may require.

2. The Contractor shall proceed with the work and shall place emphasis (or relative emphasis) on the various phases of such work as and to the extent requested by the Commission from time to time.

3. Work called for in this contract shall be performed by the Contractor in a good workmanlike manner and in accordance with such specifications and other directions as the Commission may furnish to the Contractor from time to time.

4. The Contractor shall, except as is otherwise specifically provided in this contract, furnish all labor, materials, services, equipment and facilities (including repairs, alterations and additions to the Contractor's plant and its equipment), necessary to the performance of the work described in paragraph 1 of this Article.

5. The Commission will furnish the Contractor for utilization in the work of this contract, with the uranium metal needed for the work of this contract, and with such other material and equipment as the Commission may determine is necessitated by those technical requirements of the work of this contract which result from the special characteristics of uranium metal.

6. The work hereunder shall be subject to (i) the general supervision of the Commission, and (ii) the Commission authorizations and approvals hereinafter provided for in this contract.

7. The Commission shall have the right to inspect in such manner and at such times as it deems appropriate all activities of the Contractor under this contract. The Contractor shall furnish all reasonable facilities and assistance for the safe and convenient accomplishment of such inspection.

8. The Contractor shall make such reports to the Commission, with respect to the Contractor's activities under this contract, as the Commission may require from time to time. The Contractor shall endeavor to keep the Commission fully advised of its progress hereunder, of the difficulties, if any, which it experiences, and of any matters which arise during the performance by the Contractor of this contract which, in the opinion of the Contractor, would be of special interest to the Commission.

ARTICLE II - FISCAL PROVISIONS

1. Consideration. The compensation to the Contractor for its performance hereunder shall include a fixed fee and shall be in accordance with Appendix A of this contract, attached hereto and made a part of this contract.

2. Records.

(a) The Contractor agrees to keep records and books of account and to make accurate entries therein, according to the system of accounting customarily employed by the Contractor in the regular conduct of its business, which will contain sufficient data to support any charges the Contractor will make to the Government.

(b) The Government shall, during normal business hours, be afforded access to the premises of the Contractor and proper facilities for the inspection of all books, records, correspondence, instructions, drawings, receipts, vouchers, and memoranda of record value pertaining to the work performed under this contract. To facilitate inspection by the Government, the Contractor agrees to preserve such papers without additional compensation for five (5) years after the completion or termination of this contract and, at the request of the Government, to lend such papers or certified copies thereof to the Government; provided, however, that any such borrowing shall be accomplished without unreasonable interference with the Contractor's activities under this contract or otherwise.

3. Payments. Payments by the Government to the Contractor for the performance by the Contractor of its obligations hereunder shall be made in accordance with the payment provisions of Appendix A of this contract, attached hereto and made a part hereof.

4. Discounts, etc. In connection with items especially performed for this contract and the cost of which is directly reimbursable hereunder, the Contractor shall, to the extent of its ability, take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and bonifications, and when unable to take advantage of such benefits it shall promptly notify the Commission as to the reason therefor. In determining the reimbursable amount for items procured especially for the purposes of this contract, there shall be deducted from the gross cost thereof all cash and trade discounts, rebates, allowances, credits, commissions, and bonifications which would have accrued but for the fault or neglect of the Contractor.

5. Revenue. All revenue received by the Contractor from its operations hereunder, other than its compensation under this contract, shall be accounted for by the Contractor and, except as otherwise directed by the Commission, shall be applied in reduction of the Government cost of the Contractor's performance.

ARTICLE III -- LABOR PROVISIONS

1. Eight-Hour Law.

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this paragraph of the contract. The wages of every laborer or mechanic employed by the Contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this paragraph of the contract a penalty of five dollars shall be imposed upon the Contractor for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this paragraph of the contract, and all penalties thus imposed shall be withheld for the use and benefit of the Government; Provided, that this stipulation shall be subject in all respects to the exceptions and provisions of the Eight-Hour Laws as set forth in U. S. Code, Title 40, Sections 321, 324, 325, 325a, and 326, which relate to hours of labor and compensation for overtime.

2. Non-Discrimination in Employment.

In connection with the performance of this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin; and further agrees to insert the foregoing provision in all subcontracts hereunder except subcontracts for standard commercial supplies or for raw materials.

3. Convict Labor.

In connection with the performance of this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment at hard labor. This provision shall not be construed to prevent the Contractor or any subcontractor from obtaining any of the supplies or any component parts or ingredients to be furnished under this contract or any of the materials or supplies to be used in connection with the performance of this contract, directly or indirectly, from any Federal, state or territorial prison or prison industry, provided, that such articles, materials or supplies are not produced pursuant to any contract or other arrangements under which prison labor is hired or employed or used by any private person, firm or corporation.

