

UNITED STATES  
ATOMIC ENERGY COMMISSION  
P. O. BOX 5400  
ALBUQUERQUE, NEW MEXICO

Contract No. AT(29-1)-1106

Modification No. 4

Date: May 20, 1953

CHANGE ORDER

The Dow Chemical Company  
Midland, Michigan

Gentlemen:

Reference is made to Article VI of your Contract No. AT(29-1)-1106 for operating services at the Rocky Flats Plant, Denver, Colorado.

The amount to be obligated under your contract is hereby increased by \$275,500.00 from \$9,684,000.00 to \$9,959,500.00.

All other terms and conditions of the contract shall remain unchanged.

Therefore, if the foregoing modification is satisfactory, please indicate your acceptance thereof in the space provided below and return two copies to this office. The third copy is for your retention.

THE UNITED STATES OF AMERICA

BY: THE U. S. ATOMIC ENERGY COMMISSION

BY: /s/ G. P. Kraker  
George P. Kraker, Deputy Manager  
Contracting Officer

Receipt of the foregoing change is hereby acknowledged and acceptance given to its terms and conditions this 3 day of June 1953.

THE DOW CHEMICAL COMPANY

BY: /s/ F. H. Langell

TITLE: Manager

Contract No. AT(29-1)-1106  
Modification No. 3  
Dated: January 12, 1953

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT made this 12th day of January, 1953, between the UNITED STATES OF AMERICA (hereinafter called the "Government") represented by the ATOMIC ENERGY COMMISSION (hereinafter called the "Commission"), and THE DOW CHEMICAL COMPANY (hereinafter called the "Contractor"), a corporation of the State of Delaware with its principal office and place of business in Midland, Michigan, modifying Contract No. AT(29-1)-1106, dated January 18, 1951, between said parties

WITNESSETH THAT

The parties hereto mutually agree as follows:

1. Article XI is amended by adding a new paragraph (e) as follows:

"(e) Secure a prior written approval of the authorized representative of the Commission if a reimbursement under the contract of \$100.00 or more may be involved before (i) furnishing Contractor-owned materials, supplies or equipment for the performance of the work hereunder or (ii) entering into an agreement, subcontract, purchase order or commitment with a corporation which is wholly owned or in fact controlled by the Contractor."

2. Article XXI is amended by denominating the present paragraph 2 as subparagraph "(a)" of paragraph 2 and by adding a new subparagraph "(b)" to said paragraph 2 as follows:

"(b) It is further agreed that, if the Contractor has complied with the security regulations and requirements of the Commission as it has agreed to do under paragraph 1 of this Article, as to the matter covered by such regulation or requirement such compliance shall be deemed performance under this Article of the contract."

3. Article XXI is further amended by adding a new paragraph 9 as follows:

"9. Nothing in this Article shall be deemed to extend the Contractor's liability for Government-owned property as such liability is set forth in Article IX of this contract."

IN WITNESS WHEREOF, the parties hereto have executed this supplemental agreement in several counterparts.

THE UNITED STATES OF AMERICA

By /s/ C. L. Tyler  
Manager - SFOO  
Atomic Energy Commission

THE DOW CHEMICAL COMPANY

By /s/ Fred H. Brown  
Title Assistant Secretary

CORPORATE CERTIFICATE

I, Robert B. Bennett, certify that I am the Assistant Secretary secretary of the corporation named as Contractor herein; that Fred H. Brown who signed this contract on behalf of the Contractor, was then Assistant Secretary of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

/s/ Robert B. Bennett

Contract No. AT(29-1)-1106  
Modification No. 2  
Dated July 1, 1952

This Supplemental Agreement made this first day of July, 1952, between the UNITED STATES OF AMERICA (hereinafter called the "Government"), represented by the ATOMIC ENERGY COMMISSION (hereinafter called the "Commission"), and THE DOW CHEMICAL COMPANY (hereinafter called the "Contractor"), a corporation of the State of Delaware with its principal office and place of business at Midland, Michigan.

WITNESSETH THAT:

WHEREAS, on January 18, 1951, the parties entered into Contract No. AT(29-1)-1106 for the operation by the Contractor of a facility for the fabrication of certain materials and for related work, which contract has previously been modified by Modification No. 1; and

WHEREAS, the parties desire to increase the scope of work, to establish the fee for the fiscal year beginning July 1, 1952, to obligate additional funds for the performance of the work hereunder, and to make provision for examination of accounts and records by the Comptroller General;

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

1. Article I is amended by adding a new paragraph 4 as follows:

"4. The Contractor, when, where, and as requested by the Commission, shall furnish personnel to assist in the transportation and protection of materials in transit to and from the site."

