



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

NOV 18 1989

University of Arizona
Attn: Peter F. Mather
Engineering Experiment Station
College of Engineering and Mines
Civil Engineering Building No. 72, Room 303
Tucson, AZ 85721

Dear Mr. Mather:

Subject: Letter Contract No. NRC-04-90-051 Entitled "Validation Studies
for Assessing Unsaturated Flow and Transport Through Fractured
Rock"

Pending negotiation of formal Contract No. NRC-04-90-051, and contingent upon your acceptance of the terms and conditions of this Letter Contract, your organization is authorized and directed, effective November 13, 1989, to initiate work in accordance with the enclosed solicitation which is made a part of this Letter Contract.

Likewise, the following FAR Clauses are hereby incorporated and made a part of this Letter Contract:

EXECUTION AND COMMENCEMENT OF WORK (FAR 52.216-23) (APR 1984)

The Contractor shall indicate acceptance of this letter contract by signing three copies of the contract and returning them to the Contracting Officer not later than November 13, 1989. Upon acceptance by both parties, the Contractor shall proceed with performance of the work, including purchase of necessary materials.

(End of Clause)

LIMITATION OF GOVERNMENT LIABILITY (FAR 52.216-24) (APR 1984)

(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding \$7,440.00.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is \$7,440.00.

(End of Clause)

CONTRACT DEFINITIZATION (FAR 52.216-25) (APR 1984)

(a) A cost reimbursement definitive contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer

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the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the letter contract, (2) all clauses required by law on the date of execution of the definitive contract, and (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a cost proposal and cost or pricing data supporting its proposal.

(b) The schedule for definitizing this contract is:

1. Date for submission of Best and Final proposal: November 20, 1989
2. Target date for definitization of the contract: December 1, 1989

(c) If agreement on a definitive contract to supersede this letter contract is not reached by the target date in paragraph (b) above, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with Subpart 15.8 and Part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by--

(i) All clauses required by the FAR on the date of execution of this letter contract for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with subparagraph (c)(1) above, all clauses, terms, and conditions included in this letter contract shall continue in effect, except those that by their nature apply only to a letter contract.

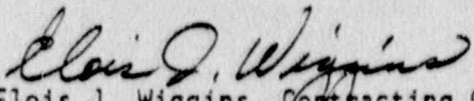
(End of Clause)

FAR Clause 52.216-26 Payments of Allowable Costs Before Definitization, is hereby incorporated into this contract by reference.

November 13, 1989

Your acceptance of this Letter Contract is requested by acknowledgement below and return of two copies of this document by close of business on November 13, 1989. The third copy is for your retention. Contract sections containing asterisks herein shall be completed at contract definitization.

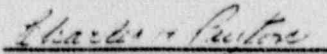
Sincerely,


Elois J. Wiggins, Contracting Officer
Division of Contracts and Property
Management

Enclosure: As stated

ACCEPTED:

University of Arizona

By: 
Associate Vice President
Title: for Research
Date: 11/13/89