4. Guard and Fire Fighting Forces.

In connection with its work under this contract, the Contractor shall provide such guard or fire fighting forces with such uniforms and equipment, as the Commission may from time to time require or approve.

5. Security Action.

Upon notice from the Commission that such action is considered to be in the interests of the common defense and security, the Contractor shall (i) deny any employee or other persons access to the site of any Contractor undertakings or to "restricted data" within the meaning of the Atomic Energy Act of 1946, or (ii) dismiss from its undertakings under this contract any employee or other person.

6. Labor Disputes.

The Contractor shall keep the Commission informed of the relevant facts of any actual or potential labor dispute which interferes or threatens interference with the course of the work under this contract.

ARTICLE IV - MISCELLANEOUS PROVISIONS

1. Procurement and Subcontracting.

The Contractor shall not enter into any contractual arrangement with a third party for the performance of any part of the work and services it is obligated to perform under this contract nor into any commitment for the purchase of equipment for the cost of which equipment the Contractor wishes direct reimbursement pursuant to paragraph 5 of Appendix 'A' to this contract, without conforming to the provisions of said Appendix 'A'.

2. Assignment.

Neither this contract nor any interest therein or claim thereunder shall be assigned or transferred by the Contractor except with the prior written approval of the Commission.

3. Safety and Accident Prevention.

The Contractor shall initiate and take all reasonable steps and precautions to protect health and minimize danger from all hazards to life and property, shall make all reports and permit all inspections as required by the Commission, and shall conform to all health and safety regulations and requirements of the Commission.

4. Compliance with Laws, etc.

The Contractor shall procure all necessary permits and licenses; obey and abide by all applicable laws, regulations, ordinances, and other rules of the United States of America, of the State, territory, or political subdivision thereof, wherever the work is done, or of any other duly constituted public authority.

5. Officials Not to Benefit.

No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

6. Covenant Against Contingent Fees.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

7. Domestic Articles.

Unless the Commission shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, the Contractor, its subcontractors, and all materialmen or suppliers shall use, in the performance of the work, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, or supplies as have been manufactured in the United States substantially all from articles, materials, or supplies, mined, produced, or manufactured, as the case may be, in the United States. The provision of this paragraph shall not apply if the articles, materials, or supplies of the class or kind to be used, or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of satisfactory quality.

8. Renegotiation.

(a) This contract shall be deemed to contain all the provisions required by Section 104 of the Renegotiation Act of 1951 (Public

Law 9, 82nd Congress).

(b) The Contractor agrees to insert the provisions of this paragraph, including this subparagraph (b), in all subcontracts specified in Section 103(g) of the Renegotiation Act of 1951; provided, that the Contractor shall not be required to insert the provisions of this paragraph in any subcontract exempted by or pursuant to Section 106 of the Renegotiation Act of 1951.

9. Disputes

Except as otherwise specifically provided in this contract, all disputes which may arise under or in connection with this contract, and which are not disposed of by mutual agreement, shall be decided by a representative of the Commission duly authorized to administer performance of the undertakings hereunder, who shall reduce his decision to writing and mail a copy thereof to the Contractor. Said decision shall be final and conclusive on the parties hereto, subject to the right of the Contractor to appeal as provided for in the sentence next following. Within thirty (30) days from this mailing, the Contractor may appeal in writing to the Commission, whose written decision thereon, or that of its representative, representatives or board duly authorized to determine such appeal or such an appeal, not including the representative mentioned in the first sentence of this paragraph, shall be final and conclusive on the parties hereto. Pending and subsequent to the decision on any dispute under or in connection with this contract which may arise prior to completion of the Contractor's performance hereunder, the Contractor shall diligently proceed with the performance of its undertakings under this contract. Expenses incurred by the Contractor in connection with the submittal of disputes for initial decision or for appellate decision under this paragraph shall not be recoverable under this contract. In connection with any appeal procedure under this paragraph, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal.

10. Disclosure of Information

(a) It is understood that unauthorized disclosure of any, or failure to safeguard all, material marked as "Security Information" that may come to the Contractor, or any person under its control, in connection with the work under this contract may subject the Contractor, its agents, and employees to criminal liability under the laws of the United States. See the Atomic Energy Act of 1946, 60 Stat. 755, as amended, Title 42, United States Code, Sec. 1801, et. seq. See also Title 18, United States Code, Secs. 791 to 798, both inclusive, and Executive Order No. 10,104, February 1, 1950, 15 F. R. 597.

