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No. 2 of 7 copies, Series A

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~~RESTRICTED INFORMATION~~

W. E. Kelley, Manager, New York Operations Office

April 1, 1952

E. C. Sargent, Area Manager, Cleveland Area Office

CONTRACT PROPOSAL OF AWARD - MARSHAW CHEMICAL COMPANY CONTRACT
W-7405 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 68 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
CONTRACT.

SYMBOL: CLV:ANN:ap

ATTENTION: V. C. DUNCOMBES

eng 276
[Signature]

A. BACKGROUND

During the quarter which began January 1, 1952, the sole product being manufactured by the Marshaw Chemical Company under subject contract was uranium trioxide (CR-15). The manufacture of this product will continue through the quarter beginning April 1, 1952.

Supplemental Agreement No. 67 and the attendant secret letter modification No. 13 covered Marshaw production of CR-15 for the months of February and March, 1952. For reasons given in the Contract Proposal of Award dated February 15, 1952, the prices established for February and March were provisional only. Supplemental Agreement No. 67 included a provision for the adjustment of February and March prices on or before March 10, 1952. Thus the negotiation which was held March 7, 1952, included and the requested Supplemental Agreement No. 68 should include the following:

1. An agreement for a firm February CR-15 unit price.
2. An agreement for a firm March CR-15 unit price.
3. An agreement for a firm CR-15 unit price for the quarter beginning April 1, 1952.

The Marshaw operating contract provides for unit price reimbursement for products. The principal bases for projecting the final unit prices of CR-15 for February, March, and the April quarter were the experienced costs of November, December, and January. Although the February experienced costs were not available at the time of the negotiation, cost trends indicated by this month's experience were taken into consideration during the negotiation.

ORO 66208

Our letters to Dr. W. D. Stillwell dated February 5 and February 6, as supplemented by our letters dated February 12 and February 29, provided Marshaw with the feed schedules and proposed production rates upon which they could base their projected costs. In these letters, we requested

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~~RESTRICTED DATA~~

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W. E. Kelley

April 1, 1952

E. C. Sargent

CONTRACT PROPOSAL OF AWARD - HARSHAW CHEMICAL COMPANY CONTRACT
N-7408 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 38 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
CONTRACT.

SYMBOL: CLV:ASH:sp

ATTENTION: V. C. JUNGORBE

their experienced costs for the months of November, December, and January as well as their projected CR-15 costs for February, March, and the quarter beginning April 1, 1952. The experienced costs were supplied by Harshaw in letters dated February 11 and February 13. The November and December experienced costs included those incurred in RX-10 production as well as those incurred in CR-15 production. The January experienced costs, however, represented only the CR-15 production experience since RX-10 production terminated during December, 1951. Harshaw's projected costs were submitted in two separate letters both dated February 29, 1952. One letter covered the proposed sliding scale of unit prices for February and a unit price for March. The other letter covered a proposed unit price for April quarter production.

Negotiations were held in the Cleveland Area Office on March 7. Harshaw was represented by E. D. Stillwell and G. R. Fernalius. The Commission representatives were E. C. Sargent, A. W. Neumann, W. P. Pfecher, and C. Milberg. It should be noted that the Harshaw contract requires that an agreement be reached on or before the 20th day prior to the commencement of a quarter. Although we did reach a verbal agreement within this time limit, the final written agreement cannot be expected until sometime in the future. Harshaw, however, has expressed willingness to interpret the verbal negotiations as an agreement.

Following are the prices and production rates agreed upon:

Period	Production (lb)	Unit Price	Cost
February	198,149.32	\$.4625	\$91,644.06
March	200,000 $\frac{1}{2}$ 5%	.4625	97,125.00*
April Qtr.	180,000 $\frac{1}{2}$ 6% No.	.4975	282,082.50*

*Cost computed at upper production limit.

It is requested that \$1,657,327 be written into the proposed supplement. This should provide sufficient funds to cover FY '53 production as well as production for the remainder of FY '52. Following is a breakdown of FY '52 and anticipated FY '53 costs.

