

~~SECRET~~

MUC- 50-850  
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SERVICE & SUPPLY  
SUBCONTRACT # 7401-37- 115

This subcontract entered into this 1st day of April 1944, by and between The University of Chicago, a corporation not for pecuniary profit organized under the laws of the State of Illinois, of Chicago, Illinois (hereinafter called the "Contractor" and R. Krasberg & Sons Mfg. Co., a corporation organized under the laws of the State of Illinois, of Chicago, Illinois (hereinafter called the "Subcontractor").

WHEREAS, the Contractor has heretofore entered into a contract with the United States of America (represented by its duly designated contracting officer) under contract designated as No. W 7401-Eng.37 and supplements thereto to perform certain work as therein specified; and

WHEREAS, the Contractor desires the Subcontractor to furnish certain services, said services being within the scope of the aforesaid contract,

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I - Subject work

The Subcontractor shall, with the utmost dispatch and in accordance with the instructions of the Contractor which instructions shall be in the form of sketches, plans, and/or drawings, supported by work orders, produce the work therein specified, and at the rates shown in Schedule A which is attached hereto and made a part hereof.

1. The Subcontractor shall furnish the necessary personnel, facilities and equipment to produce special machining of parts for special equipment, tools, jigs, fixtures etc. from materials furnished by the Contractor to the Subcontractor; the Subcontractor to furnish such additional materials as may be required.
2. In consideration of the Subcontractor's undertaking this work, the Subcontractor shall be paid by the Contractor for the work performed hereunder on the following basis:
  - a. The hourly rates shall be those listed in Schedule A hereto attached; it being understood and agreed that these rates include all direct and indirect labor costs, cost of operation and maintenance of said equipment, and all insurance and overhead. Any work herein provided for that may be required to be performed on Sunday, shall be authorized in writing by the Contractor.
  - b. All materials purchased from outside vendors or drawn from Subcontractors stock, as may be required for the performance of the work hereunder shall be billed by the Subcontractor to the Contractor at actual cost.

Classification Cancelled

~~Or Changed To~~  
By Authority Of Doc  
By Ted Davis Date 8-28-81

This document contains information affecting the National Defense of the United States within the meaning of the Espionage Act, U. S. C. 50; 31 and 32. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

The rates and terms specified above will constitute full compensation to the Subcontractor, for all work and services to be performed hereunder.

3. The Subcontractor herewith provides the Contractor with the following blanket certification with respect to the authenticity of the Subcontractor's accounts and records and to invoices rendered in connection with its performance of the subject work hereunder, which certification shall be regarded as accompanying each invoice the same as if recited thereon:

"We hereby certify that the charges made to the Contractor by the Subcontractor for the materials and labor listed on invoices in connection with the performance of the Subcontractor, hereunder were required by, and were incurred in the performance of the work under this Subcontract, under Contract No. W-7401-eng.37; that payments have been made of all amounts for which reimbursement is claimed; that reimbursement had not been received at the date claimed; that all Federal and State legal and statutory requirements pertaining to purchase, labor, production, and wage and salary orders and regulations have not been knowingly or willfully violated; that the charges representing issues or services; and that all original supporting records including payrolls, invoices, receiving reports, check registers, stock requisitions, etc., pertaining to the authenticity of the reimbursement thereby claimed and not attached to the invoices when rendered will be kept available for inspection upon request by authorized representatives of the Contractor and/or of the United States Government, subject to the applicable statutes of limitation."

#### ARTICLE II - Term

The Subcontractor shall proceed with the services herein provided for until June 30, 1944, or until such later date as may be authorized in writing by the Contractor and agreed to by the Subcontractor, such completion date in no event, however, to extend beyond the date of termination of prime contract No. W-7401-eng-37.

#### ARTICLE III - Payments

The Subcontractor shall be paid currently as invoices are submitted for complete jobs, or as soon thereafter as practicable at the rates stipulated herein for services rendered, less deductions, if any, as herein provided, upon the submission of true and correct invoices or vouchers prepared in quintuplicate, and bearing code description number of this sub-contract (7401-37- 115)

The total estimated cost of this subcontract to the Contractor for the period from April 1, 1944 to June 30, 1944 is not to exceed \$3,000.00 and when that amount of cost is incurred, the Subcontractor shall not proceed with its work hereunder until so authorized in writing by the Contractor.

#### ARTICLE IV - Patents

~~It is understood and agreed that whenever any discovery or invention believed to be new is made by the Subcontractor or its employees in the course of the service called for in this subcontract, the Subcontractor agrees to keep witnessed and dated written records of all such discoveries and inventions and shall promptly furnish the Contractor with complete information thereon and the Contractor shall have the sole power to determine whether or not a patent application shall be filed.~~

and to determine the disposition of the title to and the assignment of rights under any application or patent that may result. It is further understood and agreed that the judgment of the Contractor in such 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 proper to carry out the judgment of the Contractor. The Subcontractor agrees it will include the provisions of this paragraph in all contracts of employment with persons who do any part of the services called for in this subcontract. Any patent applications filed on such discoveries or inventions shall be prepared and prosecuted without expense to the Subcontractor.