11 2 (b) The Contractor agrees to conform to all security regulations and requirements of the Commission. Except as the Commission may authorize, in accordance with the Atomic Energy Act of 1946, as amended, the Contractor shall not permit any individual to have access to restricted data until the designated investigating agency 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 and security. As used in this paragraph the term "designated investigating agency" means the United States Civil Service Commission or the Federal Bureau of Investigation, or both, as determined pursuant to the provisions of the Atomic Energy Act of 1946, as amended by the Act of April 5, 1952, Public Law 298, 82nd Congress, 66 Stat. 43. The term "restricted data" as used in this 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) Except as otherwise authorized in writing by the Commission, the Contractor shall insert in all agreements, made pursuant to the provisions of this contract which may involve security information, the provisions of paragraphs (a) and (b) of this Article.

11. Scientific and Technical Data

All compilations of scientific and technical data (including but not limited to reports, notes, medical records, drawings, designs and memoranda) furnished or prepared by the Contractor pursuant to or developed in connection with, the performance of the work hereunder, shall be and remain the property of the Government and the Government shall have the right to the use of such material in any manner and for any purpose without any claim on the part of the Contractor for additional compensation. All such material shall be delivered to the Commission at any time at its request.

12. Examination of Records

(a) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers and records of the Contractor involving transactions related to this contract.

0.3 (b) The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under such subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor involving transactions related to the subcontract. The term subcontract as used herein does not include (i) purchase orders not exceeding One Thousand Dollars (\$1,000.00), or (ii) contracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

(c) Nothing in this contract shall be deemed to preclude an audit by the General Accounting Office of any transaction under this contract.

13. Patents

(a) Whenever any invention or discovery is made or conceived by the Contractor or its employees in the course of any of the work under this contract, the Contractor shall furnish the Commission 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; provided, however, that the Contractor, in any event, shall retain at least a non-exclusive, irrevocable, royalty-free license under said invention, discovery, application, or patent, such license being limited to the manufacture, use, and sale for purposes other than use in the production or utilization of fissionable material or atomic energy. Subject to the license retained by the Contractor, as provided in this paragraph, the judgment of the Commission on these matters shall be accepted as final; and the Contractor, for itself and for 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.

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

(c) Except as otherwise authorized in writing by the Commission, the Contractor will obtain patent agreements to effectuate the purposes of paragraphs a and b of this Article from all persons who perform any part of the work under this contract, except such clerical and manual labor personnel as will not have access to technical data.

(d) Except as otherwise authorized in writing by the Commission, the Contractor will insert in all subcontracts provisions making this Article applicable to the subcontractor and its employees.

14. Source and Fissionable Materials

The Contractor agrees to conform to all regulations and requirements of the Commission with respect to accounting for source and fissionable materials (defined in the Atomic Energy Act of 1946).

ARTICLE V - GOVERNMENT PROPERTY

1. Except as otherwise specifically agreed upon in writing by the Contractor and the Commission and except as otherwise specifically provided herein, title to all property specially purchased by the Contractor for this contract, for which the Contractor is entitled to direct reimbursement in accordance with Appendix A to this Contract, attached hereto and a part hereof, shall pass directly from the vendor to the Government.

2. The Government reserves the right to furnish any property or services required for or useful in the performance of the work under this contract. Title to all property so furnished shall remain in the Government.

6.3 3. The Government shall retain title to all products, by-products, wastage, salvage, work-in-process, residues and scrap resulting from property to which the Government has or had title pursuant to paragraphs 1 and 2 above.

4. All items of Government-owned property referred to above are hereafter collectively referred to in this Article as "Government property". To the extent practicable, the Contractor shall cause all non-expendable items of Government property to be suitably marked with an identifying mark or symbol indicating that the items are the property of the Government. The Contractor shall maintain, at all times and in a manner satisfactory to the Commission, records showing disposition and use of Government property. Such records shall be subject to Commission inspection at all reasonable times. It is understood that the Commission shall at all reasonable times have access to the premises wherein any items of Government property are located.

5. The Contractor shall promptly notify the Commission of any loss or destruction of or damage to Government property (but not of any consumption of materials or supplies in the performance of its undertakings hereunder.) Except as otherwise specifically provided in this contract, the Contractor shall not be liable for loss or destruction of or damage to Government property (in the possession or custody of the Contractor in connection with this contract) unless such loss, destruction or damage is due to gross negligence or wilful misconduct attributable to a then corporate officer of the Contractor or an employee of the Contractor who supervises the work of this contract or a site of this work.