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W. F. Kelley

April 1, 1952

E. C. Sargent

CONTRACT PROPOSAL OF AWARD - MARSHAW CHEMICAL COMPANY CONTRACT
W-7405 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 68 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
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ATTENTION: V. C. DUNCOMB

Production Costs FY '52

1st Quarter	\$ 643,734.70
2nd Quarter	518,424.03
3rd Quarter	281,924.13
4th Quarter	282,082.80
	<u>\$1,726,166.01</u>
Standby	46,400.00
	<u>\$1,772,566.01</u>

Balance of funds in Eng-276 - 7/1/51	\$ 782,940.00
Less Reserve for stores	100,000.00
Balance for production	<u>\$ 682,940.00</u>
Obligated under S/A 65	525,000.00
	<u>\$1,207,940.00</u>
Obligated under S/A 68	300,000.00
	<u>\$1,507,940.00</u>
To be obligated under S/A 60	1,657,327.00
	<u>\$3,165,267.00</u>
FY '52 Expenses	1,772,566.01
Balance 6/30/52	<u>\$1,392,700.99</u>

Probable FY '53 Expenses

Production	\$1,058,000.00
Standby	32,400.00
	<u>\$1,090,400.00</u>

B. PROPOSED CONTRACTOR

The basis for selecting this contractor and other details were considered
in the negotiations of the basic contract.

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W. E. Kelley

April 1, 1952

B. C. Sargent

CONTRACT PROPOSAL OF AWARD - HARSHAW CHEMICAL COMPANY CONTRACT
W-7405 ENG-278 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 58 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
CONTRACT.

SYMBOL: CLV:AMH:ap

ATTENTION: V. C. DUNCOMBE

C. DESCRIPTION OF PROPOSED CONTRACT

This is a unit price supplemental agreement and follows a regular procedure for contracting with the Harshaw Chemical Company for production. A unit price form was agreed to in Supplemental Agreement No. 52.

The requested Amendment No. 14 to the secret letter referred to in paragraph 2, Article I of the subject contract, should contain the production rates and corresponding unit prices presented above since these cannot be written into the unclassified contract.

In addition to establishing the unit price agreements, the proposed supplement should provide for a revision of Article XI, Paragraph 17, which will in effect permit Harshaw's vacation period to encompass the entire year instead of the period April 1 through September 30 as the contract is now written. This change in the Harshaw vacation policy is explained in enclosure 3.

D. FINANCIAL JUSTIFICATION

<u>Production Rate</u>	<u>Agreed Jan.</u>	<u>Prov. Feb.</u>	<u>Agreed Feb.</u>	<u>Prov. Mar.</u>	<u>Agreed Mar.</u>	<u>April Crtr.</u>
25,000.00	2.5007	2.4198				
50,000.00	1.3525	1.3032				
75,000.00	.9701	.9311				
100,000.00	.7738	.7450				
125,000.00	.6640	.6334				
150,000.00	.5874	.5589				
175,000.00	.5328	.5058				
180,000.00	.5246*	.4978*				.4975
198,143.32	.4948*	.4839*	.4625			
200,000.00	.4918	.4859		.4510	.4625	
225,000.00	.4000	.4349				

*Obtained by interpolation.

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W. E. Kelley

April 1, 1952

E. C. Sargent

CONTRACT PROPOSAL OF ATARD - HARSHAW CHEMICAL COMPANY CONTRACT
W-7405 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 88 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
CONTRACT.

SYMBOL: CLV:AMH:aq

ATTENTION: V. C. HUNCOMBE

As can be seen in the above table, the unit prices negotiated for February, March, and the April quarter are all lower than the agreed January quarter unit price (supplemental agreement No. 86) at corresponding production rates. It can also be noted that the agreed February unit price is lower than the provisional February price formerly agreed upon. The agreed March unit price is higher than the provisional unit price entirely because the cost of raw materials was greater under the feed schedule provided prior to the negotiation than it was under the feed schedule which we supplied prior to establishment of the provisional March price. The final agreed March unit price was based on a much higher nitric acid consumption which will be necessary to process the much larger quantity of soda salt feed now scheduled for March consumption. The April quarter unit price is higher than that for February and March because of the lower production level which will be maintained.

