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Rec'd. 3/16/50  
Ind. 3/13/50 RRC  
Rev.

Contract No. AT-40-1-GEN-33 717269  
Sub-Contract No. 3

THIS AGREEMENT, entered into this 16th day of January, 1950, by and between the OAK RIDGE INSTITUTE OF NUCLEAR STUDIES (hereinafter called the "Institute") and OAK RIDGE HOSPITAL, INC. (acting as Agent for the Government and hereinafter called the "Hospital"),

**W I T N E S S E T H :**

THAT WHEREAS, the Institute has heretofore entered into a contract, Number AT-40-1-GEN-33, with THE UNITED STATES OF AMERICA (herein called the "Government"), under which the Institute has agreed to arrange for and conduct a program of research in the detection and treatment of cancer and other diseases by the use of radioactive materials and radioactivity; and

WHEREAS, the Hospital has heretofore entered into a contract, Number AT-40-1-GEN-252, with the Government, under which the Hospital has agreed to manage and operate, as Agent for the Government, the Government-owned hospital facilities located at Oak Ridge, Tennessee; and

WHEREAS, the Government is now constructing alterations and additions to the Oak Ridge Hospital which, upon completion, will be furnished to the Institute for the purpose of conducting its said program; and

WHEREAS, it is to the mutual advantage of the parties hereto that the Hospital furnish certain equipment, supplies and services to the Institute on the terms hereinafter set forth, and that the respective responsibilities of the parties in the conduct of the program be defined;

NOW THEREFORE, the parties hereto mutually agree as follows:

ARTICLE I - DESCRIPTION OF PREMISES

Upon completion of the construction and alteration of the Hospital premises now in progress, the Institute shall assume control of and responsibility for Wing B and Addition F of the Hospital building, together with auxiliary structures and appurtenances to Addition F, all of which are hereafter called the "Institute premises".

ARTICLE II - SERVICES TO BE RENDERED BY HOSPITAL

The Hospital, to the best of its ability, shall furnish to the Institute upon request the following:

- (1) Food service which shall be identical with that maintained in other sections of the Hospital. Therapeutic diets may be ordered by the Institute's physicians under the same terms and conditions as though they were members of the attending staff of the Hospital.

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(2) Janitor, maid and other housekeeping services, outside of the laboratory and treatment areas and exclusive of the handling of linens or other materials which have been contaminated with radioactive materials.

(3) Heat, water and electricity for lights and power.

(4) Drugs and pharmaceuticals, except narcotics, from the Hospital's central pharmacy.

(5) Hospitalization for patients who cannot be cared for in the Institute's facilities, but such patients will remain under the care of the Institute's physicians. It is understood that no radiation hazard will be admitted to the Hospital's facilities.

(6) Routine laboratory services which are not a part of the Institute's research study and do not require the handling of radioactive substances.

(7) Operating room facilities and anesthesia services; X-ray facilities and services; autopsy and morgue facilities; physical therapy facilities and services.

(8) Graduate nurses and other nursing personnel (the exact number of which shall be determined by the Institute from time to time) who are specially trained by the Institute in the handling of patients exposed to radioactivity, shall be available for assignment to the Institute.

(9) Such other equipment, supplies and services necessary or beneficial to the conduct of the Institute's program as the parties may mutually agree from time to time shall be furnished to the Institute by the Hospital, on such terms and conditions as shall be mutually agreed upon in writing, with or without formal modification of this Agreement.

### ARTICLE III - CONSIDERATION: PAYMENT

(1) In consideration of the performance of its undertakings under Article II hereof, the Institute shall reimburse the Hospital in the following amounts:

(a) For the services referred to in Article II, (2) a sum equal to 8.5% of the direct costs incurred for such services for the entire Hospital, including the Institute premises.

(b) For the services referred to in Article II, (3) a sum equal to 15% of the direct costs incurred for such services for the entire Hospital, including the Institute premises.

(c) The regularly established Hospital charges for the following services:

Prescription drugs and pharmaceuticals  
Laboratory work  
Operating room  
X-ray  
Autopsy and morgue  
Physical therapy  
Patient hospitalization in accordance with Article II, (5)

(d) For the services provided for in Article II, (1), the Hospital's actual average per patient day cost, for dietary services, including those rendered the Institute, computed in accordance with the Hospital's present methods for determining such cost,

(e) The actual pay-roll to the Hospital for the nursing services provided for in Article II, (3), including the payment to the Hospital for time expended while assigned to the Institute for training in the field of radioactivity.