6. Items of Government property referred to above shall not be used by the Contractor without the approval of the Commission except in the performance of its obligations under this contract. All items of Government property shall be delivered to the Government at the request of and in accordance with the directions of the Commission.

7. In the event of loss or destruction of or damage to Government property, the Contractor shall take such steps to subserve the Government's interest as the Commission authorizes or approves. If the Contractor is liable for loss or destruction of or damage to any items of Government property, it shall promptly account therefor to the satisfaction of the Commission; if the Contractor is not liable therefor, and is indemnified, reimbursed, or otherwise compensated for such loss, destruction or damage (other than by the Government under this contract), the Contractor shall promptly account to the Government for an equitable share of such indemnification, reimbursement, or other compensation; in any event, the Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such loss, destruction or damage, and, upon request of the Commission shall furnish the Government, at the Government's expense, all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery.

8. The Contractor may, with the approval of the Commission, (i) transfer or otherwise dispose of items of Government property to such parties and upon such terms and conditions as so approved, or (ii) itself acquire title to items of property at prices mutually agreed upon by the Commission and the Contractor without the necessity of execution of an amendment to this contract. The proceeds of any such transfer or disposition, and the agreed price of any such Contractor acquisition, shall be applied in reduction of any payments or reimbursement to be made by the Government to the Contractor under this contract or shall otherwise be paid in such manner as the Commission may direct.

9. The Contractor shall conform to all regulations and requirements of the Commission concerning the management, inventory control, storing and disposal of Government property of which it has notice. The Contractor agrees, if requested by the Commission, to prepare and submit to the Commission for review, within sixty (60) days after such request, a written statement of the methods to be used and of the procedures to be followed by the Contractor in regard to management, inventory control, storing and disposal of Government property. The Contractor shall not use any method or procedure in this regard which the Commission has advised the Contractor is contrary to Commission policy or which is otherwise prohibited by this contract.

2.16 ARTICLE VI - LIMITATION OF GOVERNMENT LIABILITY

The Commission has obligated for payment by the Government to the Contractor in consideration of the Contractor's performance of its obligations under this contract Eighty Thousand Dollars (\$80,000). Any other provision to the contrary of this contract notwithstanding, the total liability of the Government under this contract shall not exceed said Commission obligation, it being agreed (i) that the Commission may, by written notice to the Contractor, at any time during the term of this contract increase said obligation without necessity for execution of a formal amendment to this contract and (ii) that the Contractor shall be excused from performance hereunder during any period in which the consideration payable to the Contractor hereunder, including fixed fee, equals or exceeds the then total liability of the Government under this contract.

3 ARTICLE VII - TAXES

1. The Contractor will, unless otherwise directed by the Commission, assert exemption from the "exempted taxes" set forth in paragraph 6 below (and from any other State or local tax, if so

directed by the Commission) to the appropriate taxing authority and will submit such tax exemption certificates or other evidence of exemption with respect to exempted taxes as may be furnished by the Commission.

2. In the event of the refusal of the taxing authority to grant exemption, the Contractor shall promptly notify the Commission of such refusal and, if authorized by the Commission, shall pay the tax taking all necessary action to preserve rights to refund or recovery thereof. The Government shall reimburse the Contractor in the amount of such payment and for any penalties and interest incurred through compliance with this Article.

3. In the event of such payment by the Contractor, the Contractor shall take all necessary action, as directed by the Commission, to secure a refund of the tax for the benefit of the Government and will permit the Commission, if it so elects, to join with the Contractor in any proceedings for the recovery of the tax and to sue for recovery in the Contractor's name (it being understood that the Government will reimburse the Contractor for all reasonable expenses including attorneys' fees incurred by the Contractor in seeking recovery of the tax). The Contractor agrees that any refunds, recoveries or credits obtained (including interest) shall be paid over to or otherwise credited for the benefit of the Commission.

4. The Contractor agrees to include the provisions of paragraphs 1, 2 and 3 above in any subcontracts it may enter into for work and services of the type described in the last sentence of this paragraph 4 and to require their inclusion in any such subcontracts in lower tiers. The Contractor (and subcontractors in lower tiers) shall agree with its subcontractors to reimburse its subcontractors in accordance with the provisions of paragraphs 2 and 3 above. The Government shall reimburse the Contractor for such reimbursements made by it in accordance with this paragraph 4. This paragraph 4 applies to subcontracts for:

a. Construction, maintenance, repair, operations, or other activities carried out at a site or installation of the Commission, and for architect-engineer work for construction at a site or installation of the Commission;

b. Programmatic research and development wholly financed by the Commission, whether or not carried out at a site or installation of the Commission; and

c. Exploration for and procurement and processing of source materials.