CONFIDENTIAL

2. Article IV, paragraph 1(b) is modified to read as follows:

"(b) For the period from July 1, 1952, through June 30, 1953, a fixed fee of Three Hundred Thirty Thousand Dollars (\$330,000.00) to be paid in monthly installments of Twenty-Seven Thousand Five Hundred Dollars (\$27,500.00) beginning July 31, 1952, which shall constitute complete compensation for the Contractor's services including profit and all general home office overhead expenses for the performance of the work under this contract during that period. The amount of the fee for subsequent fiscal years beginning July 1, 1953, will be agreed upon prior to the beginning of those years."

3. The first sentence of Article IV, Paragraph 3 is modified to read as follows:

"The Commission has obligated Nine Million Six Hundred Eighty-Four Thousand Dollars (\$9,684,000.00) for the performance of the work hereunder and will obligate additional funds for the performance of the work from time to time."

4. Article VII is amended by adding new paragraphs as follows:

"3. 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.

"4. 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 this contract with the Government, 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 \$500, or (ii) contracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

CONFIDENTIAL

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

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

THE UNITED STATES OF AMERICA

BY THE ATOMIC ENERGY COMMISSION

BY /s/ G. P. Kraker  
Contracting Officer

THE DOW CHEMICAL COMPANY

BY /s/ Calvin A. Campbell

TITLE Vice President

CORPORATE CERTIFICATE

I, R. B. Bennett, certify that I am the Assistant secretary of the corporation named as Contractor herein; that Calvin A. Campbell, who signed this contract on behalf of the Contractor, was then Vice President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

CORPORATE SEAL

/s/ R. B. Bennett

F. H. Langell Aug 14, 1951

Contract No. AT(29-1)-1106  
Modification No. 1  
Dated August 7, 1951

This Supplemental Agreement made this seventh day of August, 1951, between the UNITED STATES OF AMERICA (hereinafter called the "Government"), represented by the ATOMIC ENERGY COMMISSION (hereinafter called the "Commission"), and THE DOW CHEMICAL COMPANY (hereinafter called the "Contractor"), a corporation of the State of Delaware with its principal office and place of business at Midland, Michigan.

WITNESSETH THAT:

WHEREAS, on January 18, 1951, the parties entered into Contract No. AT(29-1)-1106 for the operation by the Contractor of a facility for the fabrication of certain materials and for related work; and

WHEREAS, the parties desire to establish the fee for the fiscal year beginning July 1, 1951, and to obligate additional funds for the performance of the work hereunder;

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

1. Article IV, paragraph 1(b) is modified to read as follows:

"(b) For the period from July 1, 1951, through June 30, 1952, a fixed fee of Four Hundred Twenty Thousand Dollars (\$420,000) to be paid in monthly installments of Thirty-Five Thousand Dollars (\$35,000), beginning July 31, 1951, which shall constitute complete compensation for the Contractor's services including profit and all general home office overhead expenses for the performance of the work during that period. The amount of the fee to be paid to the Contractor for subsequent fiscal years beginning July 1, 1952, will be agreed upon prior to the beginning of those years."

2. The first sentence of Article IV, paragraph 3 is modified to read as follows:

"The Commission has obligated Four Million Five-Hundred Thousand Dollars (\$4,500,000.00) for the performance of the work hereunder and will obligate additional funds for the performance of the work from time to time."

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

THE UNITED STATES OF AMERICA

BY THE ATOMIC ENERGY COMMISSION

BY /s/ C. L. Tyler

Contracting Officer

THE DOW CHEMICAL COMPANY

BY /s/ Mark E. Putnam

Mark E. Putnam

TITLE Vice President & General Manager

CORPORATE CERTIFICATE

I, Calvin A. Campbell, certify that I am the secretary of the corporation named as Contractor herein; that Mark E. Putnam, who signed this contract on behalf of the Contractor, was then Vice President and General Manager of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

/s/ Calvin A. Campbell

Calvin A. Campbell

Secretary

CORPORATE SEAL

UNITED STATES ATOMIC ENERGY COMMISSION  
REIMBURSEMENT AUTHORIZATION

NO

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PROJECT LOCATION PAGE 1 OF 1 PAGES

Rocky Flats Plant Rocky Flats, Colorado

CONTRACTOR CONTRACT NO. DATE OF CONTRACT

The Dow Chemical Company AT(29-1)-1106 January 18, 1951 - Modified July 1, 1954

The following revision or addition to the approved employment policies and wage and salary schedules of the contractor is approved for reimbursement, effective May 30, 1955

APPENDIX A, SCHEDULE 1 - Revised rate ranges for Exempt Salaried Employees reflecting normal annual increase.

