

Reviewed  
E. L. Aron  
3/7/94

Unclassified

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LRL ATTACHMENT MEMO

Date July 30, 1969

TO George Brim

FROM Virginia Tredway

Subject First Amendment to S/C 5004807 - Aerojet-General

For  initial  signature  approval  comments  discussion  information

Please  file  return  draft reply  route to

Message Pursuant to your telephone call, the subject amendment was located "buried" in the Classified Vault. It has been executed by Mr. Connell today and three fully-executed copies are returned herewith for distribution by your office of executed and conformed copies.

Needless to say, we don't care much for SAN's new form of "transmittal" back to us, which seems to lend itself to this sort of thing.

cc R. P. Connell w/exec. copy ←

RL-2940

1251384

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UNIVERSITY OF CALIFORNIA

285-0

LAWRENCE RADIATION LABORATORY  
BERKELEY, CALIFORNIA 94720

July 1, 1969  
DC69-687

Mr. P. M. Goodbread  
Assistant Manager for Administration  
U. S. Atomic Energy Commission  
2111 Bancroft Way  
Berkeley, CA 94704

Subject: Proposed First Amendment to S/C 5004807  
with Aerojet-General Corporation

Dear Mr. Goodbread:

Attached for execution on behalf of the Atomic Energy Commission are four copies of the proposed First Amendment to Subcontract 5004807 which have been signed by Aerojet-General Corporation.

The purpose of this First Amendment is to cover an increase in the Obligation of Funds as provided in ARTICLE III - ESTIMATES and FIXED FEE. The Obligation of Funds provision was written into the Subcontract to limit the expenditure of funds to \$120,000 from the time of award through June 30, 1969. This restriction was necessary due to programmatic budget limitations for fiscal year 1969. We have now received the necessary approval from the participating divisions to release the balance of funding (\$196,037) for fiscal year 1970.

Upon approval by the Commission, please return all copies of the First Amendment for execution on behalf of the University.

Very truly yours,



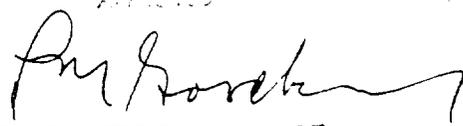
R. P. Connell  
Business Manager

RPC:CLB:cm  
Att. 4 cys. 1st Amend.

1251305

RECEIVED COPY

APPROVED



Received by  
for Administration.

4 JUL 9 1969

S/C 5004807

## FIRST AMENDMENT TO SUBCONTRACT 5004807

between

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

and

AEROJET-GENERAL CORPORATION

INTRODUCTION

This First Amendment to Subcontract 5004807 is entered into by and between The Regents of the University of California, hereinafter called "University," and Aerojet-General Corporation, hereinafter called "Subcontractor."

PURPOSE

The purpose of this First Amendment is to increase obligated funds.

NOW, THEREFORE, effective July 1, 1969, Subcontract 5004807 between the University and the Subcontractor is hereby amended as set forth in Article III:

ARTICLE III - ESTIMATES AND FIXED FEE, Paragraph C - OBLIGATION OF FUNDS, is amended to read:

" The amount obligated by the University with respect to this Subcontract is THREE HUNDRED SIXTEEN THOUSAND THIRTY-SEVEN DOLLARS - (\$316,037.00).

Payments by the University under this Subcontract on account of allowable costs plus fixed fee shall not in the aggregate exceed the amount obligated with respect to this Subcontract."

ALL OTHER TERMS AND CONDITIONS of Subcontract 5004807 shall remain in full force and effect except as amended herein.

