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CONTRACT NO. AT(49-6)-924

THIS CONTRACT, entered into this 12TH day of January 1954, effective as of the 1st day of July, 1954, between the UNITED STATES OF AMERICA (hereinafter called the "Government") acting through the UNITED STATES ATOMIC ENERGY COMMISSION (hereinafter called the "Commission") and National Lead Company, Inc., a corporation organized and existing under the laws of the State of Delaware, having an office at 111 Broadway, New York 6, New York (hereinafter called the "Contractor");

WITNESSETH THAT:

WHEREAS, the Commission desires the Contractor to perform certain research, development and experimental studies and the Contractor is willing to do so; and

WHEREAS, the Commission certifies that this negotiated contract is authorized by and executed under the Atomic Energy Act of 1954, as amended, in the interest of the common defense and security;

NOW, THEREFORE, the parties hereto do agree as follows:

ARTICLE I - SCOPE OF WORK

1. The Contractor shall conduct, as directed by the Commission, research, development and experimental studies including laboratory and pilot plant operations pertaining to the recovery, beneficiation, and concentration of uranium and thorium, or either of them, including their compounds, in ores, minerals and substances; and the recovery, beneficiation, and concentration of other values associated with the recovery, beneficiation, and concentration of uranium and thorium, or either of them.

2. A primary location for performance of the contract work will be the Raw Materials Development Laboratory of the Commission located at Winchester, Massachusetts. In addition, the Contractor, in accordance with Commission instructions in furtherance of the program shall perform contract work (1) at such other facilities as the Commission may provide or which are constructed or otherwise acquired by the Contractor at Government expense, or (2) at other facilities made available to the Contractor by the Commission or with its consent.

3. The Contractor will also make visits to various locations as requested by the Commission to gain information, make studies, and engage in consultation regarding phases of the work.

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4. The exact nature and extent of the contract work at all times during the term of the contract shall be within the discretion of the Commission. In performing such work the Contractor shall proceed in good faith as the Commission may from time to time request or approve and in so doing shall utilize its best efforts, know-how, and ability.

5. The contract work shall be subject (i) to the general supervision of the Commission and (ii) to authorization and approvals of the Commission as provided in this contract.

6. In carrying out the contract work the Contractor is authorized to and shall, subject to applicable provisions of this contract, do all things necessary or incident thereto, including but not limited to the employment or other obtainment of all personnel, the training of such personnel to the extent approved by the Commission and the procurement and maintenance of all equipment, materials, and supplies and other property needed for the performance of the work under the contract, provided, however, that the Contractor shall not procure those items which the Commission may elect to supply.

7. The Contractor shall keep the Commission advised of its progress and of the difficulties, if any, it experiences, and shall also prepare and submit to the Commission such interim reports as the Commission shall request and a final report summarizing the Contractor's activities, findings, and conclusions in connection with the work.

8. The term of this contract shall commence on July 1, 1954, and shall end on June 30, 1957.

9. It is understood and agreed that the Contractor will obtain the prior written approval of the Commission before it directly or indirectly, through its parent company, National Lead Company, a New Jersey corporation, or any other subsidiary or associated company of the Contractor or the parent company, undertakes any uranium milling or processing operations or enters into any agreement with any third party or parties to do so.

ARTICLE II - ESTIMATES - FIXED FEE

1. Initial Estimate of Cost - Fee. The presently estimated cost of the work under this contract for the period from July 1, 1954, to June 30, 1955, inclusive, is two million one hundred fifty thousand dollars (\$2,150,000) exclusive of the Contractor's fixed fee. The Contractor's fixed fee for the period July 1, 1954 to June 30, 1955, inclusive, is forty thousand dollars (\$40,000), for the period July 1, 1955 to June 30, 1956, inclusive, is thirty-five thousand dollars (\$35,000) and for the period July 1, 1956 to June 30, 1957, inclusive, is thirty-five thousand dollars (\$35,000).

ARTICLE IV - COSTS AND EXPENSES

1. Basis for Determination of Allowable Costs. The costs allowable under this contract shall be costs and expenses which are actually incurred by the Contractor in performing the work under this contract, which are necessary or incident thereto and which are incurred in conformity with the pertinent provisions of this contract. Allowable costs shall include, without limitation on the generality of the foregoing, the items described as allowable in paragraph 2, but shall not in any event include the items described as unallowable in paragraph 3 except to the extent indicated therein. Failure to mention any item of cost in this article is not intended to imply that it is either allowable or unallowable.

2. Examples of Allowable Costs. The following are examples of items of cost which are allowable under this contract to the extent indicated:

- a. Salaries, wages, overtime and travel expenses of employees and a proper proportionate share of vacation pay, separation pay and other charges or expenses under employee welfare and other plans or policies, all in accordance with Appendix "A" hereto attached and hereby made a part of this contract. In case the full time of any employee is not applied to the contract undertakings, allowability of such cost and expense under this subdivision shall be proportioned to the actual time applied thereto. Said Appendix "A" may be modified in any respects or manner from time to time by mutual written agreement of the Commission and the Contractor without the execution of an amendment to this contract.
- b. Payments in accordance with Appendix "B", hereto attached and hereby made a part of this contract, respecting employees of National Lead Company (a New Jersey corporation) or associated or subsidiary companies, loaned for and engaged in performance of the Contractor's undertakings hereunder; provided, however, that said Appendix "B" may be modified in any respects or manner from time to time by mutual written agreement of the Commission and the Contractor without the execution of an amendment to this contract. Also payments in accordance with agreements respecting employees (not covered by said Appendix "B") of other employers loaned for and engaged in performance of the Contractor's undertakings hereunder; provided, however, that such agreements shall be subject to the approval of the Commission.
- c. Bonds and insurance policies (1) required by law and/or (2) approved or required by the Commission.
- d. Materials, tools, machinery, supplies, equipment and facilities including freight, transportation, material handling, inspection, storage, salvage, and other usual

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expenses incident to the procurement and use thereof, subject to approvals required under any other provisions of this contract.

- e. Patents, purchased designs, and royalty payments, to the extent approved by the Commission.
- f. Repair and replacement of Government-owned property and the restoration and clean-up of site and facilities, to the extent directed or approved by the Commission.
- g. Structures and facilities of a temporary nature and temporary use of land and structures.
- h. Subcontracts approved by the Commission.
- i. Taxes, fees, and charges levied by public agencies which the Contractor is required by law to pay, except those which are imposed upon or arise by reason of or are measured by the Contractor's fee, or are excluded by other provisions of this contract.
- j. Utility services, such as communication, power, gas, and water, subject to approvals required under any other provisions of this contract.
- k. Expenses of litigation, including reasonable counsel fees, incurred in accordance with the article of this contract entitled "Litigation and Claims", and, as approved by the Commission, such other legal, accounting, and consulting fees not expressly excluded by other provisions of this contract.
- l. Losses and expenses (including settlements made with the consent of the Commission) sustained by the Contractor in the performance of the work and certified in writing by the Commission to be just and reasonable, except losses and expenses expressly made unallowable under other provisions of this contract, or compensated for by insurance or otherwise, or which would have been compensated for by insurance required by law or by written direction of the Commission.
- m. Expert technical and professional assistance, to the extent approved by the Commission.
- n. Items of cost which are not expressly excluded by other provisions of this contract and which are specifically certified in writing by the Commission as allowable hereunder.
- o. Training personnel.
- p. Expenses for medical examinations and other medical and health measures and for safety measures.