

NEGOTIATION FORM

This document contains 13 pages of which this is page no. 1

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WAR DEPARTMENT  
United States Engineer Office  
Manhattan District  
New York, New York

714666

Contract W 7405-eng-48

RHTG # 81,000

BOX # 7405

Form for Negotiation for Services of Contractor

Description of work: Research and development work as outlined in a report filed with the Contracting Officer by the Director of the Radiation Laboratory, University of California. The work will include the supply and/or procurement of facilities and personnel, including the training of such personnel, as well as the conduct of the studies and experimental investigations referred to above.

Location: University of California, Berkeley, California

DECLASSIFICATION AUTHORIZED  
MALCOLM THEISEN, ANALYSIS  
Name (ADD) - Organization

Period of Services - (Time and Date)

Date 7/27/94

Research and Development

May 1, 1943 to June 30, 1944 except as may be changed in accord with the terms of the contract.

Estimated Cost:

Research and Development

\$7,500,000.00

Contractor: The Regents of the University of California

Address: 240 Administration Building, University of California, Berkeley, Calif.

having been approved as Contractor for the above project, negotiations for the proposed contract were begun on April 16, 1943 at U.S. Army Corps of Engineers, Manhattan District, New York, New York.

The negotiators for the Government and for the Contractor were as follows:

For Government: name:	Title	Address
Lt.-Col. R. G. Cornell	Engineer Corps	
Mr. Arthur Levin	Attorney, Manhattan District,	U. S. Engineers
Dr. H. T. Wensel		
Mr. John T. Conner	Attorney, Office of Scientific Research & Development	

DECLASSIFICATION AUTHORIZED  
MALCOLM THEISEN, ANALYSIS  
Name (ADC) - Organization

Date 7/27/94

~~RESTRICTED DATA~~  
This document contains Restricted Data as defined in the Atomic Energy Act of 1954. Unauthorized disclosure is prohibited by Administrative and Criminal Laws.

BOX No. 155 Bldg. 2714-H Vault  
Univ. of California  
FOLDER RHTG Doc. # 81,000

REPOSITORY Oak Ridge Operations  
Records Holding Task Group  
COLLECTION Clear Documents 1944-94

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~~Declassified~~  
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For Contractor: Name:

Title

Address

R. M. Underhill  
A. H. Conard

Secretary and Treasurer of the Regents, Berkeley, Cal.  
Attorney for the Regents  
Oakland, Calif.

SERVICES REQUIRED

The Contractor proposes to furnish for the proposed work personnel, supplies, and materials, and equipment for:

Research and Development:

In accordance with the report of program referred to above under "Description of Work," to conduct research investigations and experimental work and to carry forward development work based on the conclusions reached in such research and experimentation.

THE FOLLOWING DATA WERE FURNISHED BY THE NEGOTIATORS FOR THE CONTRACTOR:

Description of work: See statement above under Services Required.

Location: University of California, Berkeley, California

1. Contractor: The Regents of the University of California

Address: 240 Administration Building, Berkeley, Calif., a Corporation

Incorporated under the laws of the State of California

Corporate Officers: Gov. Earl Warren, Pres., James K. Moffitt, Chairman, R. M. Underhill, Secretary and Treasurer.

2. It is anticipated that practically all phases of the work will be performed at or near the site. The home office of the Contractor for Research and Development is at the site.

3. Corporate officers, partners or approved representatives who will devote whole time to the project on non-reimbursable basis:

<u>Name</u>	<u>Title</u>	<u>Residence</u>	<u>Duty or Position</u>
None			

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4. Corporate officers or partners who will devote part-time to project on non-reimbursable basis:

<u>Name</u>	<u>Title</u>	<u>Residence</u>	<u>Duty or Position</u>
R. M. Underhill, Sec'y & Treasurer of the Regents, Berkeley, Calif.			administrative
A. H. Conard, Attorney for the Regents		Oakland, Calif.	legal
J. H. Corley, Comptroller (General Bus. Mgr.)		Berkeley, Calif.	administrative

5. Home-office supervisory personnel, not including corporate officers, partners, of principal, who may devote part-time to the work on reimbursable basis; from time to time this list may be changed by addition of other persons on a comparable basis or by discontinuance of the services of any of the persons mentioned:

<u>Name</u>	<u>Position</u>	<u>Salary per Month at April 30, 1943</u>	<u>Proposed Salary per Month Under Contract</u>
1. A.C. Helmholtz	Group Leader	\$ 266.57	(2) \$ 400.00
2. E.G. Segre	" "	(1) 300.00	300.00
3. D.M. Greenberg	Consultant, Project 48-A	395.00	(3) 406.00
4. I. Chaikoff	Consultant, Project 48-A	325.00	(4) 343.75

Notes:

- (1) Month of June, 1943, only.
- (2) \$250.00 from contract funds; balance from University.
- (3) \$90.00 from contract funds; balance from University.
- (4) \$100.00 from contract funds; balance from University.