#### ARTICLE V - Assignment of Rights Hereunder

Neither this subcontract nor any interest therein or claim thereunder shall be assigned or transferred by the Subcontractor to any other party or parties.

#### ARTICLE VI - Safeguard of Information

It is understood that disclosure by the Subcontractor or its employees of information relating to the services contracted for hereunder to any person not entitled to receive it, or failure to safeguard all secret, confidential and restricted matter that may come to the Subcontractor or any person under its control in connection with the subject services under this subcontract, may subject the Subcontractor, its agents, employees, and subcontractors to criminal liability under the laws of the United States. (See Title I of an Act approved June 15, 1917, 40 Stat. 217; 50 U.S.C. 30-42), as amended by an Act approved March 23, 1940, (54 Stat. Chap. 72); and the provisions of an Act approved January 12, 1938 (52 Stat. 3; 50 U.S.C.) Supp. V 45-45d) as supplemented by Executive Order No. 8381, dated March 22, 1940, 5 F. R. 1147 D. I.

#### ARTICLE VII - Espionage or Sabotage

The Subcontractor shall immediately submit a confidential report to the Contractor whenever for any cause it has reason to believe that there is an active danger of espionage or sabotage affecting any of the work hereunder.

#### ARTICLE VIII - Employment of Aliens

The Subcontractor shall not employ any alien or permit any alien to have access to the plans, specifications, or services hereunder without the written consent of the Contractor as to each such alien.

#### ARTICLE IX - Employee Origin and Exclusion of Undesirables

The Subcontractor, whenever requested by the Contractor, shall report to the Contractor the citizenship, country of birth, or alien status of any or all of its employees at the site of, or having access to, any of the services hereunder. The Subcontractor shall not employ, or continue the employment of, any person or persons designated by the Contractor as undesirable to have access to the premises where the services of the Subcontractor are being performed hereunder, and the Subcontractor shall exclude any person or persons so designated by the Contractor from such premises.

#### ARTICLE X - Property Acquired and Used

In the event the rate or charges specified herein to be paid to the Subcontractor include an allowance for property to be especially acquired for the

carrying out of the services herein provided for, title to all such property shall vest in the Contractor. Also, title to all materials, supplies, apparatus, equipment or other property which may be furnished by the Contractor to the Subcontractor hereunder to facilitate the carrying out of the services herein provided for shall remain in the Contractor and all such property, etc., shall be used by the Subcontractor only for the purposes approved by the Contractor.

#### ARTICLE XI - Visit, Inspection, and Report of Progress

- a. The Subcontractor whenever requested shall permit an authorized representative of the Contractor to visit the site of the work at all reasonable hours and inspect the Subcontractor's performance hereunder.
- b. In the event the services being performed by the Subcontractor hereunder are found to be deficient, or otherwise not in conformity with specifications, requirements, and/or instructions as negotiated hereunder, the Contractor shall have the right to reject such services or require their correction without additional cost to it.
- c. The Subcontractor shall report the progress of performance hereunder from time to time as requested by the Contractor; and shall furnish a complete report of its findings and conclusions upon completion of its undertakings herein. Such report shall be furnished in such quantities and form as may be required by the Contractor.

#### ARTICLE XII - Data Regarding Performance

- a. All drawings, designs, specifications, data and memoranda of every description relating to the services or any part thereof are to become the property of the Contractor upon completion thereof, subject to the right of the Subcontractor to retain duplicates thereof for use as records only, and the Contractor shall have full right to use said drawings, designs, specifications, data and memoranda in any manner when and where the Contractor may designate without any claim on the part of the Subcontractor for additional compensation. A complete list of the duplicates of classified records retained by the Subcontractor shall be furnished to the Contractor.
- b. All drawings, designs, specifications, data and memoranda of every description concerning the subject services shall be delivered to the Contractor when requested by the Contractor; and, furthermore, access to such drawings, designs, specifications, data and memoranda as may contain classified information shall be restricted to trusted and duly authorized representatives of the Contractor and the Subcontractor, except as otherwise specifically authorized in writing by the Contractor.

#### ARTICLE XIII - Insurance

The Subcontractor shall take out and maintain the following insurance during the period of this contract, at his own cost and expense:

- a. Public Liability Insurance - insuring the Contractor and the Subcontractor, and the Board of Trustees of the Contractor, individually and collectively, written by a company approved by the Contractor in amounts of \$10,000 to \$20,000
- b. Workmen's Compensation Insurance - with occupational diseases endorsement, written by a company approved by the Contractor in unlimited amount for the protection of the Subcontractor against claims under the Workmen's Compensation and Occupational Disease Acts of the State of Illinois.