June 5, 1969

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Subcontract 5004807.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

BY *R. P. Connell*  
R. P. Connell, Business Manager  
Lawrence Radiation Laboratory  
TITLE \_\_\_\_\_  
DATE JUL 30 1969

SUBCONTRACTOR

AEROJET-GENERAL CORPORATION  
BY *E. F. Haugen*  
E. F. Haugen  
Supervisor, Contracts Department  
Electronics Division  
TITLE \_\_\_\_\_  
DATE JUN 25 1969

APPROVED IN FORM AND CONTENT  
U. S. ATOMIC ENERGY COMMISSION

BY *Paul Goodburn*  
Paul Goodburn  
Assistant Director  
for Administration  
TITLE \_\_\_\_\_  
DATE JUL 9 1969

First Amendment to  
Subcontract 5004807  
June 5, 1969

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SECOND AMENDMENT TO SUBCONTRACT 5004807

between

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

and

AEROJET-GENERAL CORPORATION

INTRODUCTION

This Second Amendment to Subcontract 5004807 is entered into by and between The Regents of the University of California, hereinafter called "University", and Aerojet-General Corporation, hereinafter called "Subcontractor".

PURPOSE

The purpose of this Second Amendment is to increase estimated costs and fixed fee in order to permit performance of additional effort in accordance with the First Modification to Appendix B; to extend the effective term of the agreement and to amend certain other provisions of Subcontract 5004807.

NOW, THEREFORE, effective upon Subcontractor's receipt of a fully executed Second Amendment, Subcontract 5004807 between the University and the Subcontractor is hereby amended by mutual agreement of the parties as follows:

ARTICLE II - TERM, is amended in its entirety to read as follows:

"Unless completely performed prior thereto or sooner terminated in accordance with ARTICLE XVIII - TERMINATION, the work described in ARTICLE I - SCOPE OF WORK, shall begin upon Subcontractor's receipt of a fully executed Subcontract and shall continue for a period of twenty-two (22) months, which is the current period of time estimated as necessary for completion of said work, provided that the term of this Subcontract shall continue for such period of time as required to comply with the reporting and close-out procedures of this Subcontract. Neither party guarantees the afore-stated estimate of time and work under this Subcontract and, except as necessary to comply with reporting and close-out procedures, the term shall cease on the last date mentioned unless the University by written notice to Subcontractor extends, at its sole option, such period for such time or times as it considers appropriate for completion of the work described in ARTICLE I - SCOPE OF WORK. Such an extension of time will not be a basis for a claim of additional fee by Subcontractor."

June 4, 1970

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ARTICLE III - ESTIMATES AND FIXED FEE, paragraphs A, B, C and D are amended as follows:

"A - Initial Estimate of Cost and Fixed Fee

As modified by this Second Amendment to Subcontract 5004807, the presently estimated cost of the work under this Subcontract is THREE HUNDRED SIXTY-ONE THOUSAND TWENTY-SIX DOLLARS (\$361,026.00), exclusive of the Subcontractor's fixed fee. The Subcontractor's fixed fee is THIRTY THOUSAND TWENTY-FIVE DOLLARS (\$30,025.00). The aggregate of presently estimated cost and fixed fee is THREE HUNDRED NINETY-ONE THOUSAND FIFTY-ONE DOLLARS (\$391,051.00), which is derived as follows:

	<u>Original Amount</u>	<u>Amount added by this 2nd Amend.</u>	<u>Present Amount</u>
Estimated Cost	\$290,982.00	\$ 70,044.00	\$361,026.00
Fixed Fee	<u>25,055.00</u>	<u>4,970.00</u>	<u>30,025.00</u>
Cost Plus F/Fee	\$316,037.00	\$ 75,014.00	\$391,051.00

B - Revised Estimates of Cost

The presently estimated cost of the work under this Subcontract may be increased or decreased by written agreement of the parties.

C - Limit on Total Amount of Allowable Costs

Payments on account of costs shall not in the aggregate at any time exceed the amount of estimated costs specified in the Subcontract.

D - Notice of Costs Approaching Subcontract Amount - Subcontractor Excused Pending Increase

Whenever the Subcontractor has reason to believe that the total cost of the work under this Subcontract (exclusive of fixed fee) will exceed the estimated cost of the work then in effect, the Subcontractor shall promptly notify the University in writing. The Subcontractor shall also notify the University in writing when the aggregate of expenditures and outstanding commitments allowable under this Subcontract, excluding fixed fee, is equal to 75% (or such other percentage as the University may from time to time establish by notice to the Subcontractor) of the estimated cost of the work then in effect. When such expenditures and outstanding commitments, excluding fixed fee, equal 100% of such amount, the Subcontractor shall make no further commitments or expenditures (except to meet existing commitments) and shall be excused from further performance of the work unless and until the University shall increase the estimated cost of the work in accordance with B above."