APPENDIX A, SCHEDULE 2 - Revised rate ranges for Non-exempt Salaried Employees reflecting normal annual increase.

FOR THE ATOMIC ENERGY COMMISSION BY  
NAME: Charles G. Campbell TITLE: Acting Manager DATE: August 1955

UNITED STATES ATOMIC ENERGY COMMISSION  
**REIMBURSEMENT AUTHORIZATION**

NO

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PAGE 1 OF 1 PAGES

PROJECT Rocky Flats Plant	LOCATION Rocky Flats, Colorado
CONTRACTOR The Dow Chemical Company	
CONTRACT NO. AT(29-1)-1106	DATE OF CONTRACT January 18, 1951 - Modified July 1, 1954

The following revision or addition to the approved employment policies and wage and salary schedules of the contractor is approved for reimbursement, effective July 11, 1955

APPENDIX A, PART II - Salaried Employees. Paragraph A, Subparagraph 2 amended by adding Subparagraph c to establish a shift differential for non-exempt salaried employees.

APPROVED FOR THE ATOMIC ENERGY COMMISSION

 NAME Charles C. Campbell	TITLE Acting Manager	DATE July 29, 1955
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UNITED STATES ATOMIC ENERGY COMMISSION  
REIMBURSEMENT AUTHORIZATION

(10)

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PAGE 1 OF 1 PAGES

PROJECT: Rocky Flats Plant  
LOCATION: Rocky Flats, Colorado

CONTRACTOR: The Dow Chemical Company

CONTRACT NO.: AT(29-1)-1106  
DATE OF CONTRACT: January 18, 1951 - Modified July 1, 1954

The following revision or addition to the approved employment policies and wage and salary schedules of the contractor is approved for reimbursement, effective July 25, 1955

APPENDIX A, SCHEDULE 1 - Classification of Position E-RF 110, Personnel Director, Changed to Manager of Industrial Relations.

APPROVED FOR THE ATOMIC ENERGY COMMISSION BY: *Charles C. Campbell*  
NAME: Charles C. Campbell TITLE: Acting Manager DATE: July 25, 1955

UNITED STATES ATOMIC ENERGY COMMISSION  
**REIMBURSEMENT AUTHORIZATION**

FIG

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PAGE 1 OF 1 PAGES

PROJECT

Rocky Flats Plant

LOCATION

Rocky Flats, Colorado

CONTRACTOR

The Dow Chemical Company

CONTRACT NO.

AT(29-1)-1106

DATE OF CONTRACT

January 18, 1951 - Modified July 1, 1954

The following revision or addition to the approved employment policies and wage and salary schedules of the contractor is approved for reimbursement, effective **May 16, 1955**.

**APPENDIX A, SCHEDULE 4** - Revised hourly wage rates for Plant Protection personnel. This is in keeping with a recently negotiated contract between The Dow Chemical Company and the Denver Metal Trades Council, representing the hourly production and maintenance employees at Rocky Flats Plant.

FOR THE ATOMIC ENERGY COMMISSION BY

*Charles G. Campbell*

DATE

NAME

Charles G. Campbell

TITLE

Acting Manager

July 20

[REDACTED]

Contract No. AT-(29-1)- 1106

This contract made this 18th day of January, 1951, by the United States of America (hereinafter called the "Government"), represented by the Atomic Energy Commission (hereinafter called the "Commission"), and The Dow Chemical Company, a corporation of the State of Delaware (hereinafter called the "Contractor") with its principal office and place of business at Midland, Michigan.

W I T N E S S E T H   T H A T:

WHEREAS, the Government desires to utilize the management, engineering, scientific research and development, and manufacturing skills of the Contractor in the operation of a facility (hereinafter called the "Project") at a site to be selected as hereinafter set forth for the fabrication of materials described in Appendix B and for related work; and

WHEREAS, the Contractor is willing to undertake such operation and related work in accordance with the provisions hereof; and

WHEREAS, the Government deems the performance of the work hereunder to be essential in the interest of the common defense and security; and

WHEREAS, this contract is authorized by and executed under the Atomic Energy Act of 1946;

NOW THEREFORE, the parties hereto mutually agree as follows:

ARTICLE I - SCOPE OF WORK

1. The Contractor, when, where, and as requested by the Commission, shall provide consulting, advisory, and other services related to site selection and to design, construction and operation

[REDACTED]

of the Project, and such related work as the parties may agree should be performed by the Contractor.

