

## Form Office Memorandum • UNITED STATES GOVERNMENT

TO : J. W. Ould, Jr., Assistant General Counsel

DATE: April 28, 1958

FROM : John R. Moore, Director, Contract Division

SUBJECT: CONTRACT NO. W-7405-ENG-276 WITH HARSHAW CHEMICAL COMPANY

POL: ACC:RE

Please prepare a Modification No. 85 to the subject contract in accordance with the attached memorandum dated April 25, 1958, from the Director, Feed Materials Division. Although representatives of the Contract Division have not participated directly in these latest negotiations with Harshaw, Ralph Elson of this office, along with your J. C. Winkles, has discussed the matter on various occasions with the Feed Materials Division. We feel that the lump sum settlement, which has been negotiated on the basis of cost estimates, is entirely satisfactory, and is actually considerably lower than had been anticipated some time ago. [Modification No. 84 to the contract provided that the AEC would stand one-half of Harshaw's costs of decontamination, such costs to be determined in accordance with the ground rules letter which at that time was governing reimbursements. That modification further provided that there would be no need for a further modification. The reason for that provision was actually to assure everyone that the contract was being closed out, except for decontamination, and there were at that time no definite estimates on which to base any lump sum amount for such decontamination. It is quite apparent now that the procedure proposed by the Feed Materials Division is more appropriate and that the contract should be so modified in order that prompt close out may be effected in the most simple, expeditious and least costly fashion.]

As indicated above, Mr. Winkles of your office is thoroughly familiar with this matter.

John R. Moore

Enclosure:

Memo w/attachs. dtd. 4-25-58

CC: John W. Ruch