5. The Contractor agrees to insert a provision to the following effect in supply subcontracts and purchase orders (and to require its inclusion in lower tier subcontracts) (i) where the property to be purchased is tangible personal property to be incorporated into the project or otherwise ultimately to become the property of the Government, and (ii) where the services to be furnished are for the purpose of enabling the Contractor to carry out its obligations under the contract; The purchase price includes all State and local taxes levied on the Vendor in connection with the contract or order except sales taxes where the tax is levied on the Vendor and is either required by law to be passed on to the Buyer or has its legal incidence on the Buyer. The Vendor will assert exemption from such sales taxes and will submit to the appropriate taxing authority any tax exemption certificate or similar evidence of exemption with respect to the tax in question furnished by the U. S. Atomic Energy Commission; in the event of refusal of the taxing authority to grant the exemption, the Vendor will promptly notify the Commission of such refusal, and if authorized by the Commission will pay the tax taking all necessary action to preserve rights to refund thereof. The Buyer will promptly reimburse the Vendor in the amount of such payment unless notified by the Commission that the Commission will reimburse the Vendor. The Vendor will take all necessary action to obtain a refund of the tax or at the Commission's request to permit the Commission to join with the Vendor in any proceedings for the recovery of the tax or to sue for a recovery in the Vendor's name (it being understood that the Commission will reimburse the Vendor for all reasonable expenses including attorneys' fees incurred by the Vendor in seeking recovery of the tax); any refund so obtained (including interest) will be for the benefit of the Commission.

6. As used in this Article, "exempted taxes" mean the following State or local taxes:

a. Use taxes on tangible personal property incorporated into the project or otherwise ultimately becoming property of the United States;

b. Sales taxes on tangible personal property incorporated into the project or otherwise becoming property of the United States or on services covered by the contract, if levied on the Contractor;

c. Sales taxes on tangible personal property incorporated into the project or otherwise ultimately becoming property of the United States

or on services procured by the Contractor for carrying out the contract, if levied on a supplier of the Contractor and if the tax is either required by law to be passed on to the purchaser or its legal incidence is on the purchaser;

d. Business and occupation taxes (but not to the extent payable without regard to activities carried out under the contract);

e. Taxes on or measured by gross income or gross receipts from the contract or by the contract price;

f. Taxes on or measured by the income of the Commission;

g. Taxes on or measured by the property of the Commission;

h. Taxes on production, processing, manufacture, construction or purchase of materials or services covered by the contract;

i. Taxes from which exemption is granted by State or local law; and

j. Taxes which are invalid under any provision of the Constitution of the United States.

ARTICLE VIII - CLAIMS AND LITIGATION

The Contractor shall give the Commission immediate notice of any claim against the Contractor or suit or action filed or commenced against the Contractor, arising out of or connected with the performance of this contract. The Contractor shall furnish immediately to the Commission copies of all pertinent papers received by the Contractor.

ARTICLE IX - LETTER CONTRACT NO. AT(30-1)-1405

Letter Contract No. AT(30-1)-1405, entered into as of June 26, 1952, hereby is merged with and superseded by this contract.

ARTICLE X - DEFINITIONS

1. As used in this contract, the terms "United States Atomic Energy Commission", "Atomic Energy Commission", and "Commission" shall mean the United States Atomic Energy Commission or its duly authorized representative or representatives.

2. All references in this contract to Commission or Government approvals, authorizations, directions or notices contemplate and require written action.

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ARTICLE XI - TERM, EXPIRATION AND TERMINATION

1. The period of performance of the work of this contract shall commence on June 26, 1952 and subject to the provisions of this Article, shall end on December 31, 1953.

2. Expiration. In the event of expiration of the period of work performance hereunder without prior termination hereof, the Contractor shall (i) discontinue the contract work at the end of the day of expiration and (ii) take such other action as may be required under other provisions of this contract.

3. Termination.

a. For Default.

The Government may at any time terminate performance of the work under the contract for the default of the Contractor.

b. For the Convenience of the Government.

The Government, at its election, may for its convenience, (i) from time to time terminate in part performance of work under this contract, or (ii) at any time terminate in whole the performance of the work under this contract.

c. Notice of Termination.