2. The Contractor shall operate the Project and do all things necessary to carry out the program of work described in classified Appendix B as amended or changed from time to time.

3. The Contractor shall to the best of its ability furnish the personnel, services, material, supplies and equipment, not furnished by the Government, necessary for the performance of the work hereunder.

#### ARTICLE II - TERM OF CONTRACT

The term of this contract shall begin with the 18th day of January, 1951, and expire with the 30th day of June, 1954, unless sooner terminated as hereinafter provided.

#### ARTICLE III - REIMBURSEMENT OF COSTS

The Contractor shall be reimbursed for all of its actual expenditures, made in good faith in performance of the work hereunder, including but not limited to the following items:

(a) In accordance with Appendix A and amendments thereto, costs of labor, whether as wages, salaries, benefits, or other compensation in pursuance of the Contractor's employment, employee welfare policies, and retirement plans.

(b) In accordance with Appendix A and amendments thereto, costs of travel and transportation; which shall include the cost of travel, subsistence and basic pay of the Contractor's employees not carried on the project payroll (excluding corporation officers and directors) when such employees travel away from their regular duty stations to perform work hereunder with the prior written approval of the Commission.

(c) Costs of recruiting and training of personnel.

(d) Costs, including transportation charges, if any, of materials, machinery, supplies, equipment, utilities, power and fuel.

(e) Payments on subcontracts made in accordance with the provisions of this contract.

(f) Costs of temporary rights in land required in connection with the work when approved in writing by the Commission.

(g) Premiums for bonds and insurance policies as have been approved or required by the Commission.

(h) Losses or expenses not compensated by insurance or otherwise actually sustained by the Contractor in connection with the work (including settlement made with the written consent of the Commission); provided that such reimbursement shall not include any amount for which the Contractor would have been indemnified or compensated by insurance except for failure of the Contractor to procure or maintain bonds or insurance as specifically required by the Commission.

(i) Payments under the Federal Social Security Act and payments of state or local taxes, and fees or charges for permits and licenses which the Contractor may be required to pay in order to perform this contract, but not including corporate franchise or income taxes.

(j) Rental for equipment or facilities furnished or leased by the Contractor on such terms and conditions as may be approved by the Commission.

(k) Costs of all communication facilities and services.

[REDACTED]

(1) Costs of reconstructing or replacing any of the work or property destroyed or damaged and not covered by insurance, but expenditures under this item must have the written authorization of the Commission in advance.

(m) In the event the Commission shall determine that the best interests of the Commission require that the Contractor initiate or defend litigation arising out of the performance of this contract, the Contractor will proceed with such litigation, and the costs thereof, including judgments and court costs, allowances rendered or awarded in connection with suits for wages, overtime or salaries shall be reimbursable under this contract. The Contractor and the Commission shall jointly determine in each case if the best interests of the project will be served by such litigation being handled by government furnished counsel or by private counsel employed by the Contractor or by both government and private counsel. When it is determined that private counsel should be employed, attorneys' fees will be reimbursable under this contract.

(n) Costs resulting from the institution and maintenance of security safeguards and safety measures required or approved by the Commission.

ARTICLE IV - PAYMENTS, FIXED FEE AND OBLIGATION OF FUNDS

1. In consideration for its undertaking under this contract, the Contractor shall receive:

(a) Reimbursement for expenditures as provided in Article III; and

(b) For the period from January 18, 1951, through June 30, 1951, a fixed fee of One Hundred Ninety-two Thousand Five Hundred

[REDACTED]

(51)  
Dollars (\$192,500) to be paid Seventeen Thousand Five Hundred Dollars (\$17,500) dollars on January 31, 1951, and the balance to be paid in monthly installments of Thirty-five Thousand Dollars (\$35,000) each, which shall constitute complete compensation for the Contractor's services including profit and all general home office overhead expenses for the performance of the work during that period. The amount of the fee to be paid to the Contractor for subsequent fiscal years beginning July 1, 1951, will be agreed upon prior to the beginning of those years.