The provisional unit prices for February were submitted and accepted on a sliding scale basis because February production was still within the start-up period defined in H. B. Fry's letter of acceptance dated May 23, 1951, to W. D. Stillwell, subject, "Harshaw Contract W-7405 Eng-276; Price Formula for Period July 1, 1951 thru June 30, 1952". Being still within the start-up period, the February production rate was not subject to the Commission's control. At the time of the negotiation, the total actual February production was known; therefore, rather than establish a sliding scale for the firm February unit prices, it was decided that a single firm unit price at the actual production rate would be preferable. The firm unit price was obtained by interpolation taking into consideration those cost elements which vary with production.

The unit selling prices were obtained in the following manner:

1. February - addition of \$0.134 to the agreed projected unit cost.
2. March - application of the mark-up (in dollars per month) at the appropriate production level obtained from the table appearing in H. B. Fry's letter, referred to above.

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W. E. Kelley

April 1, 1952

E. C. Sargent

CONTRACT PROPOSAL OF AWARD - HARSHAW CHEMICAL COMPANY CONTRACT
W-7405 ENG-278 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 69 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
CONTRACT.

SYMBOL: OLV:AWH:ap

ATTENTION: V. C. DUNCOMBE

- 3. April quarter - application of the mark-up (in dollars per month) at the appropriate production level obtained from the table appearing in H. B. Fry's letter, referred to above.

A detailed analysis of experienced and projected costs is tabulated in the appendix.

Direct Costs - CR-15

The experienced, projected, and agreed direct costs of CR-15 production for the periods covered by the negotiations are shown in Table I.

As mentioned previously, the projected costs were based primarily upon November, December, and January experienced costs. Trends indicated by February costs were included in Harshaw's projections for March and the April quarter.

Materials - For February Harshaw projected a materials cost per pound of \$.0357. This cost was obtained by adjusting the January experienced cost for an in-process nitric acid carry-over from December to January. The agreed February projection for materials was obtained by interpolating between the costs representing the production levels immediately above and below the February actual production.

As can be noted, the materials cost per pound projected for March was considerably higher than that projected for January. The March materials cost was higher because approximately 60% of March production will be manufactured from soda salt feed stocks. The total materials cost for production from soda salt is \$.0520 per pound as compared with \$.0357 per pound for product from black oxide feed.

The materials projection for the April quarter of \$.0408 per pound was based on a probable 30% soda salt consumption.

To summarize, the projected materials costs for all three negotiated periods were determined by adjusting the base rate of \$.0357 per pound for the amount of soda salt expected to be consumed.

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W. E. Kelley

April 1, 1962

E. C. Sargent

CONTRACT PROPOSAL OF AWARD - HARSHAW CHEMICAL COMPANY CONTRACT
K-7405 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 68 AND
FOR AGREEMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
CONTRACT.

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ATTENTION: V. C. WUNCORRE

Labor - Instrument Man - Approximately 70% of the time of a \$375.00 per month employee is included in this projection. Since the employee is a member of the Harshaw research and development department, his salary carries the previously agreed overhead of 110% giving a total projection of \$550.00 for this account. In the provisional projections, the research and development status of this employee was overlooked and the provisional figures were thus projected too low.

The possibility of obtaining a full time instrument man for Plant "C" was discussed in an effort to eliminate the 110% overhead. Since it is doubtful that this amount of instrument time will be necessary beyond the April quarter, it was agreed to accept this projection especially in view of the qualifications of the man in question.

Labor - Overtime Premium - This projection was obtained by applying a factor of 5.30% (based on prior experience) to the direct labor.

Labor - Operating - Operating labor was projected at a base rate of \$10,507.00 (the January payroll) with adjustments for the number of days in the respective periods. A 1% pay increase for hourly employees was included in the April quarter projection.

Labor - Supervisory - The January experienced cost of \$1,820.00 was projected for all periods.

Direct Overhead - Repair Labor - The January figure of \$2,285.00 covering the probable pay of seven maintenance men was projected for February and March. A cost of living adjustment of \$25.00 resulted in the April quarter projection.

