



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

JUN 24 2005

NOTE TO: DAF

FROM: Mary H. Mace, Contracting Officer,
Contracts Management Branch 1

A handwritten signature in black ink, appearing to read "Mary H. Mace", written over the typed name in the "FROM:" field.

SUBJECT: CLOSEOUT OF NRC-04-94-045 WITH ISL (FORMERLY SCIENTECH, INC.)

The subject contract expired September 30, 1999. The contract was novated from Scientech, Inc. to ISL, Inc. on March 16, 2000. However ISL never completed any work under this contract. Scientech, Inc. submitted a final claim on May 24, 2004 in the amount of \$33,579.54. The NRC Contracting Officer issued a final decision on August 26, 2004 authorizing payment of \$29,164.89 and denied the remaining amount of \$4,414.65. Scientech, Inc. appealed this decision to the Energy Board of Contract Appeals. The NRC and Scientech, Inc. agreed to resolve the contract disputes through a negotiation settlement instead of litigation for the best interest of both parties. The settlement agreement was issued on February 16, 2005 (attached). NRC agreed to pay Scientech, Inc. final costs in the amount of \$33,164.89 of which \$29,164.89 was paid out of the contract and \$4,000 was paid from the NRC Indemnity Fund.

The settlement agreement also served as a contractors release. Paragraph 2, page 3 of the settlement agreement states: " The parties hereby fully release and discharge each other from any and all claims or causes of action whether know or unknown, arising under or related to Contract 045, including but not limited to all claims asserted in the Appeals, all claims for attorney fees and expenses, and all claims for interest, including but not limited to Contract Dispute Act interest."

The final ceiling and obligated amount negotiated under Contract No. NRC-04-94-045 for the total contract is \$33,164.89. The amount paid to Scientech, Inc. was \$33,164.89.

ISL signed a release to Scientech, Inc., giving Scientech, Inc. the rights to the funds under this contract since ISL did not complete any work under this contract.

The contract is hereby considered closed.

Should you have any questions, contact Sharlene McCubbin, Contract Specialist on 301-415-6565.

TEMPLATE - ADM001

SISP REVIEW COMPLETE

ADM002