Termination, under this paragraph, shall be effected by delivery to the Contractor of a written notice of termination, which notice (i) shall specify a date upon which said termination shall become effective; (ii) in the event of a termination in part, shall specify the portion or portions of the work so terminated and the period or periods during which said termination shall be effective; and (iii) shall specify whether said termination is for the default of the Contractor or for the convenience of the Government. Upon receipt of said notice of termination, the Contractor promptly, except as the notice may direct otherwise, shall (i) discontinue all terminated work on the date specified in said notice of termination; (ii) cease all placing of orders for property or services in connection with the performance of the terminated work; (iii) proceed to the best of its ability to terminate all directly reimbursable orders and subcontracts to the extent that they relate to the terminated work; (iv) assign to the Government in the manner and to the extent directed by the Commission, all the right, title and interest of the Contractor under the terminated portion of the orders and subcontracts so terminated; (v) settle, with the approval of the Commission, all subcontracts, obligations, commitments and claims related to the terminated work, the cost of which would be directly reimbursable in accordance with the provisions of the contract; (vi) continue

performance of such part of the contract work, if any, as shall not have been terminated; and (vii) take such other action with respect to the terminated work as may be required under other Articles of this contract.

d. Terms of Settlement.

Upon a termination of performance of all or part of the work under this contract, full and complete settlement of all claims of the Contractor with respect to the work of this contract so terminated shall be made as follows:

- (i) Assumption of Contractor's Obligations. The Government may, in its discretion, assume and become liable for all obligations, commitments, and claims that the Contractor may have theretofore in good faith undertaken or incurred in connection with the terminated work, the cost of which would be directly reimbursable in accordance with the provisions of this contract; and the Contractor shall, as a condition of receiving the payments mentioned in this Article, execute and deliver all such papers and take all such steps as the Commission may require for the purpose of fully vesting in the Government all the rights and benefits of the Contractor under such obligations or commitments.
- (ii) Payment for Reimbursable Costs. The Government shall reimburse the Contractor or allow credit for all reimbursable costs incurred in the performance of the terminated work and not previously reimbursed or otherwise discharged.
- (iii) Payment on Account of the Fixed Fee.
 - a. If the performance of the work under this contract is terminated in whole for the default of the Contractor, no further payment on account of the fixed fee set forth in paragraph 6 of Appendix A to the contract shall be made.
 - b. If the performance of the work under this contract is terminated in whole for the convenience of the Government, the Government shall pay to the Contractor that portion of the fixed fee set forth in paragraph 6 of Appendix A to the contract which the work actually completed, as determined by the Commission, bears to the entire work under this contract less payments previously made on account of the fee.
 - c. If the performance of work under this contract is terminated in part for the convenience of the Government, the

Contractor and the Commission shall promptly negotiate to agree upon an equitable adjustment of the fixed fee set forth in paragraph 6 of Appendix A to this contract, and the agreement reached shall be evidenced by an executed amendment to this contract. If the Contractor and the Commission fail to so agree upon such fee adjustment, the failure to agree shall be disposed of in accordance with paragraph 9, DISPUTES, of Article IV, hereof.

4. Claims in Favor of the Government. The obligation of the Government to make any of the payments required by this Article shall be subject to any unsettled claims in connection with this contract which the Government may have against the Contractor. Nothing contained in this Article shall be construed to limit or affect any other remedies which the Government may have as a result of a default by the Contractor.

5. Settlement upon Termination or Expiration. Any other provisions of this contract to the contrary, the Contractor and the Commission may agree upon the whole or any part of the amount or amounts which the Contractor is to receive upon and in connection with (i) any termination pursuant to this Article or (ii) expiration of the term of this contract without prior termination thereof. Any agreement so reached shall be evidenced by a written supplemental agreement to this contract which shall be final and binding upon the parties with regard to their respective claims against each other except as therein otherwise expressly provided.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

UNITED STATES OF AMERICA

By: UNITED STATES ATOMIC ENERGY COMMISSION

Witnesses:

/s/ H. B. Fry

Manager

New York Operations Office

(Address)

BRIDGEPORT BRASS COMPANY

By: /s/ C. M. Adams

/s/ Phyllis S. Horfst
37 Crescent Rd., Fairfield, Conn.

(Address)

Title: General Sales Manager

I, Joseph P. McNamara, certify that I am
the Assistant Secretary of the corporation named as
Contractor herein; that Chester M. Adams who signed
this contract on behalf of the Contractor was then General Sales Manager
of said corporation; that said contract was duly signed for and on behalf
of said corporation by authority of its governing body and is within the
scope of its corporate powers.