2. Costs reimbursable under this contract shall be paid from funds advanced to the Contractor by the Commission. Disbursement made from advanced funds will be audited at least once each three month period, and the Contractor's advance account will be cleared by such audit in the amount of such disbursements as are found to have been made in accordance with the provisions of the contract.

3. The Commission has initially obligated Five Hundred Thousand Dollars (\$500,000) for the performance of the work hereunder and will obligate additional funds for the performance of the work from time to time. The Contractor shall notify the Commission in writing whenever its expenditures, commitments, obligations and earnings total 85% of the total amount then obligated. The Commission will advise the Contractor as to the availability of additional funds for obligations hereunder. Should the total earnings, expenditures, commitments and obligations of the Contractor reach 100% of the sum then obligated by the Commission, the Contractor shall immediately cease all work covered by this contract and incur no additional expenses or obligations until notified in writing by the Commission that the amount obligated has been increased. It is understood and

[REDACTED] ONLY

agreed that the total obligations of the Government or the Commission under this contract at any given time are limited to the amounts then obligated or available for obligation by the Commission for the performance of the work hereunder.

ARTICLE V - ADVANCES

1. The Commission shall, from time to time, advance to the Contractor without interest such sums of money as the Commission and the Contractor mutually agree are necessary to finance the performance of the work. Such funds will, at all times, remain the property of the Commission and the Contractor will acquire no property right, title or interest in or to such funds other than the right to make expenditures therefrom for the purpose of paying the costs of performing the work which are reimbursable to the Contractor under this contract.

2. All funds advanced shall be deposited by the Contractor in a special trust account or accounts at a member bank or banks of the Federal Reserve System, or any "insured" bank within the meaning of the act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935, 49 Stat. 684) as amended (12 U.S.C. 264), and shall be kept separate from the Contractor's own funds. Such special trust account or accounts shall be designated so as to indicate clearly to the bank their special character and purpose, and that the balance in such account or accounts may be used by the Contractor for carrying out the purpose of this contract and not for any other business of the Contractor. The account may be designated as "Advance Fund under Government Contract No AT-(29-1)- 1106", or any similar designation which will bring about the desired purpose. The bank in which the fund is deposited shall be under no liability to any party to this contract

[REDACTED]

[REDACTED]

for the withdrawal of any funds from said special account by checks signed by the Contractor and properly endorsed except that after receipt by the bank from the Commission of written directions, the bank shall act in accordance with such directions and shall be under no liability to any party to this contract for such action. Any instructions or directions received by the bank from the Commission written upon Atomic Energy Commission stationery, and purporting to be signed by or at the discretion or under the authority of the Commission, shall, insofar as the rights, duties and liabilities of the bank are concerned, be conclusively deemed to have been properly issued to the bank by the Commission.

3. It is agreed that if the aggregate of the funds advanced under this contract shall at any time exceed the total amount which the Contractor is then authorized to expend or obligate under this contract, then such excess amount shall be repaid by the Contractor to the Commission immediately upon the Commission's demand. Furthermore, if at any time during the term of this contract or prior to final settlement hereunder, the Commission shall determine that the unexpended balance of the advances made exceeds the Contractor's current needs under the contract, the amount of such excess shall, upon demand, be promptly repaid to the Commission and credited by the Commission against the amount then due the Commission on advances previously made.

4. Subject to advance approval of the Commission, the Contractor may make payments to subcontractors and material men for labor and services or materials in advance of performance or delivery. Such sub-advances shall not exceed 30 per cent of the

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subcontract price or estimated cost, as the case may be, and the subcontractor or material man to whom such advances are made shall furnish adequate security therefor. Unless other security approved by the Commission is furnished, covenants shall be inserted in such subcontracts to provide that the Commission shall retain title to the funds so advanced and that the title to all property purchased from such funds shall immediately pass to the Commission and imposing upon the subcontractor the same duties and giving the Commission the same rights as are provided in this agreement between the Contractor and the Commission.

5. Upon termination of this contract, a complete and final audit of all accounts under the contract will be made and immediately thereafter, the Contractor shall repay to the Commission any funds remaining in the trust account or accounts less any sum which the Commission then owes the Contractor under this contract as determined from the final audit. After such repayment is made to the Commission then and only then, the balance remaining shall become the property of the Contractor, free and clear of any claim or trust in favor of the Commission.

6. Should the Contractor fail to repay to the Commission any sums demanded as provided in paragraph 3 above or any sums due, as determined by the final audit mentioned in paragraph 5 above, then the Commission may direct the bank not to honor any checks thereafter drawn on the account by the Contractor.