Direct Overhead - Repair Materials - The average repair materials cost of November, December, and January, after adjustment for a stores adjustment charge, was projected for all periods. The total experience

H. E. Kelley

April 1, 1952

E. C. Sargent

CONTRACT PROPOSAL OF AWARD - MARSHAW CHEMICAL COMPANY CONTRACT W-7405 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 08 AND FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS CONTRACT.

SYMBOL: CLV:AWN:sp

ATTENTION: V. C. HUNCOMBE

for November, December, and January was \$5,917.00, which figure includes a \$380.00 stores adjustment for a six month period. Deducting \$380.00 and adding \$175.00 (the probable stores adjustment of the three month period) and dividing by three resulted in the projection of \$1,380.00.

Direct Overhead - Factory Supplies - Factory supplies was a built-up figure which was comprised of the following:

Filter Cloths	\$200
Mikro Collector Bags	50
Spencer Collector Bags	250
Miscellaneous	200
	<u>\$700</u>

Direct Overhead - Gas - It was pointed out that the January actual experience was high as a result of the mal functioning of one of the plant meters. Correction of this error resulted in a projection of \$460.00 per 200,000 pounds production and a sliding scale was built up and down from this point. As can be noted from Table I, the gas projection of \$460.00 at 200,000 pounds was adjusted to \$457.00 for February's actual production.

A 0.25% rate increase covering the increased cost of gas was included in the March projection. It might be noted, at this point, that the cost rate of gas increases as the usage increases. The Plant "C" gas rate depends upon the total quantity consumed by Marshaw's Harvard-Lonison plant and Plant "C".

The April projection was obtained by interpolation to 180,000 pounds of product and includes the aforementioned gas rate increase.

Direct Overhead - Electricity - The January experienced cost was projected for all periods. The November and December costs were inapplicable since electricity was being distributed over more than one cost center during those months.

W. E. Kelley

April 1, 1952

D. G. Sargent

CONTRACT PROPOSAL OF AWARD - HARSHAW CHEMICAL COMPANY CONTRACT
W-7405 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 68 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
CONTRACT.

SYMBOL: CLV:ANN:sp

ATTENTION: V. C. HUNCOMBE

Direct Overhead - Water - The average experienced cost of November, December, and January was used for all periods.

Direct Overhead - Occupancy Rental - Rent was projected for all periods on the basis of experience. No change in space having been made.

Direct Overhead - Steam and Heat - The projected February sliding scale was developed from the January actual experience of \$2,510.00 for 195,500 pounds of production. The agreed February projection was determined by interpolation at the actual February production.

The March projection was obtained at the same rate adjusted to allow for the increased production level.

The April projection was based on the same rate with an adjustment of \$100.00 over the three month period for reduction in space heating requirements.

Indirect Costs - Distributed Overhead

Administrative General - The January experienced cost of \$9,736.00 from which was deducted \$680.00 for non-repetitive charges and reduction in payroll charges with less personnel resulted in the February projection of \$9,056.00.

The March projection of \$9,210.00 was based on the February projection increased by various payroll charges which followed the increased payroll projection for March.

Merit salary increases totaling \$30.00 per month and incident increases in payroll charges resulted in April projection of \$9,215.00.

Operating General - The January experience of \$2,256.00 was projected for all periods.

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W. E. Kelley

April 1, 1952

E. C. Sargent

CONTRACT PROPOSAL OF AWARD - HARSBAY CHEMICAL COMPANY CONTRACT
W-7405 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 08 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
CONTRACT.

SYMBOL: CLV:ASH:ap

ATTENTION: V. C. DUNCOMBE

Engineering - Salary increases of \$25.00 per month increased the engine-
ering projection to \$1,540.00 for February and March. Trainees salary
increases effective April 1 increased the engineering projection to
\$1,560.00 for the April quarter.

Maintenance - The January maintenance expense of \$2,930.00 less adjust-
ment for a six months small tools write-off of \$1,200.00 resulted in
\$1,730.00 to which was added a \$200.00 projection of probable future
small tools losses, resulting in the February projection of \$1,930.00.
This same figure was projected for March. The March projection was re-
duced by \$165.00 per month in anticipation of less steam consumption,
thereby resulting in a projection of \$1,765.00 for the April quarter.

