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MUC- 11 #47

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This document consists of 8 pages and figures
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Contract No. 7401-37- 8
Research & Development

This subcontract entered into this 11 day of August, 1943, 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 U. S. Pipe and Foundry Company a corporation organized under the laws of the State of New Jersey, of Burlington, New Jersey (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 conduct certain studies and perform certain experimental investigations hereinafter specified, said work being within the scope of the aforesaid contract:

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

ARTICLE I - SUBJECT WORK

The Subcontractor shall with the utmost dispatch and in accordance with the instructions of the Contractor supply the necessary personnel and facilities for and conduct studies and experimental investigations in connection with

Centrifugal casting of metal tubes.

ARTICLE II - TERM

The Subcontractor shall proceed with the subject work until December 11, 194 3, or until such later date as may be authorized in writing by the Contractor and agreed to by the Subcontractor.

ARTICLE III

The Subcontractor shall permit an authorized representative of the Contractor to visit and inspect the work hereunder at all reasonable times, shall report the progress of such work from time to time as requested by the Contractor; and shall furnish a complete report of its findings and conclusions upon completion of such work. Such report shall be furnished in such quantities and form as may be required by the Contractor.

ARTICLE IV - COST OF WORK

(a) The Contractor shall reimburse the Subcontractor, upon submission of vouchers in form acceptable to the Government, certified by the Subcontractor and approved by the Contractor, for the actual

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By Jed Davis Date 3-28-81

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cost to the Subcontractor of the performance of its undertakings hereunder in an amount not exceeding \$ 10,600.00. The Subcontractor may submit such vouchers at monthly intervals for actual costs incurred and not previously reimbursed, except that the final reimbursement payment shall not be made until receipt of (1) the final report required by Article III and (2) the lists of articles required by Article VII.

(b) Notwithstanding the provisions of Article II, when and if actual costs in the maximum amount specified in paragraph (a) of this Article IV shall have been incurred or obligated hereunder, the Subcontractor shall not be required to incur or obligate further actual costs unless and until the Contractor shall first agree in writing to reimburse the Subcontractor therefor.

(c) All vouchers shall be submitted in quintuplicate, shall indicate, with respect to each class of items listed by Subcontractor thereon, the particular subparagraph of paragraph (d) of this Article IV under which reimbursement is claimed, shall be itemized as required by the Contractor, and shall be supported by the appropriate substantiating documents required by the Contractor, such as original itemized receipted invoices, original itemized receipted bills, original signed payrolls, and receipts from employees, or certified true copies thereof.

(d) "Actual costs" as used herein includes only the following:

(1) Expenditures by Subcontractor for salaries and wages of its employees engaged in the performance of the work hereunder, plus Federal and State social security taxes payable by the Contractor with reference to such salaries and wages;

(2) Expenditures by the Subcontractor for such materials, supplies, apparatus, equipment and other articles (including processing and testing thereof and rental of apparatus and equipment from others) as are necessary for the performance of the work required hereunder;

(3) An allowance for overhead costs in an amount equal to 50 % of the total salaries and wages (but not taxes) reimbursable under subparagraph (1) hereof;

(4) Expenditures by Subcontractor necessary solely for the performance of the work required hereunder for long distance telephone calls, telegrams, cablegrams, radiograms, postage, freight, express, and drayage.

(5) Expenditures by Subcontractor necessary for the performance of the work required hereunder for the traveling expenses of persons directly engaged in such

work, plus actual subsistence expenses of such persons incurred during periods of travel, or at Subcontractor's option, an allowance, not exceeding six dollars (\$6.00) per person for each calendar day (midnight to midnight) during a period of travel (or, for fractional parts of a calendar day, one-fourth of such amount for each six-hour period or fraction thereof), in lieu of actual subsistence expenses of such persons; provided, that expenses for travel hereunder by motor vehicle other than common carrier shall be reimbursed on a mileage basis at a rate not exceeding five cents (5¢) per mile per vehicle, in lieu of the actual expenses of such travel;

(6) Expenditures by the Subcontractor in an amount approved in advance by the Contractor, for (i) the alteration of its property necessary for the performance of the work required hereunder, and (ii) the restoration of such property in accordance with the provisions of Article VII hereof;

(7) Such other expenditures not expressly excluded by the provisions of this contract as should, in the opinion of the contractor, be included in the cost of the work. When such items are approved by the contractor they shall be specifically certified as being allowed under this subparagraph.

