


C E R T I F I C A T E

I, J. M. Medzorian, certify that I am
the Clerk of the Corporation named
as Contractor herein; that Francis Chamberlain who
signed this contract on behalf of the Contractor was then
Treasurer of said Corporation; that said contract was
duly signed for and in behalf of said Corporation by authority of its
governing body, and is within the scope of its Corporate powers.



Signature J.M. Medzorian, Clerk (Corporate Seal)

~~DOCUMENT NO. _____
NO. OF COPIES _____
DATE _____
AUTHOR _____
DATE _____~~

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Contract No. HF-B-5111B

SCHEDULE

PART I - SUPPLIES AND SERVICES TO BE FURNISHED:

The Contractor shall furnish the supplies and services set forth in attached Appendix I, said Appendix I being a part of the Schedule under this contract.

PART II - CONSIDERATION AND PAYMENT:

In accordance with the clause of this contract entitled "PAYMENTS," and subject to redetermination of the price in accordance with the part of this Schedule entitled "PRICE REDETERMINATION," the Government shall pay the Contractor upon satisfactory performance of this contract, as full payment for the supplies and services to be furnished hereunder, the amount of [REDACTED] which amount is the total price set forth in Appendix I hereto.

PART III - DELIVERY SCHEDULE

Deliveries shall be made in accordance with the delivery schedules set forth in Appendix I, hereto and shall be made f. o. b. contractor's or subcontractor's plants for shipment under Government Bills of Lading or such other method as may be directed by the Contracting Officer.

PART IV - PRICE REDETERMINATION

a. Because of the nature of the work called for by this contract and the great uncertainty as to the cost of performance hereunder, the parties agree that the contract prices set forth in Appendix I hereof may be increased or decreased in accordance with the provisions of this Clause.

b. Within 60 days after completion or termination of this contract, the Contractor will file with the Contracting Officer a statement showing, in such form and detail as the Contracting Officer may prescribe, the Contractor's cost of producing the supplies or furnishing the services called for hereunder, together with such other information as may be pertinent in the negotiations for redetermined prices pursuant to this Clause. Such statement of cost shall fairly reflect the normal operation of the Contractor's cost system. The Contracting Officer shall have the right at all reasonable times to make or cause to be made such examinations and audits of the Contractor's books, records, and accounts as he may request.

c. Upon the filing of the statement and other pertinent information required by paragraph b. of this clause, the Contractor and the Contracting Officer will promptly negotiate in good faith to agree upon reasonable redetermined prices for the entire contract, which, upon the basis of such

statement and other pertinent information, will constitute fair and just compensation to the contractor for the performance of this contract. In determining the extent of any estimated allowance for profit to be taken into account in fixing such redetermined prices, consideration will be given to the extent to which the Contractor has performed the contract with efficiency, economy, and ingenuity. In no event shall the revised prices exceed the following sums:

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Maximum total price of Item 1

Maximum total price of Item 2

~~Maximum total price of Item 3~~

Maximum total price of Item 4

Maximum total price of Item 5

Maximum total price of Item 6

The revised prices shall be evidenced by a supplemental agreement to this contract.

d. If, within 60 days after the completion or termination of this contract, the parties shall fail to agree upon redetermined prices in accordance with the provisions of this clause, the failure to agree shall be deemed to be a disagreement as to question of fact which shall be disposed of in accordance with the clause herein entitled "DISPUTES."

e. In the event of a price increase the Government will pay or credit to the Contractor the amount by which the revised prices shall exceed the contract prices aforesaid. In the event of a decrease in price, the Contractor will repay or credit the amount of such decrease to the Government in such manner as the Contracting Officer may direct.

f. For any of the purposes of the clause herein entitled "Termination for Convenience of the Government" (including without limitation, computation of "the total contract price" and "the contract price of work not terminated"), the contract price shall be the revised contract price agreed upon under paragraph c. of this clause or determined under paragraph d. of this clause, as the case may be.

PART V - PROGRESS PAYMENTS

a. Progress payments, which are hereby defined as payments prior to acceptance on work in progress for the Government under this contract, may be made upon the following terms and conditions.

b. The Contracting Officer may, from time to time, authorize progress payments to the Contractor upon property acquired or produced and services performed by it for the performance of this contract.

progress payments shall not exceed 90 percent of the cost to the Contractor of the property and services upon which payment is made, which costs shall be determined from evidence submitted by the Contractor and which must be such as is satisfactory to the Contracting Officer as being representative of the value of the work already performed; Provided further, that in no event shall the total of unliquidated progress payments (see (e) below) and of unliquidated advance payments, if any, made under this contract, exceed 90 percent of the total contract price of supplies or services still to be delivered.

(e) Upon the making of any progress payments under this contract, title to all parts, materials, inventories, work in process and nondurable tools theretofore acquired or produced by the Contractor for the performance of this contract, and properly chargeable thereto under sound accounting practice, shall forthwith vest in the Government; and title to all like property thereafter acquired or produced by the contractor for the performance of this contract and properly chargeable thereto as aforesaid shall vest in the Government forthwith upon said acquisition or production; Provided, that nothing herein shall deprive the Contractor of any further progress or final payments due or to become due hereunder; or relieve the Contractor or the Government of any of their respective rights or obligations under this contract.