7. The Commission shall have the right, insofar as the Contractor is concerned, to inspect and make copies of any entries in the books and records of the bank or banks relating to the special

account or accounts established hereunder.

ARTICLE VI - CHANGES

The Commission may, at any time, by written order, issue additional instructions, require additional work or services with the consent of the Contractor, or direct the omission of work or services covered by this contract or classified Appendix B. If such changes cause a material increase or decrease in the amount or character of the work and services to be done under this contract, an equitable adjustment of the amount of the fixed fee to be paid the Contractor shall be made and the contract shall be modified in writing accordingly. Any claim for adjustment under this Article must be asserted within ten (10) days from the date the change is ordered unless the Commission shall grant a further period of time prior to the date of final settlement of the contract. Nothing provided in this Article shall excuse the Contractor from proceeding with the prosecution of the work so changes.

ARTICLE VII - RECORDS, ACCOUNTS

1. The Contractor shall establish and maintain a separate and distinct set of accounting records and books of account covering work performed under this contract. Such records and books of account shall be kept at a place mutually agreeable and shall show the actual cost of all items of whatever nature for which reimbursement is authorized under the provisions of this contract and any and all other accounting transactions of whatever nature that are applicable to the contract. The system of accounting and internal control and the internal auditing procedures, established and maintained by the Contractor, shall conform to generally accepted accounting

principles and shall be such as are satisfactory to the Commission. All books, records and supporting data are the property of the Commission and shall be delivered to the Commission within 5 years after the completion or termination of this contract.

2. The Commission shall at all reasonable times be afforded proper facilities for inspection of the work and audit of the records, shall at all reasonable times have access to the premises, work and materials, to all books, records, correspondence, instructions, plans, drawings, receipts, vouchers, and memoranda of every description pertaining to said work.

ARTICLE VIII - REPORTS

The Contractor shall make such reports to the Commission with respect to activities under this contract as the Commission may require from time to time, such reports to be in the form prescribed by the Commission.

ARTICLE IX - GOVERNMENT-OWNED PROPERTY

a 1. Title to all property for which the Contractor shall be entitled to claim reimbursement for hereunder shall vest in the Government free and clear of all liens and encumbrances when title passes from the Contractor's supplier, unless the Commission shall otherwise direct in writing; provided that the right of final inspection and acceptance or rejection of such property at the site of the work or such other place as it may designate in writing, is reserved to the Commission.

2. (a) All reports, drawings, designs and specifications prepared hereunder are to become the property of the Government whether complete or incomplete, and the Government shall have the

full right to use said drawings, designs and specification for any purpose whatsoever without any claim on the part of the Contractor for additional compensation.

(b) All notes, books, records and other data concerning the work required hereunder shall be the property of the Government and shall be delivered to the Government whenever requested by the Commission, and, furthermore, access to such data shall be restricted to duly authorized representatives of the Government and of the Contractor. Access to such data shall not be given to any other persons without the Commission's prior approval in writing.

3. (a) The Contractor shall cause property, for which it is accountable, title to which is vested in the Government, to be marked with an identifying mark or symbol indicating that such items are the property of the United States as required by the Commission.

(b) The Contractor shall maintain at all times, in a manner satisfactory to the Commission, records showing the location, disposition and/or use of all property which is owned by the Government and for which the Contractor is accountable, or which is rented to the Government by the Contractor in connection with the work.

4. The Commission reserves the right to furnish any property necessary for the performance of the work hereunder.

5. As authorized by the Commission, the Contractor may sell, lease, license, transfer, or otherwise dispose of Government-owned property in its care, custody, or possession in connection with the performance of this contract.

6. The Contractor will not be liable for loss, destruction of or damage to Government-owned property under its control, except when such loss, destruction or damage results from the willful misconduct, gross negligence or failure to exercise good faith on the part of a corporate officer, or other person having supervision or direction of the performance of all or substantially all of the work under this contract.

7. In the event the Contractor is indemnified, reimbursed or compensated for any loss or destruction of or damage to Government-owned property, it shall equitably credit the account established under Article V. 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 the request of the Commission, shall, at the Government's expense, furnish to the Government 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.

ARTICLE X - PROCUREMENT

1. The Contractor will make all purchases required in connection with the performance of the work in a good commercial manner, except that:

(a) Unless the Commission authorizes in writing, the Contractor will not procure any motor vehicles, typewriters or printing equipment, or any other specific items which the Commission may specify from time to time.