Laboratory - Several anticipated personnel changes complicated the
laboratory projections for the periods covered by the negotiation. The
February projection was built-up as follows:

February base pay	\$1,720
Average overtime (November, December, and January) at 11.1%	190
	<u>\$1,910</u>
Plus: One-half man starting at mid February	165
Projected analytical salaries for February	<u>\$2,075</u>
Plus: Other costs of laboratory experienced in January	1,605
Less: Non-repetitive equipment (laboratory sampler)	490
	<u>\$3,200</u>

The non-salary costs of January appeared to be out of line and a reduc-
tion of \$91.00 was agreed upon resulting in the February agreed projec-
tion of \$3,109.00.

W. E. Kelley

April 1, 1952

E. C. Sargent

CONTRACT PROPOSAL OF AWARD - HARSHAW CHEMICAL COMPANY CONTRACT
W-7405 ENG-278 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 68 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
CONTRACT.

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ATTENTION: V. C. DUNCOMB

The March projection was obtained by adding the salary of one-half man who started in the middle of February; the resultant total projection for March was \$3,350.00. Here again, a reduction in non-salary expenses appeared to be in order and the projection was reduced by 350.00 to the agreed \$3,310.00.

The April quarter projection was built-up as follows:

March projected laboratory expense	\$3,360
Plus: Increased pay (base and overtime) of employee added at mid February	75
Plus: New man hired as of April 1	375
Less: One man separating as of May 1 (2/3 of \$420.00)	280
Plus: Salary increases of trainees (four at \$15.00 per month)	60
	<hr/> \$3,590

This projection was decreased by \$90.00 for non-salary costs resulting in an agreed projection of \$3,500.00.

Health - The January expense of \$1,688.00 included doctor bills at \$420.00 occasioned by the large number of Plant "C" personnel separations. Since a good part of this expense is non-repetitive, only \$270.00 of this amount was projected. Repair labor was reduced by \$55.00 and the other items in the account were reduced by \$60.00 resulting in a February projection of \$1,300.00.

The March projection erroneously contemplated a reduction in the time of Dr. Swanson. Since this reduction was not to take effect until April 1, their projection was corrected from \$1,160.00 to the February projection of \$1,300.00.

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W. E. Kelley

April 1, 1952

E. C. Sargent

CONTRACT PROPOSAL OF AWARD - MARSHAW CHEMICAL COMPANY CONTRACT
W-7405 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 68 AND
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ATTENTION: V. C. JUMCOMBE

Beginning April 1, Dr. Swanson's time will be reduced with a resultant annual salary decrease from \$8,000.00 to \$7,500.00. This amounts to a reduction of approximately \$140.00 per month resulting in an April quarter projection of \$1,160.00.

Safety - The January figure of \$3,443.00 was increased to \$3,550.00 since an employee who worked only part time in January was included at full time for February. However, it was brought out at the negotiation that the projection was in error in the amount of \$310.00 as a result of an over-projection of personnel. This reduction resulted in an agreed projection of \$3,240.00 for February and March. The April quarter projection includes an increase of \$20.00 for cost of living adjustments.

Security - The average of November, December, and January experienced costs increased by a cost of living adjustment, which became effective in January and was not reflected in November and December experienced costs, resulted in a projection of \$5,820.00 for February after correction for the number of days in the month.

The same base rate was used for the March projection, correction for the number of days in the month resulting in projection of \$6,220.00.

Payroll increases resulting from the cost of living adjustment increased the April quarter projection by \$50.00 to a new total of \$6,270.00.

Materials Handling - The January experience of \$5,703.00 was reduced by applying the average repair materials cost of November, December, and January to produce the February projection of \$5,660.00. This figure was also projected for March.

The April quarter projection was built-up as follows:

K. H. Kelley

April 1, 1962

E. C. Sargent

CONTRACT PROPOSAL OF AWARD - HARSHAW CHEMICAL COMPANY CONTRACT
W-7405 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 03 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
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ATTENTION: V. C. DUNCOMBE

March projection	\$5,660
Less: Separation of one man	295
Plus: Merit increases	30
Plus: Cost of living adjustments to hourly payroll	25
Plus: Projected repairs to hoist (\$600 respread over 3 months period)	200
	<u>\$5,630</u>

After some discussion and verification, it was learned that the actual
hoist repairs expense will be only \$315.00 or \$105.00 per month. The
agreed projection was therefore reduced to \$5,535.00.