(d) The Contractor represents and warrants that the property, upon which any progress payment is made hereunder, shall be cleared of all liens and encumbrances of any kind whatsoever upon receipt of any progress payment.

(e) In making payment for the supplies furnished hereunder, there shall be deducted from the contract price therefor a proportionate amount of the progress payments theretofore made to the Contractor, under the authority herein contained.

(f) It is recognized that property (including, without limitation completed supplies, spare parts, drawings, information, partially completed supplies, work in process, materials, fabricated parts and other things called for herein) title to which is or may hereafter become vested in the Government pursuant to this Clause will from time to time be used by or put in the care, custody or possession of the Contractor in connection with the performance of this contract. The Contractor, either before or after receipt of Notice of Termination at the option of the Government, may acquire or dispose of property to which title is vested in the Government under this Clause, upon terms approved by the Contracting Officer; provided, that after receipt of Notice of Termination any such property that is a part of termination inventory may be acquired or disposed of only in accordance with the provisions of the termination clause of this contract and applicable laws and regulations. The agreed price (in case of acquisition by the Contractor) or the proceeds received by the Contractor (in case of any other disposition), shall, to the extent that such price and proceeds do not

exceed the unliquidated balance of progress payments hereunder, be paid or credited to the Government as the Contracting Officer shall direct; and such unliquidated balance shall be reduced accordingly. Current production scrap may be sold by the Contractor without approval of the Contracting Officer but the proceeds will be applied as provided in this paragraph (f), provided that any such scrap which is a part of termination inventory may be sold only in accordance with the provisions of the termination clause of this contract and applicable laws and regulations. Upon liquidation of all progress payments hereunder or upon completion of deliveries called for by this contract, title to all property (or the proceeds thereof) which had not been delivered to and accepted by the Government under this contract or which has not been incorporated in supplies delivered to and accepted by the Government under this contract and to which title has vested in the Government under this Clause shall rest in the Contractor.

(g) The provisions of this contract referring to "Liability for Government-furnished Property" and any other provision of this contract defining liability for Government-furnished property shall be inapplicable to property to which the Government shall have acquired title solely by virtue of the provisions of this Clause. The provisions of this Clause shall not relieve the Contractor from risk of loss or destruction of or damage to property to which title vests in the Government under the provisions hereof.

(h) If this contract (as heretofore or hereafter supplemented or amended) contains provisions for Advance Payments, and in addition if at the time any progress payment is to be made to the Contractor under the provisions of this progress payments clause any unliquidated balance of advance payments is outstanding, then notwithstanding any other provision of the Advance Payments Clause of this contract the net amount, after appropriate deduction for liquidation of the advance payment of such progress payment shall be deposited in the special bank account or accounts maintained as required by the provisions of the Advance Payments Clause, and shall thereafter be withdrawn only pursuant to such provisions.

PART VI - INSPECTION AND ACCEPTANCE OF SUPPLIES AND CORRECTION OF DEFECTS

a. Inspection and acceptance of the supplies and services called for herein, shall be made by the Government at the contractor's plant, Cambridge, Massachusetts, with respect to any items fabricated and/or assembled and packed as individual or integral units at the Contractor's plant. With respect to items fabricated and/or assembled and packed as individual or integral units at subcontractor's plants, the point of inspection and acceptance shall be at the plant of such subcontractor.

b. In the event it becomes impracticable for the Government to perform inspection and acceptance at Contractor's or subcontractor's plants, Contractor may deliver, and the Government will accept the supplies and/or services called for herein and at the times specified herein provided they are accompanied by a certificate signed by an officer of the Contractor company that said supplies and/or services meet all the requirements of the contract. For purposes of payment, Contractor shall be entitled to the contract price of such items upon delivery. At any time during performance of this contract, but not later than six (6) months after such delivery and acceptance, if inspection of the supplies by the Government reveals any defectiveness in material or workmanship or otherwise not in conformity with the requirements of this contract, the Contractor, if so directed by the Contracting Officer shall correct such deficiencies at no increase or decrease in contract price except as provided in the clause hereof entitled, "PRICE ADJUSTMENT."

PART VII - FURNISHING OF MATERIALS OR SUPPLIES AT THE GOVERNMENT'S OPTION

The Government may at its option, from time to time, furnish the Contractor with materials or supplies not obtainable in the open market and which are required by the Contractor for the performance of this contract. In such event an equitable reduction in the contract price shall be made prior to the delivery of such materials or supplies to the Contractor, or as soon thereafter as possible, but in no event later than thirty (30) days after such delivery.

