

MA.4-2

Metal Hydrides 101  
W - 7405 - Aug 8

SPECIAL REREVIEW  
FINAL DETERMINATION  
UNCLASSIFIED

By: KA Walter

Date: 8/24/80

Ted Davis  
8/27/80

Notice

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MA.4-2

UNITED STATES ENGINEER OFFICE  
MADISON SQUARE AREA  
P. O. BOX 42  
STATION F  
NEW YORK, N. Y.

IN REPLY  
REFER TO EIDM A- 43 MS  
W-7405 eng-8

~~SECRET~~

1 November 1945

Subject: Contract No.W-7405 eng-8 with Metal Hydrides Incorporated.

MEMORANDUM to the Files.

1. Reference is made to basic communication dated 27 September 1945, Symbol No. EIDM WL-30-b, requesting certain information with respect to the subject contract.

2. Reference paragraph a. The Government committed to restore Contractor's plant to its original condition because of the fact that in furtherance of the Government work great expansion of facility installation in the Contractor's plant was required and the Contractor was unwilling, in the event of termination or early cessation of the work, to assume the cost of restoration to its original condition. It should also be noted that the subject contract was a continuation of the work under OSRD contract, OEMsr 333, which had similar provisions.

3. Reference paragraph b. The 15% figure was arrived at as a result of negotiation between Lt.Col. Cornell, Lt.Col. Vanden Bulck and Lt.Col.Crenshaw with Dr.P.P.Alexander and Mr. L.W. Davis.

4. The Contractor was selected for the subject contract since at the time of the establishment of the Manhattan Engineer District it was one of the only two organizations capable of manufacturing uranium metal on any appreciable scale. The Contractor had been supplying small quantities of uranium metal powder to Columbia University for its research work and was working on an OSRD contract at the time of the subject contract. This OSRD contract was taken over by M.E.D. and merged with the subject contract. A fixed fee of 4% based on an estimated cost of \$10.00 per pound of material processed was agreed upon with a statement that the Contractor would receive in addition to the fixed fee 50% of the amount by which the actual cost of furnishing the material fell short of the estimated cost subject to the provision that the total fee plus savings would not exceed 7% of the estimated cost of the contract. The estimated cost was arrived at on the basis of

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**Subject: Contract No. W-7405 eng-8 Metal Hydrides Inc.**

careful evaluation made by the Contractor of its operating and overhead costs which are on file in this office.

5. The information contained in this letter is based on the records and information available in this office.

*W. E. Kelley*  
W. E. KEILEY  
Lt. Col., Corps of Engineers,  
Area Engineer.