6. Principal employees available for assignment to the project on reimbursable basis:

<u>Name</u>	<u>Title</u>	<u>Annual Salary Rate at April 30, 1943</u>	<u>Annual Salary Proposed Under Contract</u>
1. Lee Adams	Power Equipment Coordinator	\$ 4,800.00	\$ 5,100.00
2. Sidney Barnes	Physicist	6,600.00	(1) 6,600.00
3. Rexford Barton	Administrative Aide	4,500.00	5,000.00
4. M. A. Boyce	Supervisor of Electrical Drafting	4,800.00	5,100.00

(1) Left project August 15, 1943.

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5. William Brobeck	Chief Engineer	\$ 5,100.00	\$ 6,000.00
6. William Brower	Supt. of Machine Shops	6,370.20	6,370.20
7. James M. Carter	Chemical Engineer	5,700.00	(2) 5,700.00
8. Donald Cooksey	Associate Director	(3) 3,600.00	6,000.00
9. Bruce Denney	Electrical Engineer	5,100.00	(4) 5,100.00
10. Lee Daum	Foreman, Sheet Metal Shop	(5) 4,500.00	6,000.00
11. E. D. Eastman	Asst. Director, Project 48-B	(6) 5,240.00	7,800.00
12. George Everson	Executive Aide	5,000.00	6,000.00
13. George Farley	Electronics Coordinator	4,980.00	5,160.00
14. Hugh Farnsworth	Maintenance Technician	5,200.00	5,200.00
15. Frank Fillmore	Electronics Coordinator	4,800.00	5,100.00
16. Orval French	Engineer	5,400.00	5,400.00
17. John Gilroy	Electrical Procurement Supervisor	5,040.00	5,040.00
18. J. G. Hamilton	Director, Project 48-A	5,400.00	6,000.00
19. J. A. Harvie	Asst. Supt. of Machine Shops	6,734.04	6,734.04
20. R. W. Henderson	Mechanical Engineer	5,000.00	5,700.00
21. Francis A. Jenkins	Supervisor of Chemical Research	(7) 5,400.00	6,000.00
22. Hilmer Larson	Maintenance Crew Supervisor	4,800.00	5,100.00
23. W. M. Latimer	Director, Project 48-B	(8) 5,940.00	8,400.00

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- (2) Left project August 1, 1943.
  - (3) On University of California salary roll.
  - (4) Left project October 12, 1943.
  - (5) 48-hour basis; now on 60-hour week.
  - (6) On University of California salary roll.
  - (7) \$3,200.00 from University; \$2,200.00 from contract funds.
  - (8) On University of California salary roll.

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24. E. O. Lawrence	Director of Project	\$10,000.00	\$12,000.00
25. E. J. Lofgren	Physicist	4,200.00	5,400.00
26. Kenneth MacKenzie	Physicist	5,400.00	6,000.00
27. E. C. Manderfeld	Electrical Engineer	7,020.00	7,020.00
28. B. F. Miller	Supervisor of Electrical Engineering & Design	8,000.00	8,400.00
29. Kenneth Morrison	Electrical Engineer	6,000.00	6,000.00
30. Burton Moyer	Physicist & Reassembly Supervisor	4,500.00	5,400.00
31. W. H. Nelson	Electronics Engineer	4,200.00	5,400.00
32. C. E. Normand	Research Associate	6,000.00	(9) 6,000.00
33. James S. Norton	Electronics Installation & Maintenance Supervisor	8,000.00	9,000.00
34. Dan O'Brien	Maintenance Crew Supervisor	4,800.00	5,100.00
35. Frank Oppenheimer	Physicist	4,620.00	6,000.00
36. William Pierson	Supervisor of Mechanical Drafting	4,500.00	5,400.00
37. Wilson Powell	Physicist & Supervisor of Magnet Group	5,400.00	6,000.00
38. C. H. Prescott	Research Chemist	5,700.00	5,700.00
39. Kenneth Priestley	Business Manager	5,000.00	6,000.00
40. W. B. Reynolds	Managing Engineer	5,400.00	6,000.00
41. J. R. Richardson	Physicist & Research Coordinator	6,163.20	6,600.00
42. G. K. Rollefson	Section Chief, Project 48-B	(10)4,740.00	6,300.00
43. L. W. Russell	Electronics Coordinator	4,800.00	(11) 5,160.00
44. C. D. Shane	Associate Director	5,000.00	6,000.00

(9) Left project June 17, 1943.