Pilot Plant - The \$455.00 projection for all periods is the sum of \$375.00
in salaries plus materials, supplies, and other charges at \$80.00.

E. RECORD OF NEGOTIATIONS

The following correspondence supply information supplemental to this
document:

1. Letter of acceptance dated May 23, 1961, from H. B. Fry to W. D.
Stillwell, establishing the price formula for FY '62.
2. Letters dated February 5, 1962 and February 6, 1962, from E. C.
Sargent to W. D. Stillwell, which respectively established the
feed and production schedules for March and the April quarter.
3. Letter dated February 8 from W. D. Stillwell to E. C. Sargent
containing Harshaw's projections for the February and March
provisional prices.

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W. E. Kelley

April 1, 1952

E. C. Sargent

CONTRACT PROPOSAL OF AWARD - MARSHAW CHEMICAL COMPANY CONTRACT
W-7405 ENG-276 - PROPOSAL FOR SUPPLEMENTAL AGREEMENT NO. 63 AND
FOR AMENDMENT NO. 14 TO THE SECRET LETTER REFERRED TO IN THIS
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ATTENTION: V. C. DUNCOMBE

4. Letter dated February 11 from G. R. Fernellius to F. M. Belmore containing the experienced costs of November and December, 1951.
5. Letter dated February 13 from G. R. Fernellius to F. M. Belmore containing the experienced costs of January, 1952.
6. Letter dated February 12 from E. C. Sargent to W. D. Stillwell revising the feed and production schedule letters. (see 2 above).
7. Letter dated February 29 from E. C. Sargent to W. D. Stillwell in which the feed and production schedule for the April quarter was revised.
8. Two separate letters each dated February 29 from W. D. Stillwell to E. C. Sargent, one containing the projections for February and March and the other containing the projections for the April quarter.
9. Letter dated March 4 from W. D. Stillwell to E. C. Sargent which supplied a corrected page 7 to the February projections supplied in a letter dated February 29. (see 3 above).

Enclosures:

1. Table: I
2. Table: II
3. Marshaw Chemical Company Ltr
dtd 2/5/52

Distributions:

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Cy 3 - F. M. Belmore
Cy 4 - J. C. Clarke
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SECURITY INFORMATION

Table II

Indirect Overhead Detail

This document consists of 7 pages,
 No. 6 of 7 copies, Series 21

Period	November	December	January	Average (Nov.-Jan.)	Agreed Jan. Qtr Projection	Agreed Feb. & Mar. Provi- sional Pro.	Feb. Pro.	Agreed if Different	Mar. Pro.	Agreed if Different	Apr. Qtr Projection	Agreed if Different
Production	142,652.00	132,057.00	193,543.00									
Administrative General	13,992.42	12,775.08	9,735.69	12,167.73	9,220	9,220	9,065		9,210		9,215	
Operating General	2,305.42	2,483.61	2,254.46	2,314.50	2,655	2,655	2,255		2,255		2,255	
Engineering	1,723.57	1,632.96	1,514.02	1,623.52	1,650	1,650	1,540		1,540		1,560	
Maintenance	1,249.62	1,265.60	2,931.15	1,812.12	1,335	1,250	1,330		1,330		1,765	
Laboratory	2,893.31	2,601.95	3,631.87	3,109.04	2,975	3,450	3,200	3,109	3,350	3,310	3,500	3,500
Health	1,365.00	1,649.47	1,635.65	1,556.71	1,295	1,295	1,300		1,150	1,300	1,160	
Safety	5,625.93	5,065.75	3,443.47	4,710.05	2,805	2,805	3,550	3,240	3,550	3,240	3,570	3,260
Security	6,092.81	5,706.32	6,560.97	6,120.04	6,050	6,060	6,820		6,220		6,270	
Pilot Plant	692.41	533.90	479.59	503.63	365	365	455		455		455	
Stores	3,908.22	3,904.22	5,702.35	4,505.10	5,355	5,530	5,660		5,650		5,630	5,535
Totals	40,343.74	37,603.86	37,944.72	38,622.44	34,215	34,290	34,775	21,374	35,340	35,120	35,470	34,975

