

This document consists of 9 pages and 0 figures
No. 5 of 10 copies, Series A

SERVICE & SUPPLY
SUBCONTRACT #7401-37-146

This subcontract entered into this 28th day of February 1945 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 Quality Hardware & Machine Corp. 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 - SCOPE OF THIS SUBCONTRACT

The Subcontractor shall furnish the labor, materials, tools, machinery and services (except such as are furnished by the Contractor) and do all things necessary for the accomplishment of the work as specified in the Plans and/or Specifications, supported by work orders, at the rates shown in Schedule A which is attached hereto and made a part hereof.

- (a) The work to be performed by the Subcontractor for the Contractor shall be the production and/or machining of special tools, dies, fixtures etc. as requested by the Contractor.
- (b) It is understood that the hourly rates listed in Schedule A hereto attached are in conformity with all Federal O.P.A. or other regulatory regulations for Machinery Service Rates, and that they include all direct and indirect labor costs, cost of operation and maintenance of Subcontractor's equipment, and all insurance and overhead except as here in specified.
- (c) It is further understood that the Subcontractor's working schedule provides for shop operation on alternate Sundays during the term of this subcontract. Any work provided for herein that may be required by either the Contractor or the Subcontractor to be performed on Sunday, shall be authorized in writing by the Contractor. In the event the Contractor requires work to be performed on a Sunday when less than twenty-five (25) men are working in Subcontractor's shop, the Subcontractor may charge the Contractor for the proportionate share of the foreman's time at the standard rate therefor, for the work performed hereunder on that day.
- (d) It is further understood that special deliveries made on Sunday at the Contractor's request will be charged by the Subcontractor at the standard rates charged to others for similar service. Special deliveries made on week days (Monday to Saturday inclusive) shall be authorized by the Contractor and the Subcontractor will charge therefor at the rate of five cents (\$.05) per mile.

FILE UNDER: 11-566-8
FOUNDER: W-7401-eng-37 Sub 146

- (e) Any materials purchased from outside vendors by the Subcontractor, for exclusive use in the performance of the work hereunder, will be billed by the Subcontractor at actual cost. Any materials drawn from Subcontractor's stock as may be required in the performance of the work hereunder, will be billed by the Subcontractor at the standard rates charged to others for similar material.

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

1. 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."

2. The Subcontractor shall proceed with the work and services herein provided for commencing February 28, 1945 and continuing until June 30, 1945 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.
3. The total estimated cost of the work and services under this subcontract to the Contractor for the period herein specified shall not exceed \$5,000.00 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 II - 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 subcontract (7401-37-146).

ARTICLE III - 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 services 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. The Contracting Officer 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 Contracting Officer 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 Contracting Officer. 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 IV - SUBLETTING - ASSIGNMENT

1. No part of this subcontract shall be sublet except with the expressed prior written approval of the Contracting Officer.
2. Neither this subcontract nor any interest therein, or claim thereunder shall be assigned, or transferred by the Subcontractor to any other party or parties, except that the whole or any part thereof is assignable to the Government, provided that, in the event of such assignment to the Government, this subcontract may continue in full force and effect, notwithstanding the termination of the prime contract.

ARTICLE V - CHANGES

Subject to the approval of the Contracting Officer, the Contractor may by a written order change the extent of the work covered by this subcontract. If any such change causes a material increase or decrease in the amount or character of such work, an equitable adjustment will be made and this subcontract modified in writing accordingly. If the Subcontractor and Contractor fail to agree upon an equitable adjustment of the amount of additions or deductions hereunder, the dispute shall be determined as provided in Article VII.

ARTICLE VI - TERMINATION

Subject to the approval or at the direction of the Contracting Officer, the Contractor shall have the right to terminate this subcontract at any time by a written notice to the Subcontractor whenever such termination is determined by the Contracting Officer to be in the best interests of the Government.

ARTICLE VII - 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 VIII - DRAWINGS, DESIGNS, SPECIFICATIONS, ETC.

1. All drawings, designs, specifications, data and memoranda of every description relating to the work and services of any part thereof are to become the property of the Contractor upon completion thereof, 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. No duplicate copies of such drawings, designs, tracings thereof, specifications, data, or other memoranda shall be retained by the Subcontractor for record or any other purpose without the specific authorization in writing by the Contracting Officer. In cases where the Subcontractor is permitted to retain copies of such matter, he shall store such documents in a safe deposit box or a special safe combination file, the adequacy of which meets with the approval of the Branch Intelligence Officer. A complete list of the duplicates of classified records retained by the Subcontractor shall be furnished to the Contractor.

2. All drawings, designs, specifications, data and memoranda of every description concerning the subject work and 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 IX - 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 X - INSURANCE

The Subcontractor shall maintain the following insurance during the period of this subcontract at his own cost and expense:

1. 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 \$ 100,000 to \$ 250,000.
2. 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 Diseases Acts of the State of Illinois

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. Harrell, Business Manager, 956 E. 58th Street, Chicago, Illinois.

ARTICLE XI - 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 XII - VISIT, INSPECTION, AND REPORT OF PROGRESS

1. 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.

2. 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.

3. 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 XIII - 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 XIV - 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 subcontract price or consideration the amount of such commission, percentage, brokerage or contingent fees. 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 VXV - ANTI -DISCRIMINATION

The Subcontractor in performing the work required by this subcontract shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin.