(10) On University of California salary roll.

(11) Left project June 12, 1943.

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45. Allan Starr	Mechanical Engineer	\$ 4,800.00	\$ 6,000.00
46. E. W. Strong	Maintenance & Construction Supervisor	4,800.00	5,400.00
47. E. C. Sullivan, Jr.	Electronics Coordinator	4,800.00	(12) 5,160.00
48. R. L. Thornton	Physicist	8,400.00	(13) 8,400.00
49. Chester VanAtta	Physicist	(14) -	6,000.00
50. Lawrence Washington	Mechanical Engineer	(15) -	5,700.00
51. S. J. Wild	Maintenance Crew Supervisor	4,800.00	5,100.00
52. Byron Wright	Physicist	4,620.00	5,400.00

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- (12) Left project June 12, 1943.
- (13) Left project June 15, 1943.
- (14) Joined project August 17, 1943, at \$6,000.00.
- (15) Joined project June 8, 1943, at \$5,475.84

The scope of the work will require changes in this list from time to time.

7. Details regarding employees available for assignment to the project, as listed in paragraphs 5 and 6 above.

(See notes contained in paragraphs 5 and 6)

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8. Salary Schedule: This not being a construction contract on a cost-plus-a-fixed fee basis, the Government's schedule for salaries published on such type of contract is not generally applicable. However, rates paid for comparable positions will be in accord with that schedule. The following exceptions are to be noted and are not to be taken as inclusive of all such exceptions that are to be made and are hereby approved.

The salary classification schedules on cost-plus-a-fixed-fee contracts appear to apply only to principal and subcontractors in connection with construction activities. However, this has been reviewed in connection with the payroll of W-7405-eng-48, and it has been found that twelve employees are paid at salaries which are in excess of their classification in the salary schedule. It should be recognized, however, that there is considerable difference between the classification of engineers and draftsmen on a construction project and individuals with similar responsibilities under a research and development contract. Special skills, education and experience are required beyond those normally expected from employees under a construction contract.

Nine of the twelve are employed in engineering departments; their names, titles and monthly salaries are as follows:

<u>Name</u>	<u>Title</u>	<u>Monthly Salary</u>
Arthur Anderson	Mechanical Draftsman	\$310.00
George P. Coles	Detail Draftsman	325.00
Vern Denton	Electrical Procurement Asst.	400.00
Edward Ditzen	Mechanical Draftsman	350.00
Walter Johnston	Estimator	350.00
Emmanuel Manderfeld	Radio Engineer	585.00
Burton F. Miller	Radio & Sound Engineer	666.67
J. S. Norton	Electronics Engineer	666.67
Charles Reynolds	Design Draftsman	347.00

Two janitors are paid at rates in excess of the schedule as follows:

Laurent Dufau	54 hours	\$220.00 per month
Frederick Gurtner	48 hours	175.00 " "

These men are paid base pay for forty-hours, plus overtime at time and one-half. The salaries correspond to the prevailing rate in the Area for janitors in industrial plants.

9. The following requirements as to hours of work, overtime, and leave allowances shall be applicable to employees on this contract:

Note:

The following definitions are adapted from those given in the standard negotiation form of the War Department, U.S. Engineer Office, Manhattan District:

- (1) "Non-manual employees" are those employees who are not "laborers and mechanics" within the meaning of the Davis-Bacon Act. Specifically, the term "non-manual employees" has been interpreted to include all occupations not involving manual labor directly in connection with construction work. The following is a list (not all-inclusive) of non-manual employees engaged in work under this contract:

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Accountants	Office Machine Operators
Auditors	Purchasing Agents
Bookkeepers	Stenographers
Clerks	Storehouse Clerks
Draftsmen	Superintendents
Engineers	Toolroom Clerks
Executives of any kind	Typists
Messengers	

(2) For this purpose, non-manual employees will be classified in the following groups:

- (a) Group "A". Employees whose base salaries are less than \$50.00 a week, except those included in Groups "B" and "E".
- (b) Group "B". Employees whose base salaries are between \$50.00 and \$90.00 per week, inclusive, except those included in Groups "D" and "E".
- (c) Group "C". Employees whose base salaries are in excess of \$90.00 per week, except those included in Groups "D" and "E".
- (d) Group "D". Trade Foremen.
- (e) Group "E". Custodial employees, including Chauffeurs, Custodians, Fire Fights, Guards, Janitors.

