

Office Memorandum • UNITED STATES GOVERNMENT

To: C. L. Karl, Area Manager, Fernald

DATE: DEC 4 1958

From: S. R. Sapirie, Manager, Oak Ridge Operations

SUBJECT: DISMANTLEMENT OF HARSHAW REFINERY

REFERENCE: CF:CWS

W-7105 Log-276

We are in receipt of the Construction Proposal from National Lead concerning the dismantlement and re-erection at Fernald of portions of the Harshaw Refinery. Approval has been obtained from Washington to proceed with the design of the refinery expansion, utilizing the Harshaw equipment and to proceed with dismantlement of the Harshaw facility.

In the meantime, we are trying to firm up the procedures we will want to use in the actual dismantlement of the Harshaw facility. Because National Lead has an over-riding interest in the proper dismantlement of the equipment at Harshaw for reinstallation at Fernald, we agree with their expressed desire to have this phase of the work undertaken under their direct supervision.

Further, we feel that all of the dismantlement, packing, and shipping at Harshaw should be undertaken by one contractor as the fastest and most orderly way to obtain the objective of cleaning out the Harshaw facility. Because National Lead has the over-riding interest in this program, we appreciate their inferred suggestion that National Lead undertake to subcontract the entire dismantling of the Harshaw facility (per Page 7 of their estimate). This is with the understanding, of course, that funding will be made available, that the equipment will be properly designated to National Lead as to its ultimate destination, and that they be given adequate instruction in carrying out the total activities.

The estimate of Line 1, Page 7, however, is greater than the funds presently budgeted for this activity. We recognize that there has been a limited time period in which to prepare this estimate and therefore propose that NLO further define the dismantlement costs, obtaining preliminary bids if necessary. As an aid in this, we enclose a copy of a report on this subject prepared by Catalytic Construction Company. We further call your attention to the list for disposition of the assets being consolidated at the present time by Mr. Barclay at Harshaw Chemical Company.

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C. L. Karl

- e. Transportation costs on equipment to be shipped to points other than Fernald will be F. O. B. Harshaw. To permit other locations receiving equipment to properly budget for this, please estimate numbers of cars, tonnage, or other means of measure for the equipment going to the respective locations.

Although this work is to be funded from operating funds, we suggest the typical format and authorization system used for construction proposals be used for this work. The estimates should be grouped in accordance with the above budgeting and accounting pattern.

The above instructions have been quite inclusive and it may be that time can be saved by providing the information to us as it is developed rather than awaiting the development of a complete package (particularly Item 6-e).

S. R. Sapirie
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Enclosures:

1. Catalytic Report dtd 12-22-54
2. Cy Ltr 11-20-56, Dowling to Harshaw

- CC: C. R. Fernelius, Harshaw
 N. H. Woodruff
 N. A. Shearon w/encl #2
 F. P. Trent
 L. D. MacKay w/encl #2
 J. R. Moore w/encl #2
 J. W. Ould, Jr. w/encl #2 ✓
 R. J. Brown w/encl #2

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For the purpose of saving time, they may prepare their estimates on the following assumptions:

1. The various pieces of equipment will be dismantled and prepared for shipment based on the consolidation being prepared by Harshaw. (See copy of letter to Harshaw, dated 11-20-56, attached.)
2. ORO will inform you of the actual allocations as soon as they are set. (Note this should have a minimal effect on the cost estimate.)
3. All other equipment not allocated per the above listing will be shipped to NLO.
4. Other installed assets will not be disassembled but will be passed to Harshaw Chemical Company, i.e., electrical systems, heating systems, equipment platforms, etc.
5. Building renovation should be a part of dismantlement contractor price to the following extent:
 - a. Removal of concrete foundations of removed equipment.
 - b. Restoring integrity of concrete floors where foundations are removed.
 - c. Restoration of windows, walls, etc., damaged by equipment removal procedures.
 - d. Restoring integrity of roof where removed ducts, etc., pierced same.
- 6. The budgeting and accounting for this work will be as follows:
 - a. Costs of equipment dismantlement and preparation for shipment of transferred equipment will be charged to Activity 2900 on Harshaw books. (NLO will show this as a transfer to ORO.)
 - b. Costs of building renovation will be charged to Activity 2560 on Harshaw books. (NLO will show this as a transfer to ORO.)
 - c. Transportation costs on equipment shipped to Fernald for use in the refinery expansion will be charged to Project 244-5066B. (This has been included in CP-F-53.)
 - d. Transportation costs on other equipment to be shipped to NLO will be charged to Activity 2900 by NLO.