ARTICLE XVI - CONVICT LABOR

The Subcontractor shall not employ any person undergoing sentence of imprisonment at hard labor. This provision shall not be construed to prevent the Subcontractor hereunder from obtaining any of the supplies, or any component parts or ingredients thereof, to be furnished under this subcontract or any of the materials or supplies to be used in connection with the performance of this contract, directly or indirectly, from any Federal, State or Territorial prison or prison industry; provided, that such articles, materials, or supplies are not produced pursuant to any contract or other arrangement under which prison labor is hired by or employed or used by any private person, firm or corporation.

ARTICLE XVII - 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 work hereunder.

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 XVIII - 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 XIX - EMPLOYMENT OF ALIENS

~~The Subcontractor shall not employ any alien on 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 XX - DISCLOSURE OF INFORMATION

It is understood that disclosure 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 his control in connection with the work under this subcontract, may subject the Subcontractor, his agents, employees, and Sub-subcontractors to criminal liability under the laws of the United States. See Title 1 of an Act approved June 15, 1917 (40 Stat. 217; 50 U.S.C. 31-42), as amended by an Act approved March 28, 1940 (54 Stat. 79); and the provisions of an Act approved Jan. 12, 1938 (52 Stat. 3; 50 U.S.C. 45-45d), as supplemented by Executive Order No. 8381, dated March 22, 1940, 5 F.R. 1147.

ARTICLE XXI - 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 XXII - ALTERATIONS

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

An additional page identified as page 1a has been added in its entirety, and made a part hereof.

Article III - Patents - has been deleted in its entirety.

Article XIX - Employment of Aliens - has been deleted in its entirety.

IN WITNESS WHEREOF the parties hereto have executed this subcontract as of the day and year first above written.

WITNESSED:

Mildred Custer
Name Chicago, Illinois
Address Mildred Custer, Chicago, Illinois

THE UNIVERSITY OF CHICAGO
(Contractor)
By: W. B. Harrell
Title Business Manager

WITNESSED:

Hilda Hayden
Name 5646 Kenmore Ave
Address Chicago, Ill.
Hilda Hayden, Chicago, Illinois

QUALITY HARDWARE & MACHINE CORPORATION
(Subcontractor)
By: C. A. Laystrom
Title Chairman
C. A. Laystrom, Chairman
Asst. Secretary of The

I H. B. Matthews certify that I am the Board of Trustees

of the Corporation named as Contractor herein; that W. B. Harrell

who signed this subcontract on behalf of the Contractor was then Business

Manager of said corporation; that said subcontract was duly signed

for and on behalf of said corporation by authority of its governing body and is

within the scope of its corporate powers.

H. B. Matthews
Name

(Corporate Seal)

April 6, 1945
Date

I, Hazel L. Minter certify that I am
Secretary of the Corporation named as Subcontractor herein;
that C.A. Laystrom who signed this subcontract on behalf
of the Subcontractor was then Chairman of the Board of said
corporation; that said subcontract was duly signed for and on behalf of said
corporation by authority of its governing body and is within the scope of its
corporate powers.

Hazel L. Minter
Name
Hazel L. Minter
April 9, 1945
Date

(Corporate seal)

APPROVED:

J. H. McKinley
(Contracting Officer)

J. H. McKinley, Captain, C. E.
Authorized Representative
of the Contracting Officer.

SCHEDULE A

Attached to and a part of Subcontract No. 7401-37-146
between
THE UNIVERSITY OF CHICAGO
AND
QUALITY HARDWARE & MACHINE CORPORATION

LABOR RATES:

TOOL AND DIE OR MACHINE WORK

Straight time	\$ 3.50 hr.
For time in excess of 8 hours a day	5.25 hr.
For time worked on holidays	5.25 hr.
For time on the 6th day in a work week	5.25 hr.
For time on the 7th day in a work week	7.00 hr.

ENGINEERING

Straight time	\$ 3.00 hr.
For time in excess of 8 hours a day	4.50 hr.
For time worked on holidays	4.50 hr.
For time on the 6th day in a work week	4.50 hr.
For time on the 7th day in a work week	6.00 hr.

PRODUCTION

Punch Press work - Small Presses, Drill Press Work & Spotwelding Work:

Straight time	\$ 1.50 hr.
For time in excess of 8 hours a day	2.25 hr.
For time worked on holidays	2.25 hr.
For time on the 6th day in a work week	2.25 hr.
For time on the 7th day in a work week	3.00 hr.

Punch Press Work - 5 and 6 Presses, and Brake Work:

Straight time	\$ 2.00 hr.
For time in excess of 8 hours a day	3.00 hr.
For time worked on holidays	3.00 hr.
For time on the 6th day in a work week	3.00 hr.
For time on the 7th day in a work week	4.00 hr.

Punch Press Work - Large Presses:

Straight time	\$ 2.50 hr.
For time in excess of 8 hours a day	3.75 hr.
For time worked on holidays	3.75 hr.
For time on the 6th day in a work week	3.75 hr.
For time on the 7th day in a work week	5.00 hr.

Assembly Work:

Straight time	\$ 1.35 hr.
For time in excess of 8 hours a day	2.025 hr.
For time worked on holidays	2.025 hr.
For time on the 6th day in a work week	2.025 hr.
For time on the 7th day in a work week	2.70 hr.