SPECIAL REREVIEW
 FINAL DETERMINATION
 UNCLASSIFIED

By: *KA Walter* 4/28/81

Date:

Ed Dault
 4/28/81

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Experienced, Projected, and Agreed Projected CR-1C Costs
Period: February, March, and April, 1942 Quarter

Period	Experienced Costs			Agreed Feb. Provisional			Agreed Feb. Provisional			Agreed Mar. Projection			Agreed Apr. Projection			Agreed Apr. Projection		
	November	December	January	February	March	April	February	March	April	February	March	April	February	March	April	February	March	April
Production (lb.)	142,652.60	122,057.00	100,543.60	175,000	200,000	200,000	190,149	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Materials	6,782.69	7,169.66	6,923.22	7,350	6,400	7,140	7,074	6,500	9,103	7,534	7,534	7,534	7,534	7,534	7,534	7,534	7,534	7,534
Cost per Pound	.0473	.0582	.0692	.0420	.0320	.0357	.0357	.0325	.0456	.0406	.0406	.0406	.0406	.0406	.0406	.0406	.0406	.0406
O. T. Premium				450	450	640		450	578	570	570	570	570	570	570	570	570	570
Operating				10,500	10,500	10,160	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Supervisory				1,765	1,765	1,820	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765
Instrument				300	300	550	300	300	300	300	300	300	300	300	300	300	300	300
Total Labor	13,377.66	12,656.82	13,747.96	13,035	13,035	13,073	13,073	13,035	13,035	13,035	13,035	13,035	13,035	13,035	13,035	13,035	13,035	13,035

Direct Overhead																		
Repair Labor	2,642.69	1,499.13	2,236.66	2,350	2,350	2,285	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350
Repair Materials	1,911.46	1,424.16	2,482.33	1,600	1,600	1,630	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Factory Supplies	(501.39)	1,918.89	300.56	1,200	1,200	700	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Gas				360	395	450	457	395	457	457	457	457	457	457	457	457	457	457
Electricity	1,250.60	1,254.80	1,729.71	1,000	1,000	1,185	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Water				100	100	95	100	100	100	100	100	100	100	100	100	100	100	100
Rent	1,435.00	1,435.00	1,435.00	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435
Steam	1,750.20	2,663.26	2,606.78	2,400	2,710	2,556	2,639	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710
Other	182.21	11.25	11.00	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total Direct OH	8,350.87	9,596.64	10,934.23	10,425	10,700	10,805	10,675	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700
Total Indirect OH	40,848.74	37,603.83	37,044.72	34,230	34,230	34,230	34,230	34,230	34,230	34,230	34,230	34,230	34,230	34,230	34,230	34,230	34,230	34,230
Total Overhead	49,199.61	47,200.47	47,978.95	44,655	44,930	45,035	44,905	44,930	44,930	44,930	44,930	44,930	44,930	44,930	44,930	44,930	44,930	44,930
Total Cost	59,350.86	56,855.67	60,455.12	55,060	55,620	55,860	55,095	55,620	55,620	55,620	55,620	55,620	55,620	55,620	55,620	55,620	55,620	55,620
Unit Cost	.4163	.4682	.6035	.319	.319	.301	.3236	.319	.319	.319	.319	.319	.319	.319	.319	.319	.319	.319
Unit Price	.6203	.6222	.4975	.6693	.6693	.6693	.6693	.6693	.6693	.6693	.6693	.6693	.6693	.6693	.6693	.6693	.6693	.6693
Agreed Unit Price	.4893	.5145	.4275	.6089	.6089	.6089	.6089	.6089	.6089	.6089	.6089	.6089	.6089	.6089	.6089	.6089	.6089	.6089

SPECIAL REEVIEW
FINAL DETERMINATION
UNCLASSIFIED

By: *KA Walter*
Date: *4/29/81*
Jed Davis

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