IN WITNESS WHEREOF, I have hereunto affixed my hand and the
seal of said corporation.

/s/ Joseph P. McNamara
Assistant Secretary

(Corporate Seal)

X

*Amended
by A-3*

APPENDIX "A"
CONTRACT AT(30-1)-1405
BRIDGEPORT BRASS COMPANY

Subject to the limitation on the Government's liability set forth in Article VI, LIMITATION OF GOVERNMENT LIABILITY, hereof, and subject to the terms of Article II, FISCAL PROVISIONS, hereof, the Contractor will receive the following reimbursements and the following fixed fee as full consideration for the performance by the Contractor of all its obligations under this contract:

1. Reimbursement for the time expended by employees of the Contractor in the performance of the work of this contract at the following provisional rates, subject to retroactive adjustment:

a. Professional labor @ \$9.32 per man hour. This classification includes:

- R. M. Treco - Research Metallurgist
- G. C. Mott - Chief Process Engineer
- R. S. Pratt - Chief Plant Metallurgist
- E. C. Winters - Supt., Tube Mill
- R. S. French - Chief Research Metallurgist and
Chairman of Project Committee

Other individuals with the approval of the Commission may be substituted for or added to those named above.

b. Technical Labor @ \$4.64 per man hour. This classification includes:

- Research Metallurgist
- Technical Assistant
- Jr. Research Chemist
- Technical Assistant
- Process Engineer
- Assistant Process Metallurgist
- Accountant

Payments to the Contractor shall be based initially upon said provisional rates. As soon after each December 31st during the term of this contract (or as soon after any intervening date of termination or expiration thereof) as is practicable, the Commission in consultation with the Contractor shall review the actual cost to the Contractor during the contract period from the close of the previous period reviewed (or the date of commencement

of the contract if there has been no previous period reviewed) to said December 31st (or intervening date of termination or expiration) attributable to the elements of costs covered by this allowance. The elements of costs covered by this allowance include salaries of the professional and technical labor utilized and related, fringe items and overhead. Fringe items, including payroll taxes paid by the Contractor, workmen's compensation coverage costs, pension plan contributions and the cost of group life, medical and hospitalization insurance, will be deemed to be 18% of the cost of such salaries in computing fixed rates. The allocation between departments of the overall plant costs and the percentage of each department's portion allocated to the work under this contract shall be as set forth in Schedule I of this Appendix. In the event the Contractor's actual overhead costs shall prove to have exceeded the Contractor's budgeted overhead costs for the contract period reviewed, the budgeted costs will be considered governing. Based upon such review, the Commission and the Contractor shall negotiate and agree upon fixed rates for the period reviewed. Said fixed rates shall retroactively replace the provisional rates hitherto in effect for the period reviewed. Said fixed rates, or any other rates which the Commission and the Contractor may agree upon at said negotiation, shall, as new provisional rates, (i) retroactively replace the provisional rates hitherto in effect from the close of the contract period reviewed to the date of agreement on said new rates, and (ii) prospectively be the new provisional rates until they are in turn replaced pursuant to the foregoing by new provisional or fixed rates. In the event that provisional rates are replaced by lower or higher fixed or provisional rates, suitable retroactive adjustments in payments shall be promptly made. Failure to agree within a reasonable time after such review on the fixed rates pursuant to the foregoing shall be considered a dispute to be settled in accordance with the provisions of paragraph 9, DISPUTES, of Article IV hereof.

1a. to be (11.4%)
2. The Contractor shall be paid at the following fixed machine-hour rates for the cost of labor employed in the pertinent machining operations for the work of this contract and for the overhead costs allocable to such labor and operations:

Extrusion (Navy Press)	\$143.77 per machine hour
Rocking	10.10
Drawing	10.24
Machining	3.15

3. Reimbursement for the material expended by the Contractor in the machining operations listed in paragraph 2 above. If such material has been drawn from the stores or general inventory of the Contractor, the Contractor's cost thereof shall be computed in accordance with last-in first-out inventory accounting principles. Total reimbursement pursuant to this paragraph 3 shall not exceed Five Hundred Dollars (\$500.00).

x 4. Reimbursement for the actual cost to the Contractor of sub-contracts submitted to and approved by the Commission. For the purposes of this paragraph a subcontract is defined as any contractual arrangement (whether or not in the form commonly referred to as a "purchase order") with a third party for the performance of a specific part of the work of this contract, except, however, arrangements covering (i) the furnishing of a basic raw material, (ii) the furnishing of a standard commercial or catalogue item, or (iii) the employer-employee relation.

x 5. Reimbursement for the cost to the Contractor of items of capital equipment specially purchased by the Contractor for the purposes of this contract. There shall be no reimbursement for any purchase of capital equipment by the Contractor where (i) the cost of any such item exceeds five hundred dollars (\$500.00), (ii) the Contractor pays for such item on a cost, cost plus fee or 'time and materials' basis, or (iii) the Contractor pays for such item on other than a fixed price basis, unless such purchase and the terms and conditions thereof have been specifically approved by the Commission.