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S/C 5004807  
June 4, 1970

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ARTICLE XII - CONTRIBUTIONS AND ASSIGNMENT, Paragraph B - Assignment,  
is amended as follows:

"B - Assignment

This Subcontract is assignable by the University. Except as to assignment of payment due hereunder, the Subcontractor shall have no right, power or authority to sell, mortgage, transfer or assign this Subcontract, any portion hereof, any interest herein or any claim hereunder to, nor allow or permit any other party or parties to have any interest in or use any part of the rights or obligations granted hereunder for any purpose whatsoever without the prior written consent of the University. The breach of the foregoing prohibition, whether voluntary, or by operation of law, by any process or proceeding of any court or by attachment, execution, proceeding in reorganization, composition, insolvency, or bankruptcy, whether voluntary or involuntary, assignment for benefit of creditors or receivership shall be cause for default under this Subcontract."

ARTICLE XIV - PATENTS, Paragraphs A and D are changed to read:

"A - Whenever any invention or discovery is made or conceived by the Subcontractor or its employees in the course of or under this Subcontract, the Subcontractor shall promptly furnish the Commission with complete information thereon; and the Commission shall have the sole power to determine whether or not and where a patent application shall be filed, and to determine the disposition of the title to and the rights in and to any invention or discovery and any patent application or patent that may result; provided, however, that the Subcontractor, in any event, shall retain at least a sole (except as against the Government or its account), irrevocable, royalty-free license, with the sole right to grant sublicenses, under said invention, discovery, patent application or patent, such license and sublicensing rights being limited to the manufacture, use and sale for purposes other than use in the production or utilization of special nuclear material or atomic energy. Subject to the license retained by the Subcontractor, as provided in this paragraph, the judgment of the Commission on these matters shall be accepted as final; and the Subcontractor, for itself and for its employees, agrees that the inventor or inventors will execute all documents and do all things necessary or proper to carry out the judgment of the Commission.

"D - Except as otherwise authorized in writing by the Commission, the Subcontractor will insert in all sub-subcontracts provisions making this ARTICLE XIV applicable to the Subcontractor and its employees except for the license provisions set forth in Paragraph A."

Paragraphs I and J are added, as follows:

"I - With respect to each invention or discovery in which the Subcontractor is granted the principal or any exclusive rights under clause A, the Subcontractor agrees to provide written reports at reasonable intervals when requested by the AEC as to:

1. The commercial use that is being made or is intended to be made of such invention or discovery; and
2. The steps taken by the Subcontractor to bring the invention to a point of practical application or to make the invention or discovery available for licensing.

"J - With respect to each invention or discovery in which the Subcontractor is granted the principal or any exclusive rights under Clause A, the Subcontractor agrees to and does hereby grant the Commission:

1. The right to require the granting of nonexclusive, royalty-free licenses to applicants on any such invention or discovery unless the Subcontractor, its transferees, or assignees demonstrate to the Commission, on request, that the Subcontractor, its transferees, or assignees have taken effective steps within three (3) years after a patent issues on such invention or discovery to bring the invention or discovery to a point of practical application, or have granted licenses thereon free or on reasonable terms, or can show cause why he, his transferees, or assignees should retain the principal or exclusive rights for a further period of time; and
2. The right to grant licenses royalty-free or on reasonable terms to the extent that the invention or discovery is required for public use by governmental regulation, or as may be necessary to fulfill health needs, or for other public purposes stipulated in this Subcontract."