PART VIII - WAIVER OF REQUIREMENTS OF GENERAL PROVISIONS

Notwithstanding the requirements of any of the General Provisions of this contract to the contrary, whenever the Contractor, in performance of the work under this contract, shall find that the requirements of any of the clauses of the General Provisions are in conflict with security instructions issued to the Contractor by the Contracting Officer or by his duly authorized representative for security matters, the Contractor shall call the attention of the Contracting Officer to such conflict and the Contracting Officer or his duly authorized representative for security matters shall (i) modify or rescind such security requirements or (ii) the Contracting Officer shall issue to the Contractor a waiver of compliance with the requirements of the General Provisions conflicting with such security requirements. Any waiver of compliance with the General Provisions of this contract issued by the Contracting Officer shall be in writing, except that the approval by the Contracting Officer of any subcontract issued hereunder by the Contractor shall be deemed to constitute approval of waiver of any clauses of the General Provisions in conflict with the stipulations of such subcontract.

PART IX - SPECIAL SECURITY RESTRICTIONS

The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized representative for security matters, and notwithstanding any clause or section of this contract to the contrary, the Contractor shall not interpret any clause or section of this contract as requiring or permitting divulgence of such information to any person, public or private, or to any officer or department of the Government without the express consent of the Contracting Officer or his duly authorized representative for security matters.

PART X - INSPECTION AND AUDIT

a. The Contractor agrees that its books and records and its plants, or such part thereof as may be engaged in the performance of this contract shall at all reasonable times be subject to inspection and audit when and to the extent authorized by the Contracting Officer.

b. The Contractor agrees to include in each of his subcontracts hereunder which is on a cost or cost-plus-a-fixed fee or a price redetermination basis, or on a time-and-material or labor-hour basis, provision for audit of such subcontract by the Contractor. The Contractor shall conduct an audit of any such subcontract when requested to do so by the Contracting Officer.

PART XI - SUBCONTRACTS FOR WORK OR SERVICES

a. No contract shall be made by the Contractor with any other party for furnishing any of the completed or substantially completed articles, spare parts or work, herein contracted for, without the written approval of the Contracting Officer as to sources.

b. The Contractor shall give specific advance notification to the Contracting Officer of any proposed subcontract hereunder which (1) is on a cost or cost-plus-a-fixed-fee basis, or (2) is on a fixed-price basis exceeding in dollar amount either \$25,000 or five percent (5%) of the total amount of this contract.

c. The Contractor shall not, without the prior written consent of the Contracting Officer, place any subcontract which (1) is on a cost or cost-plus-a-fixed-fee basis, or (2) is on a fixed-price basis exceeding in dollar amount either \$25,000 or five percent (5%) of the total amount of this contract, or (3) provides for the fabrication, purchase, rental, installation or other acquisition, of any item of industrial facilities, or of special tooling having a value in excess of \$1,000, or (4) is on a time-and-material or labor-hour basis. The Contracting Officer may, in his discretion, ratify in writing any such subcontract; such action shall constitute the consent of the Contracting Officer.

d. The Contractor agrees that no subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of cost basis.

e. The Contracting Officer may, in his discretion, specifically approve in writing any of the provisions of a subcontract. However, such approval or the consent of the Contracting Officer obtained as required by this clause shall not be construed to constitute a determination of the acceptability of the subcontract price, unless such approval specifically provides that it constitutes a determination of the acceptability of the subcontract price.

f. The Contracting Officer may approve all or any part of the Contractor's purchasing system and from time to time rescind or reinstate such approval. Such approval shall be deemed to fulfill the requirements for obtaining the Contracting Officer's consent to subcontracts as prescribed in paragraph c above.

PART XII - SPECIAL CONSIDERATIONS

a. Overheads - Allowable costs for performing work and services under this contract shall include amounts for overhead, indirect charges, and other elements of cost excluded from or not covered by direct costs. For the purposes of this contract an overhead rate of [redacted] of Direct Labor Dollars and a General and Administrative Expense rate of [redacted] of all costs, exclusive of General and Administrative Expense have been used to compute the prices established herein. However, at time of Price Redetermination as set forth in PART IV hereof, the fixed overhead (burden) rate(s) negotiated between the Contractor and the [redacted] and applicable to the period, or periods, of time during which this contract is in effect, shall be used for such period or periods in redetermining the price of this contract. It is recognized that the overhead rate stated above has been fixed for the period ending 30 September 1956. Pending negotiations and fixing of an overhead rate for the next succeeding period, progress payments under this contract will include an allowance for the overhead at the overhead rate stated above. The General and Administrative Expense rate of [redacted] of all cost, exclusive of General and Administrative Expense, shall remain fixed throughout the life of this contract.

b. Overtime - The premium portion of overtime work shall be a direct charge to this contract, not subject to the application of overhead but subject to General and Administrative Expense. The straight time portion of overtime shall be treated the same as other Direct Labor.

c. Travel - The cost of all necessary travel performed in connection with this contract shall be reimbursed the Contractor on an actual cost basis and shall not be subject to the application of G & A expense and profit elements except as hereinafter indicated. Any travel performed hereunder at the behest of the Contracting Officer or any travel approved by the Contracting Officer as Special Travel hereunder shall be subject to the application of G&A expense and profit elements.

PART XIII - ANTICIPATORY COSTS

All costs which have been incurred by the Contractor on and after 1 June 1956, and not charged to Contract No. B-5111A, in anticipation of this contract and prior to its signing, and which if incurred after signing would have been considered as allowable items of cost for this contract, shall be considered as allowable items of costs hereunder.

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