Female employees who are included in Groups A, B, & E of non-manual employees will be paid base salaries established on the basis of a minimum work week of 41 hours.

Female employees in Groups A & B who are employed on the basis of base pay plus overtime will be paid monthly, and their gross monthly salaries will be determined by adding to the base pay for 41 hours the amount earned at 1-1/2 times base pay for the normal schedule of hours in excess of 41 per week which they may be required to work.

Male employees included in Groups A and B of non-manual employees will be paid base salaries established on the basis of the 40-hour week but will be expected to work a minimum work week of 48 hours. Their salaries will be paid on a monthly basis, which will be computed by applying an hourly rate to the average number of hours called for by the work schedule during a calendar month. Time worked beyond the minimum of 40 hours will be paid at the rate of 1-1/2 times straight time.

Employees classified in Group C of non-manual employees will be paid on an unlimited time bases, but their regular hours of work will be not less than 48 hours in any regularly scheduled work week.

Male employees classified in Group E of non-manual employees shall be paid a base wage for 40 hours of work in the work week, and any time required thereafter will be compensated at the rate of 1-1/2 times the base hourly rate. This will apply to all employees of this class except guards and watchmen, who will be paid straight time for 48 hours in six days.

Male Group B employees will be expected to work any reasonable number of hours in excess of 48 hours per week without payment of additional compensation and without overtime pay for work on the seventh consecutive day.

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Non-manual employees of Group D will be governed by the overtime policies applicable to the laborers and mechanics under their supervision.

No deductions from weekly or monthly base salaries of employees in Groups A, B, C, and E shall be made for approved absences on customary holidays, and no premium wage or extra compensation shall be paid for work on such holidays, except that employees in Groups A, B, and E, who are required to work on the holidays specified below, shall be paid at the rate of one and one-half times the straight time (an addition to one-half times the straight-time rate):

New Year's Day  
July Fourth  
Labor Day

Thanksgiving Day  
Christmas Day  
Memorial Day, or one other such holiday of greater local importance.

All employees under the contract shall be employed at a salary rate not less than the rate for such work prevailing in the area.

Since it is the policy to provide that each worker will have on day of rest in seven, operations will be so arranged as to permit one scheduled day of rest in each seven for all employees not engaged in executive or supervisory capacity.

Certain classes of employees, and particularly scientific personnel, may be employed on an "unlimited time" basis. In such cases, the rate of compensation will take into account the fact that they may be called upon for sustained work over protracted periods or that they may be subject to call at any time of day or night while experiments are in progress. Special consideration will be given to employees of this class in applying sick leave and vacation rules. Cases for which special consideration is recommended by supervisors or group leaders shall be approved by the Director.

Employees will be entitled to sick leave under the established rules of the University of California governing sick leave. Employees will be entitled to one day of vacation for each month of service, to a maximum of 12 working days in one year. Except for this provision, the vacation rules of the University of California shall apply in general. (See attached General Employment regulations.)

Employees on an unlimited time basis may be granted vacation in accordance with the University rules; or, if in the judgment of the Director, their absence from the project is not in the best interests of the United States Government, they may accumulate "leave" to be granted with pay at the completion of employment, provided this does not exceed 30 days or run beyond 30 days after the date at which the project is terminated.

11. The Contractor shall submit below a statement of his standard policy as to special employment benefits resulting in reimbursable costs which he desires incorporated in the prime contract, such as, separation allowances when employee enters armed services, employees laid off due to curtailment or completion of work, hospitalization facilities or health insurance, recreation facilities, sickness or welfare benefits not covered by sick leave or compensation insurance, furnishing personal equipment without cost, such as prescription ground-goggle lenses, etc.

Employees who are released from employment on the project shall be given 30 days' notice in writing, or, in lieu of such notice, 30 days' pay. Employees who resign shall not be entitled to such compensation, but shall be entitled to pay for accrued vacation, provided that 30 days' notice is given of such resignation. Employees who are discharged for cause shall not be entitled to termination pay, but shall be paid for accrued vacation.