ARTICLE XIII, Cont'.....

Before undertaking any work hereunder the Subcontractor will cause to be delivered to the Contractor certificates of the insurance companies as to the particulars of the insurance hereinabove referred to, which certificates shall contain a provision that such insurance will not be canceled by lapse of time or otherwise except upon five (5) days prior written notice to the Contractor, sent by United States Registered Mail, postage prepaid, addressed to the Contractor, attention of W. B. Harroll, Business Manager, 956 E. 58th St., Chicago, Illinois.

ARTICLE XIV. EIGHT-HOUR LAW

The Subcontractor shall compensate laborers and mechanics for all hours worked by them hereunder in excess of eight (8) hours in any one calendar day at a rate not less than one and one-half times the basic rate of pay of such laborers and mechanics.

ARTICLE XV. ANTI-DISCRIMINATION

The Subcontractor shall not discriminate in any act performed hereunder against any citizen on the ground of race, creed, color or national origin.

ARTICLE XVI. CONVICT LABOR

The Subcontractor shall not employ any person undergoing sentence or imprisonment at hard labor.

ARTICLE XVII. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or resident commissioner shall be admitted to any share or part of this subcontract or any benefit that may arise therefrom, but this provision shall not be construed to extend to this subcontract if made with a corporation for its general benefit.

ARTICLE XVIII. COVENANT AGAINST CONTINGENT FEES

The Subcontractor warrants that it has not employed any person to solicit or secure this subcontract upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Contractor the right to annul the subcontract, or, in its discretion, to deduct from the contract price or consideration the amount of such commission, percentage, brokerage or contingent fee. This warranty shall not apply to commissions payable by the Subcontractor upon contracts of sale secured or made through bona fide established commercial or selling agencies maintained by the Subcontractor for the purpose of securing business.

ARTICLE XIX. CHANGES

The Contractor may from time to time by written orders transmitted to the Subcontractor change the extent or amount of the services covered by this agreement.

ARTICLE XIX. Cont'....

If any of such changes cause material increases or decreases in the amount or character of the services to be rendered by the Subcontractor hereunder, the contract price herein provided for shall be increased or decreased accordingly and amendment to this agreement executed covering same.

ARTICLE XX. DISPUTES

All disputes concerning questions of fact arising under this subcontract which are not disposed of by mutual agreement shall be decided by the Contracting Officer under the prime contract, whose decision in writing shall be final and conclusive.

ARTICLE XXI. RELATION TO PRIME CONTRACT

It is understood that this is a subcontract under the prime contract hereinabove referred to, and by reason thereof subject to all the terms, conditions and limitations imposed by such prime contract, including the condition that the effectiveness of this subcontract is subject to the prior written approval of the contracting officer in said prime contract or his duly authorized representative. Inasmuch as the prime contract is a secret contract and the terms thereof have not been revealed to the Subcontractor, it is expressly understood and agreed by the parties hereto that this Article does not obligate the Subcontractor financially or in accountability for property, materials, supplies, or services to an extent beyond what is specifically made the obligation of the Subcontractor in this subcontract.

ARTICLE XXII. ALTERATIONS

The following changes were made in this subcontract before it was signed by the parties hereto:

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~~ARTICLE IV PATENTS is deleted in its entirety~~

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In Witness Whereof, the Contractor and the Subcontractor have caused this Subcontract to be signed and sealed, intending to be legally bound thereby.

Subcontractor R. KRASBERG & SONS MFG. CO.

Address 2501 West Homer Street

Chicago 47, Illinois

By: *Bruce Krasberg*

Title: Vice-President

I, A. Mollenhauer certify that I am the Assistant Secretary of the R. KRASBERG & SONS MFG. CO.

named as the Subcontractor herein; that Bruce Krasberg

who signed this subcontract on behalf of the Subcontractor was then

Vice-President of the said R. KRASBERG & SONS MFG. CO.;

that said subcontract was duly signed for an on behalf of said Corporation

by authority of its governing body and is within the scope of its

corporate powers.

Seal *A. Mollenhauer*  
**A. Mollenhauer**

ACCEPTANCE: The Contractor hereby accepts the offer of the Subcontractor hereinabove set forth.

Contractor: The University of Chicago

Address: 5750 Ellis Avenue  
Chicago, Illinois

By: *W. B. Harrell*

Title: Business Manager

Witnessed:

*Mildred Custer*  
Name Mildred Custer - Chi

956 E. 58th St  
Address Ill.

APPROVED:

Name: *Omair*

Title: \_\_\_\_\_

Contracting Officer **C. L. Karl, Captain, C. E.**  
Authorized Representative

Schedule A

Attached to and made a Part of Subcontract #7401-37-115  
between The University of Chicago and R. Krasberg and  
Sons Mfg. Co.

Labor Rates

Machine Tool Operators      Straight time      \$4.50 per hour