ARTICLE V - 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 work 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 or 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 work 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 VI - TERMINATION OF SUBCONTRACT

(a) The Contractor may terminate this subcontract at any time by notice in writing to the Subcontractor which notice shall be deemed duly served if enclosed in an envelope addressed to the Subcontractor at Burlington, New Jersey and deposited in the United States mail, postage prepaid and registered. Such termination shall be effective in the manner and upon the date specified in said notice and shall be without prejudice to any claims which the Contractor may have against the Subcontractor or the Subcontractor may have against the Contractor. Upon receipt of such notice, the Subcontractor shall, unless the notice directs otherwise, immediately discontinue all work, the placing of all orders or commitments, facilities and supplies in connection therewith, and shall proceed to the best of its ability to cancel promptly all existing orders or commitments which are subject to cancellation, in so far as such orders or commitments are chargeable to this subcontract, and subject to the approval of the Contractor, shall proceed with an equitable adjustment of all claims arising thereunder.

(b) On termination of this subcontract, whether by notice or by lapse of time, full and complete settlement of all claims of the Subcontractor arising out of this subcontract shall be made as follows:

(1) Contractor shall assume and become liable for all obligations, commitments and claims the Subcontractor may have theretofore in good faith undertaken or incurred in connection with said work, the cost of which would be reimbursable in accordance with the provisions of this subcontract and for which the Subcontractor has not been previously reimbursed;

(2) Contractor shall reimburse the Subcontractor for such further expenditures made after the date of termination for the protection of the Contractor's property and for services in connection with the settlement of this subcontract as are required or approved by the Contractor;

(3) The obligation of the Contractor to make any of the payments required by this article shall be subject to any unsettled claims in connection with this subcontract which the Contractor may have against the Subcontractor;

(4) No settlement hereunder shall prejudice the Subcontractor's right to reimbursement in respect to claims subsequently found or determined to have been incurred in the performance of this contract and not known or determined at the time of such settlement.

ARTICLE VII

Upon the termination of the work required under Article I, the Subcontractor shall (a) furnish to the Contractor within thirty (30) days two lists, itemized and substantiated as required by the Contractor, of all materials, supplies, apparatus, equipment, or other articles of personal property in which the Contractor has any interest hereunder which (list 1) have previously been delivered by the Subcontractor and (list 2) have not been expended or delivered hereunder, (b) deliver at the Contractor's expense when and as directed by the Contractor all such articles which have not been expended or delivered hereunder; and (c) promptly advise the Contractor whether it elects to have any premises on which alteration work has been done hereunder restored to substantially the same condition as prior to such work; if it elects such restoration, it shall retain all amounts reimbursed by the Contractor therefor and the Contractor shall pay it the net cost of such restoration; if it elects to retain the benefit of such alteration, it shall return to the Contractor the portion of such reimbursement determined by the Contractor to be fair and proper.

ARTICLE VIII

Any non-expended materials, supplies, apparatus, equipment, or other articles, the disposition of which is governed by the provisions of Article VII hereof, shall be held at the Subcontractor's risk during the term of this subcontract and any renewals thereof and in the event of the loss, theft or destruction of all or any part of such materials, supplies, apparatus, equipment or other articles replacements shall be made promptly by the Subcontractor at its own expense, which replacements shall be subject to the same terms and conditions as the original materials, supplies, apparatus, equipment or other articles so replaced.

ARTICLE IX - PROPERTY FURNISHED BY CONTRACTOR

The title to all property for which Subcontractor is being reimbursed under this subcontract or for which it is entitled to reimbursement hereunder shall vest in the Contractor. In addition to the property furnished to the Subcontractor hereunder, the Contractor may furnish to the Subcontractor materials, supplies, apparatus, equipment, or other property for use in the performance of the subject work. The title to all such property so furnished shall vest in the Contractor and shall be used by the Subcontractor only for the purposes approved by the Contractor.

ARTICLE X

It is understood that disclosure by the Subcontractor or its employees of information relating to the work 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 work 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 XI

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 XII

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

ARTICLE XIII

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 work hereunder.

ARTICLE XIV

The Subcontractor shall not employ or continue to employ on, and shall exclude from the site of, any of the work hereunder any person or persons designated by the Contractor for any cause as undesirable to have access to such work.

ARTICLE XV

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 XVI

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 XVII

All drawings, designs, specifications, data and memoranda of every description relating to the work 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.

All drawings, designs, specifications, data and memoranda of every description concerning the subject work 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 XVIII

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

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 XX

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

ARTICLE XXI

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.

IN WITNESS WHEREOF, the Contractor and the Subcontractor have caused this subcontract to be signed and sealed, intending to be legally bound thereby.

THE UNIVERSITY OF CHICAGO

By W. B. Harrell (SEAL)
Business Manager W. B. Harrell

U. S. PIPE AND FOUNDRY COMPANY

By Fredine S. Gordon (SEAL)
Fredine S. Gordon
Executive Vice President

APPROVED:

Arthur V. Peterson
Contracting Officer

ARTHUR V. PETERSON
Major, C. E.