6. The Contractor shall receive a fixed fee of \$5,882.11. ✓

Payments for reimbursable costs hereunder shall be made monthly, or in the discretion of the Commission at more frequent intervals. Claims for payment shall be accompanied by such supporting documents and justifications as the Commission shall prescribe.

Payment of ninety percent (90%) of the fixed fee set forth in paragraph 6 above shall be made by the Government montly in amounts based on the percentage of the completion of the work hereunder, as determined from estimates submitted to and approved by the Commission. Upon (i) the expiration of the period of performance of the work of the contract, (ii) completion of the work required by paragraph 2 of Article XI, TERM, EXPIRATION AND TERMINATION, and (iii) the furnishing by the Contractor of a release in such form and with such exception as may be approved by the Commission of all claims against the Government under or arising out of this contract, the Government shall promptly pay to the Contractor, the unpaid balance of the fixed fee less deductions due under the terms of this contract and any sum required to settle any unsettled claim which the Government may have against the Contractor.

The Contractor shall reduce to writing, unless this provision is waived in writing by the Commission, every subcontract or other commitment in excess of \$100.00 made by it for the purpose of its undertakings hereunder, except contracts covering the employer-employee relation (but not excepting contracts with consultants); insert therein a provision

that such commitment is assignable to the Government; insert therein all other provisions required by law or expressly required by the provisions of this contract; and make all such commitments in its own name and not bind or purport to bind the Government or the Commission thereunder.

The Commission reserves the right, from time to time, by written notice from the Commission to the Contractor (i) to make any or all other commitments or classes of commitments hereunder (other than the contractual arrangements referred to in 4. above) subject to, and to require their submission for, Commission approval, and (ii) to make any or all methods, practices, and procedures used or proposed to be used in effecting all arrangements and commitments hereunder subject to, and to require their submission for, Commission approval. The Contractor will not use any procurement procedures prohibited by this contract or which the Commission has advised the Contractor are contrary to Commission policy.

SCHEDULE I
DEPARTMENTAL ALLOCATION AND AEC SHARE OF INDIRECT OVERHEAD

<u>Department</u>	<u>Function</u>	<u>1953 Budget Aver. Mo.</u>	<u>AEC Portion %</u>
309	Time, Motion, Rate Study	\$ 9,120.00	1
315	Schedule & Routing All Traffic	17,347.00	1
316	Collection of Time	11,240.00	2
382	Telephone Service	1,815.00	1
301	Plant Mgr. & Gen. Supt.	6,100.00	2
302	Development & Planning Work	5,688.00	2
305-A	Accounting Administration	6,685.00	2
305-C	Cost Accounting	11,410.00	2
305-P	Payroll Preparation	7,115.00	1
305-T	Tabulating Services	1,815.00	1
307-A	Industrial Relations	7,605.00	2
307-B	Personnel Records	6,745.00	2
307-C	Hospital Services	3,620.00	2
307-D	Safety Services	1,455.00	5
314	Guard Service	12,225.00	3 4,401.
367	Cleaning Service	4,685.00	1
374	Yard Gang	6,975.00	1
310-A	Engineering Administration	7,170.00	2
310-B	Engineering Services	9,450.00	2
306	Purchasing Costs	11,935.00	1
308	Store Room Costs	10,165.00	1
313	Power House Labor Costs	15,920.00	1
381	Building Maint. & Rent Costs	67,980.00	1
313/42	Variable Cost - Fuel Oil	16,114.00	1
313/42	Variable Cost - Electricity	36,451.00	1
367/16	Variable Cost - Cleaners	12,000.00	1
374/12	Variable Cost - Handlers	5,775.00	1
385-A	Technical Director's Office	3,115.00	5
385-B	Plant Laboratory	21,555.00	5
412	Provision for Depreciation	34,600.00	1
	Provision for Merit Increases	4,000.00	1
	Grand Total	\$377,875.00	