ARTICLE XVI - DRAWINGS, DESIGNS, SPECIFICATIONS AND RELEASE OF INFORMATION, Paragraph A - Drawings, Designs and Specifications, is amended as follows:

"A - Drawings, Designs and Specifications

All drawings, sketches, designs, design data, specifications, notebooks, technical and scientific data, and all photographs, negatives, reports, findings, recommendations, data and memoranda of every description relating thereto, as well as all copies of the foregoing relating to the work or any part thereof, shall be subject to inspection by the University and the Commission (continued next page 4)

at all reasonable times (for which inspection the proper facilities shall be afforded the University and the Commission by the Subcontractor and its subcontractors), shall be the property of the Government and may be used by the University in furtherance of its work under Contract W-7405-Eng-48, and by the Government for any purpose whatsoever without any claim on the part of the Subcontractor and its subcontractors and vendors for additional compensation and shall, subject to the right of the Subcontractor to retain a copy of said material for its own use, be delivered to the University or otherwise disposed of by the Subcontractor either as the University may from time to time direct during the progress of the work or in any event as the University shall direct upon completion or termination of this Subcontract. The Subcontractor's right of retention and use shall be subject to the security, patent, and use of information provisions, if any, of this Subcontract.

In addition to the rights of the parties in technical data set forth in the immediately preceding sentence, the Subcontractor agrees to and does hereby grant to the Government and separately to the University for use in performance of its Contract W-7405-Eng-48 with the Commission an irrevocable license and right to use any secret process, technical information, or know-how of the Subcontractor, made, developed, or acquired prior to or on the effective date of expiration or completion of this Subcontract, which shall be or is utilized, tested, or embodied in the work under this Subcontract, or which shall be or is specifically incorporated in any scientific or technical report rendered under this Subcontract."

ARTICLE XVII - SECURITY, is amended in its entirety as follows:

• "ARTICLE XVII - SECURITY

A - Subcontractor's Duty to Safeguard Restricted Data, Formerly Restricted Data and other Classified Information

In the performance of the work under this Subcontract, the Subcontractor shall, in accordance with the Commission's security regulations and requirements, be responsible for safeguarding Restricted Data, Formerly Restricted Data, and other classified information and protecting against sabotage, espionage, loss, and theft, the classified documents and material in the Subcontractor's possession in connection with the performance of work under this Subcontract. Except as otherwise expressly provided in this Subcontract, the Subcontractor shall, upon completion or termination of this Subcontract, transmit to the University any classified matter in the possession of the Subcontractor or any person under the Subcontractor's control in connection with the performance of this Subcontract. If retention by the Subcontractor of any classified matter is required after the completion or termination of the Subcontract and such retention is approved by the Commission through the University, the Subcontractor will complete a certificate of possession to be furnished to the Commission through the University specifying the classified matter to be retained. If retention is approved by the Commission, the security provisions of the Subcontract will continue to be applicable to the matter retained.

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B - Regulations

The Subcontractor agrees to conform to all security regulations and requirements of the Commission.

C - Definition of Restricted Data

The term "Restricted Data", as used in this ARTICLE XVII, means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to Section 142 of the Atomic Energy Act of 1954.

D - Definition of Formerly Restricted Data

The term "Formerly Restricted Data", as used in this ARTICLE XVII, means all data removed from the Restricted Data category under Section 142 d. of the Atomic Energy Act of 1954, as amended.

E - Security Clearance of Personnel

The Subcontractor shall not permit any individual to have access to Restricted Data, Formerly Restricted Data, or other classified information, except in accordance with the Atomic Energy Act of 1954, as amended, and the Commission's regulations or requirements applicable to the particular type of category of classified information to which access is required.

F - Criminal Liability

It is understood that disclosure of Restricted Data, Formerly Restricted Data, or other classified information relating to the work or services ordered hereunder to any person not entitled to receive it, or failure to safeguard any Restricted Data, Formerly Restricted Data, or any other classified matter that may come to the Subcontractor or any person under the Subcontractor's control in connection with work under this Subcontract, may subject the Subcontractor, its agents, employees, or lower tier subcontractors to criminal liability under the laws of the United States. (See the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011; 18 U.S.C. Sections 793 and 794; and Executive Order 10501, as amended.)

G - Classification

In the performance of the work under this Subcontract, the Subcontractor shall assign classifications to all documents, material and equipment originated or generated by the Subcontractor in accordance with classification guidance furnished to the Subcontractor by the Commission and the University. Every subcontract and purchase order issued hereunder involving the origination or generation of classified documents, material or equipment, shall include a provision to the effect that in the performance of such subcontract or purchase order the subcontractor or supplier shall assign classifications to all such documents, materials, and equipment in accordance with classification guidance furnished to such subcontractor or supplier by the Subcontractor.