(f) An allowance of \$700.00 per month in lieu of direct reimbursement of the Hospital's general and administrative overhead expenses, including without limitation the maintenance of records required in the administration of this contract. This allowance has been negotiated by the parties on the basis of an estimate of the portion of the Hospital's overhead costs properly allocable to the work to be performed for the Institute. At the request of either party at any time during the term of this Agreement, the parties shall negotiate to determine whether the sums specified in Paragraphs (a) and (b) of this Section (1) or the amount of the allowance herein provided represent a fair and reasonable apportionment of the Hospital's costs and any or all of these amounts shall be revised whenever the parties so mutually agree in writing. The failure of the parties to agree on any such request for review and revision shall be considered a dispute and shall be determined in accordance with the provisions of Article VIII hereof. Any revision of said sums or allowance shall be effective as of the date of the request for such revision.

(2) Reimbursement to the Hospital will be made by the Institute upon receipt of monthly invoices stating the total amount due from the Institute, in accordance with Section (1) above.

#### ARTICLE IV - TERM: TERMINATION

(1) This Agreement shall extend from month to month until terminated by either party. Either party may terminate this Agreement at the end of any calendar month by giving written notice to the other party at least 60 days before the date of termination stated in the notice.

(2) It is understood that the ability of either party to meet its obligations under this Agreement will be contingent upon the providing of Government funds for this purpose under the parties' contracts with the

Commission. In the event that the Government's obligation under either contract becomes insufficient at any time to provide funds for continued operation under this Agreement, either party may, by written notice with the Commission's written approval, terminate this Agreement forthwith.

(3) In the event of termination, the Institute shall transfer control and possession of the Institute premises and all Government-owned equipment and supplies contained therein to the Commission or shall make such other disposition of them as the Commission may direct.

#### ARTICLE V - RESPONSIBILITY

(1) As between the parties hereto, the Institute shall be responsible for all damages to property and for death or injury to persons resulting from its use of radioactive substances or radioactivity in its activities hereunder, and the Institute shall indemnify and hold harmless the Hospital against all claims, loss and damage arising therefrom, including the cost of settlement of claims, litigation, attorneys' fees and the payment of any judgment entered against the Hospital in any legal proceeding in connection therewith.

(2) As between the parties hereto, the Hospital shall be responsible for all damages to property and for death or injury to persons resulting from the fault or negligence of the Hospital's agents or employees in the performance of services for the Institute under this agreement, except as provided in Section (1) above. As between the parties hereto, the Institute shall be responsible for all other damages, death or injury arising out of the operation or maintenance of the Institute premises or the activities of the Institute therein.

(3) The failure of the parties to agree as to responsibility for any damage, loss or claim shall be deemed a dispute and shall be determined in accordance with the provisions of Article VIII hereof.

#### ARTICLE VI - RECORDS

(1) The Hospital shall keep accurate and complete records, in accordance with good accounting practice, of its costs and expenses which are reimbursable under this Agreement or which constitute items of overhead expense covered by the allowance provided for in Section (1) (f) of Article III.

(2) The Institute will maintain its own medical and research records and such records will remain the property of the Institute.

(3) The Hospital will maintain the business and administrative records required for the administration of this contract.

(4) The Institute and its designated representatives shall be afforded access at any reasonable time to the books and records maintained by the Hospital in accordance with Sections (1) and (3) above.

ARTICLE VII - STAFF PARTICIPATION

The house officers of the Hospital shall have the privilege of participating in the educational features of the Resident Training Program of the Medical Division of the Institute.

ARTICLE VIII - DISPUTES

Any dispute arising under this Agreement which is not settled by mutual agreement shall be referred for arbitration and determination to the Manager, Oak Ridge Operations, U. S. Atomic Energy Commission, whose decision, or the decision of his representative, representatives or Board authorized to determine such dispute, shall be final and conclusive. Pending the decision of any dispute, the parties shall faithfully perform their obligations under this Agreement.

ARTICLE IX - ANTI-DISCRIMINATION

~~The Hospital and the Institute, in performing the work required~~ by this Agreement, shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin.

ARTICLE X - APPROVAL

This Agreement is subject to the written approval of the Commission and shall not be effective unless and until so approved.

ARTICLE XI - DEFINITIONS

The term "Commission", wherever appearing herein, shall mean the United States Atomic Energy Commission or its duly authorized representative or representatives.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

OAK RIDGE INSTITUTE OF NUCLEAR STUDIES, INC.

ATTEST

William G. Pollard  
Secretary

BY Paul M. Gross  
President

OAK RIDGE HOSPITAL, INC.  
BY George A. Healey  
TITLE Physicist

Approved:

UNITED STATES ATOMIC ENERGY COMMISSION

BY J. J. Jamin  
Deputy Manager

APPROVAL RECOMMENDED:

W. J. ... 3/8/52  
Robert W. Hollander, Jr.  
DIRECTOR, OFFICE OF RESEARCH & MEDICINE