(b) Procurement through Government sources of supply will be made available to the Contractor and shall be utilized when

it appears to the Contractor to be in the best interests of the project to do so, taking into consideration prices, delivery dates, and suitability of items available.

(c) The Contractor will not use any procurement procedures which the Commission has advised the Contractor are contrary to Commission policy.

(d) The Commission agrees that it will furnish assistance to the Contractor by way of priorities and other assistance to enable the Contractor to procure equipment and services required to perform hereunder.



ARTICLE XI - SPECIAL REQUIREMENTS

The Contractor hereby agrees that it will:

(a) Use its best efforts to take the advantage of all cash and trade discounts, rebates, allowances, credits and commissions.

(b) Secure a prior written approval of the Commission before entering into an agreement, subcontract, purchase order or commitment by which \$25,000.00 or more may be involved.

(c) Make all agreements, subcontracts, purchase orders and commitments assignable to the Government.

(d) Deposit all revenues arising from operations under this contract in the Special Trust Account or accounts established under Article V, paragraph 2, hereof and apply such revenues in reduction of the cost of the work hereunder, or otherwise pay such revenues to the Government as the Commission may direct.

ARTICLE XII - CONTRACTOR'S ORGANIZATION

1. The Contractor shall employ and maintain a staff of personnel in sufficient numbers to enable it to perform the work required hereunder efficiently and economically and within the prescribed time limits.

2. The Contractor may, with the prior written approval of the Commission, obtain, in a manner to be approved by the Commission, outside expert technical advice or services when it appears that such advice or services are necessary or desirable in connection with the performance of the work.

ARTICLE XIII - TERMINATION

1. Either party may terminate this contract by giving the other party written notice of termination 90 days prior to the effective date thereof. Upon such termination, the Contractor shall take the following action unless otherwise directed by the Commission in the notice of termination or unless otherwise mutually agreed by the Commission and the Contractor:

- (a) Terminate all work under the contract on the date specified in the notice of termination.
- (b) Place no further orders or subcontracts.
- (c) Terminate all orders and subcontracts.
- (d) Assign to the Government in the manner and to the extent directed by the Commission, all of the Contractor's interest in the subcontracts so terminated.
- (e) Settle, with the approval or ratification of the Commission, all orders and subcontracts (which have not been assigned to the Government), obligations, commitments, liabilities, and claims, the cost of which would be reimbursable in accordance with the provisions of this contract.
- (f) Deliver to the Government in the manner directed by the Commission the completed and uncompleted work, supplies, materials, plans, drawings, records, informations, and reports and other property to which the Government has title.
- (g) Take such other action as may be necessary, or as the Commission may direct, for the protection and preservation of property which is in the possession of the Contractor and in which the Government has or may acquire interest.

2. Upon such termination the Government shall pay to the Contractor the following amounts:

(a) All costs and expenses reimbursable in accordance with this contract, not previously paid to the Contractor for the performance of this contract prior to the effective date of the notice of termination, and such of these costs as may continue for a reasonable time thereafter with the approval of or as directed by the Commission; provided, however, that the Contractor shall proceed as rapidly as practicable to discontinue such costs.

(b) The cost of settling and paying claims, either arising out of the termination of work under subcontracts or orders or with respect to any other obligations, commitments, and liabilities, including employment contracts, the cost of which would be reimbursable in accordance with the provisions of this contract, and costs arising in connection with the termination of this contract and properly chargeable to this contract.

(c) The cost of action necessary or directed by the Commission for the protection and preservation or for delivery to the Government of property which is in the custody of the Contractor and in which the Government has or may acquire an interest.

(d) Any other reasonable cost, approved or ratified by the Commission as incidental to the termination of work under this contract, including legal, accounting, clerical costs.

(e) A fixed fee in an amount to be agreed upon as compensation to the Contractor for its services in closing out the work under this contract.

3. The Government shall have the right, in connection with any of the payments required by this Article, to offset the amount of any unsettled claim in connection with this contract which the Government may have against the Contractor.

4. No settlement under this Article shall prejudice the Contractor's rights to reimbursement with respect to claims subsequently found or determined by the Contractor to have been incurred in the performance of the contract and not known or determined at the time of such settlement.

5. The close out of this contract, upon its expiration, shall be accomplished and settled in the same manner, and with the same effect, as though the contract had been terminated.