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S/C 5004807  
June 4, 1970

H - Lower Tier Subcontracts and Purchase Orders

Except as otherwise authorized in writing by the University, the Subcontractor shall insert provisions similar to the foregoing in all subcontracts and purchase orders under this Subcontract."

ARTICLE XIX - LABOR PROVISIONS

Paragraph C - Equal Employment Opportunity, introductory paragraph and paragraph 1. is amended as follows:

"(The following clause is applicable unless this Subcontract is exempt under the rules and regulations of the Secretary of Labor (41 CFR, ch 60).

During the performance of this Subcontract, the Subcontractor agrees as follows:

1. The Subcontractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Subcontractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this nondiscrimination clause."

ARTICLE XXX - UTILIZATION OF CONCERNS IN LABOR SURPLUS AREAS, is amended in its entirety to read as follows:

"ARTICLE XXX - UTILIZATION OF CONCERNS IN LABOR SURPLUS AREAS

It is recognized that it is the policy of the Government to place contracts with concerns which will perform such contracts substantially in or near concentrated unemployment or under-employment sections of states or in areas of persistent or substantial labor surplus, where this can be done consistent with the efficient performance of the contract and at prices no higher than are obtainable elsewhere. The Subcontractor agrees to use its best efforts to place subcontracts and purchase orders in accordance with this policy. In complying with the foregoing and with ARTICLE XXXI - UTILIZATION OF SMALL BUSINESS CONCERNS, the Subcontractor, in placing its subcontracts and purchase orders, shall observe the following order of preference:

1. Certified eligible concerns which are also small business concerns;
2. Other certified eligible concerns;
3. Persistent labor surplus area concerns which are also small business concerns;
4. Other persistent labor surplus area concerns;
5. Substantial labor surplus area concerns which are also small business concerns;

6. Other substantial labor surplus area concerns; and
7. Small business concerns which are not labor surplus area concerns."

APPENDIX A to Subcontract 5004807

A - EXAMPLES OF ITEMS OF ALLOWABLE COST, Item 8, introductory paragraph and subparagraph a. is amended as follows:

"8. Personnel costs and related expenses incurred in accordance with established policies, programs, and schedules and any changes thereto during the Subcontract term, applicable to the Subcontractor's private operations and consistently followed throughout his organization, as approved by the University, such as:

a. salaries and wages; bonuses and incentive compensation; over-time, shift differential, holiday and other premium pay for time worked; nonwork time, including vacations, holidays, sick, funeral, military, jury, witness, and voting leave; salaries and wages to employees in their capacity as union stewards and committeemen for time spent in handling grievances, or serving on labor-management (Subcontractor) committees: Provided, however, that University approval is required in each instance of total compensation to an individual employee at an annual rate of \$25,000 or more, when it is proposed that a total of 50 percent or more of such compensation be reimbursed under AEC cost-type contracts. Total compensation, as used here, includes only the employee's base salary and bonus and incentive compensation payments. Work by any person or group of persons in excess of forty-eight (48) hours in any one week shall require written approval of the University; and establishment of a regular workweek in excess of forty (40) hours, shall require written approval of the University;"

All other terms and conditions of Subcontract 5004807 shall remain in full force and effect except as amended herein.

IN WITNESS WHEREOF, the parties have executed this Second Amendment.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

BY *R. F. Howell*  
TITLE *Business Mgr*  
DATE *8/10/70*

SUBCONTRACTOR

*[Signature]*  
AEROJET GENERAL CORPORATION  
BY *C. J. Campbell*  
TITLE **Senior Contract Administrator  
Electronics Division**  
DATE **17 July 1970**

APPROVED IN FORM AND CONTENT

U. S. ATOMIC ENERGY COMMISSION

BY *[Signature]*  
TITLE **F. M. [Signature]  
Assistant Manager  
for Administration,**  
DATE **AUG 6 1970**

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June 4, 1970

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