

IN THE MATTER OF SCIENTECH APPEALS

EBCA Nos. C-0410385, C-0410386, C-0410387, C-0410388

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Release is made between SCIENTECH, LLC ("SCIENTECH") and the U.S. Nuclear Regulatory Commission ("NRC") to resolve all claims and disputes between them as described below.

WHEREAS, SCIENTECH was awarded the following contracts by the U.S. Nuclear Regulatory Commission ("NRC"): NRC-04-94-045 ("045"), NRC-03-95-026 ("026"), NRC-04-96-060 ("060") and NRC-041-97-039 ("039") (collectively "the Contracts").

WHEREAS, by letter dated May 24, 2004, SCIENTECH submitted a certified claim and request for final decision under Contract 045 requesting \$33,579.54 plus applicable interest. The claimed amount represented certain costs and fee allegedly due under that contract. By final decision dated August 26, 2004, the NRC denied \$6,832.70 (plus applicable interest) of this claim.

WHEREAS, by letter dated May 24, 2004, SCIENTECH submitted a certified claim and request for final decision under Contract 026 requesting \$237,142.79 plus applicable interest. The claimed amount represented certain costs and fee allegedly due under that contract. By final decision dated September 14, 2004, the NRC denied \$203,933.19 (plus applicable interest) of this claim.

WHEREAS, by letter dated May 24, 2004, SCIENTECH submitted a certified claim and request for final decision under Contract 060 requesting \$252,743.47 plus applicable interest. The claimed amount represented certain costs and fee allegedly due under that contract. By final

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decision dated August 26, 2004, the NRC denied \$236,984.91 (plus applicable interest) of this claim.

WHEREAS, by letter dated May 24, 2004, SCIENTECH submitted a certified claim and request for final decision under Contract 039 requesting \$398,562.46 plus applicable interest. The claimed amount represented certain costs and fee allegedly due under that contract. By final decision dated August 26, 2004, the NRC denied \$396,604.36 (plus applicable interest) of this claim.¹

WHEREAS, on October 15 2004, SCIENTECH timely appealed the denied portion of the Claims to the Department of Energy Board of Contract Appeals ("EBCA") pursuant to the Contract Disputes Act, 41 U.S.C. § 601 et seq. The EBCA assigned the following docket numbers to SCIENTECH's Appeals: EBCA No. C-0410385 (Contract 045), EBCA No. C-0410386 (Contract 026), EBCA No. C-0410387 (Contract 060), and EBCA No. C-0410388 (Contract 039) (collectively "the Appeals"). In the Appeals, SCIENTECH requested a total of \$844,355.16 (representing the portions of the Claims that were denied by the NRC) plus unspecified amounts for interest and attorneys fees and costs as applicable.

WHEREAS, on or about November 12, 2004, SCIENTECH submitted invoices ("Invoices") in the total amount of \$118,931.17 to the NRC for payment of the portion of the Claims that were expressly authorized by the Final Decisions (inclusive of amounts authorized on the condition of obtaining a release from the successor contractor, Information Systems Laboratories, Inc. ("ISL")). The NRC Contracting Officer has represented that the NRC is processing the Invoices for payment in the ordinary course of business and the Invoices will be

¹ The four claims submitted by SCIENTECH on May 24, 2004 will be referred to collectively as "the Claims" and the four final decisions issued by the NRC will be referred to collectively as "the Final Decisions."

paid in addition to and exclusive of the payment required by paragraph 1 of this Settlement Agreement. This Agreement is not intended to cover the Invoices.

WHEREAS, the parties agree, without adjudication of fact or law, that settlement of this matter without further litigation is an appropriate way to resolve their disputes.

NOW THEREFORE, in consideration of the mutual agreements herein, the parties agree as follows:

1. The NRC shall pay SCIENTECH the sum of \$500,000 by electronic funds transfer (in addition to and exclusive of the Invoices). The NRC will use its best efforts to make the \$500,000 payment required hereunder within 30 calendar days after this Agreement is signed by the parties. The \$500,000 total payment shall be allocated to the Contracts as follows: \$4,000 to Contract 045, \$ 125,000 to Contract 026, \$ 200,000 to Contract 060, and \$ 171,000 to Contract 039.

2. The parties hereby fully release and discharge each other from any and all claims or causes of action, whether known or unknown, arising under or related to Contract 045, including but not limited to all claims asserted in the Appeals, all claims for attorney fees and expenses, and all claims for interest, including but not limited to Contract Dispute Act interest. Such release and discharge, however, shall not apply to any claim resulting from the breach of this Settlement Agreement or to the Invoices.

3. The parties hereby fully release and discharge each other from any and all claims or causes of action, whether known or unknown, arising under or related to Contract 026, including but not limited to all claims asserted in the Appeals, all claims for attorney fees and expenses, and all claims for interest, including but not limited to Contract Dispute Act interest. Such release and discharge, however, shall not apply to any claim resulting from the breach of this Settlement Agreement or to the Invoices.

4. The parties hereby fully release and discharge each other from any and all claims or causes of action, whether known or unknown, arising under or related to Contract 060, including but not limited to all claims asserted in the Appeals, all claims for attorney fees and expenses, and all claims for interest, including but not limited to Contract Dispute Act interest. Such release and discharge, however, shall not apply to any claim resulting from the breach of this Settlement Agreement or to the Invoices.

5. The parties hereby fully release and discharge each other from any and all claims or causes of action, whether known or unknown, arising under or related to Contract 039, including but not limited to all claims asserted in the Appeals, all claims for attorney fees and expenses, and all claims for interest, including but not limited to Contract Dispute Act interest. Such release and discharge, however, shall not apply to any claim resulting from the breach of this Settlement Agreement or to the Invoices.

6. Within seven days after this Agreement is signed by the parties, SCIENTECH shall request that the EBCA dismiss the Appeals with prejudice.

7. Nothing in this Agreement shall constitute evidence of any admission by any party with respect to any issue of fact or law in the Appeals.

8. This Settlement Agreement is not intended to release or settle any claims that SCIENTECH may have against ISL, including but not limited to claims relating to the Contracts.

9. This document contains the complete agreement between the parties.

10. Each of the representatives executing this Settlement Agreement has the right and authority to enter into this Settlement Agreement on behalf of his or her party and to release the claims and grant the rights herein granted.

11. IN WITNESS THEREOF; the parties, through their authorized representatives, have executed this Settlement Agreement on the dates indicated below.

THE U.S. NUCLEAR REGULATORY COMMISSION:

Date: 2-16-2005

By: Mary H. Mace
Mary H. Mace, Contracting Officer

SCIENTECH:

Date: February 15, 2005

By: Scott Robuck
Scott Robuck, Chief Financial Officer