#### ARTICLE XIV - DISPUTES

Except as otherwise specifically provided in this contract, all disputes which may arise under this contract, and which are not disposed of by mutual agreement, shall be decided by a representative of the Commission duly authorized to supervise and administer performance of the work hereunder, who shall reduce his decision to writing and mail a copy thereof to the Contractor at his address shown herein. Within thirty (30) days from this mailing the Contractor may appeal in writing to the Commission, whose written decision or that of another designated representative or board thereon shall be final and conclusive. Pending decision of a dispute hereunder the Contractor shall diligently proceed with the performance of the work under this contract.

[REDACTED]

ARTICLE XV - SUBCONTRACTS

The Contractor shall not subcontract any of the work he is obligated to perform under this contract except as authorized in writing by the Commission.

ARTICLE XVI - COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that it has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Commission the right to annul the contract, or, in its discretion to deduct from the contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commissions payable by contractors upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

ARTICLE XVII - 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.

ARTICLE XVIII - ACCIDENT PREVENTION

The Contractor shall take all steps and all precautions to protect health and to minimize danger from all hazards to life and property, and shall make all reports and permit all safety inspections of work being performed under this contract as are or may be provided for in safety regulations entitled "Atomic

proceedings... insofar...  
...conflict with...

Energy Commission - Safety Regulations", as same may be hereafter revised, (on file in the office of the Commission), or as the Commission may direct pursuant thereto.

ARTICLE XIX - INSURANCE

1. The Contractor shall procure and thereafter maintain such bonds and insurance in such forms and in such amounts and for such periods of time as the Commission may require or approve in writing and shall require the insurer to give the Commission 30 days written notice of any change in or cancellation of insurance coverage.

2. Except as otherwise directed by the Commission where this contract requires the Government to pay or reimburse the premium on a bond or insurance policy, the bond or insurance policy shall contain an endorsement or other recital excluding by appropriate language any claim on the part of the insurer or obligor to be subrogated, on payment of a loss or otherwise, to any claim against the Government. Such bonds and insurance policies shall contain a provision requiring the Company issuing the bond or policy to give the Commission 30 days written notice prior to cancellation of the bond or policy.

3. The Contractor shall give the Commission immediate notice in writing of any suit or action filed against the Contractor arising out of the performance of this contract and of any claim against the Contractor the cost and expense of which are reimbursable under this contract, and the risk of which is then uninsured or in which the amount claimed exceeds the amount of insurance coverage.

The Contractor shall furnish immediately to the Commission copies of all pleadings received by the Contractor. Insofar as the following shall not conflict with any policy or contract of insurance, 206

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upon request of the Commission, the Contractor shall do any and all things to effect an assignment and subrogation in favor of the Government of all Contractor's rights and claims except against the Government, arising from or growing out of such asserted claims, and, if required by the Commission, shall authorize representatives of the Government to settle and/or defend any such claim and to represent or take charge of any such litigation affecting the Contractor.

ARTICLE XX - ASSIGNMENT OF RIGHTS

No part of this contract and no claim or right arising hereunder may be assigned by the Contractor to third parties without the prior written consent of the Commission.

ARTICLE XXI - SECURITY

1. The Contractor agrees to conform to all security regulations and requirements of the Commission, including the operation of a contractor guard force.

2. The Contractor is responsible for the security, including the protection against sabotage, espionage or theft, of all restricted data, other classified matter, and other matter of high monetary or strategic value, made available to him, developed by him, or otherwise in his possession or custody, in connection with this contract, and shall to the best of its ability and in accordance with the published instructions of the Commission initiate and maintain such measures as are necessary for protection and accountability of such matter and information.

[REDACTED]

3. The term "restricted data", as used in this Article and in the Atomic Energy Act of 1946, as amended, 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 deems may be published without adversely affecting the common defense and security.

4. Except as the Commission may authorize, in accordance with the Atomic Energy Act of 1946, as amended, the Contractor will not 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.

5. Disclosure of information relating to work or services ordered hereunder to any person not entitled to receive it, or failure to safeguard any restricted data or any top secret, secret or confidential matter that may come to the Contractor or any person under the Contractor's control in connection with work under this contract may subject the Contractor, his agents, employees and subcontractors to criminal liability under the laws of the United States. (See the Atomic Energy Act of 1946, as amended. See also 18 U.S. Code § 791-797, Chapter 645, Public Law No. 772, 80th Congress, 2nd Session, approved June 25, 1948, effective September 1, 1948, as supplemented by Executive Order No. 10104 dated February 1, 1950, 15 F.R. 597.)