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The contributions of the University of California to established pension funds on behalf of employees under the contract who are on leave from University faculty appointments to serve on the project, shall be subject to reimbursement under the contract. (See attached Retiring Annuity System regulations.)

11. LIST OF PLANT AND EQUIPMENT available for use on this contract. It is to be noted that other research activities for the Government and some University activities are carried on simultaneously in the areas noted:

Date Available	Units	Item	Purchase cost or Fair value new
(1)	(2)	(3)	(4)
5-1-43	part	60" Cyclotron and Crocker Laboratory	\$166,603
5-1-43	all	184" Cyclotron and Building	951,000
5-1-43	part	Donner Laboratory	179,000
5-1-43	all	Durant Hall	155,795
5-1-43	all	37" Cyclotron and Old Radiation Lab.	37,816
5-1-43	part	Le Conte Hall	457,416
5-1-43	part	Gilman Hall	205,053
5-1-43	part	Chemistry Dept. at Davis, Calif.	274,402
	all	Storehouse at 2271 Telegraph Ave.	40,000
5-1-43		Scattered rooms, Berkeley	

A portion of Life Science building is in use on Dr. Chaikoff's work in connection with WDP-48B. A great deal of Physics Department equipment and Radiation Laboratory equipment has been or is being used on the project, but it seems impractical to attempt to go beyond this generalization in mentioning it.

12. No fixed fee contracts have previously been awarded by the War Department to this Corporation.
13. Negotiators prepared and signed a formal contract prior to the preparation of this negotiation form.
14. The contract is not on a fixed fee basis.
15. The Contractor certified that he did not nor has any member of his firm employed any person, either directly or indirectly, to solicit or secure a contract for the herein described work or services upon any agreement for a commission, percentage, brokerage, or contingent fee; that all information and data submitted by him to the United States incident to these negotiations are accurate and true to the best of his knowledge and belief. Furthermore, that in the event the proposed contract is awarded to his firm, no compensation therefor shall be paid to any person, firm or corporation for soliciting or assisting in any manner whatsoever in securing this contract.

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16. Special Proposals:

- (a) Payment of Sales, Transportation and excise taxes are to be permitted as a reimbursable charge against the contract in view of secrecy requirements.
- (b) The Contractor is authorized to continue operation and administration of research activities under other Government contracts which require use of the same buildings and some of the same special equipment as is used on this contract without prorating the administrative expense so applicable to the other projects. The purpose of this provision is to allow the Contractor to continue to render service in connection with other research activities under contracts with the Office of Scientific Research and Development which were administered with the activity now being carried on under this contract prior to May 1, 1943.
- (c) The overhead allowance mentioned in Article IX 1 (n) is to cover rent of the 184" cyclotron, buildings and equipment, rent of other buildings and equipment provided as enumerated under Paragraph 11; general administrative direction and miscellaneous general expense which apply to the work under this contract but which cannot be (easily) separated and billed. These involve matters such as general accounting, purchasing, inventory, insurance and legal control over and above direct costs for accounting and purchasing for persons employed exclusively in connection with the work whose wages and salaries are charged to the work hereunder.
- (d) It is understood and agreed under the 25 percent allowance set forth in Article IX of the contract dated April 20, 1943, the contractor shall be entitled to a minimum amount of \$10,000 per month during the course of this contract.
- (e) The cost of work done by the contractor, with the approval of the contracting officer for other Government contractors or by the contractor in performance of its obligations under a Government research contract other than this contract shall be reimbursable under this contract.
- (f) The contractor shall be reimbursed at the rate of \$25.00 an hour for the time that the 60" Cyclotron is used in connection with production of radio active substances or other work called for under the contract. This reimbursement shall be in lieu of any other charges for maintenance and operation of this Cyclotron.
- (g) It is anticipated that the Contractor will produce, through the operation of the 60" Cyclotron, materials for use in the work under contract W 7405-eng-36. The operation of the 60" Cyclotron for such work will be subject to reimbursement at the rate of \$25.00 an hour. Claims for such reimbursement may be made at the Contractor's option under W-7405-eng-48.

17. In connection with Contract W 7405-eng-48, Ernest O. Lawrence will be the full time Resident Director at the site of the project on a reimbursable basis and will be responsible to the Government for the effective prosecution of the work to be performed under the contract.

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Dated, this 1 day of Dec, 1943.

CONTRACTOR

Henry Zunderk  
A. H. Leonard  
\_\_\_\_\_  
\_\_\_\_\_

NEGOTIATORS FOR GOVERNMENT

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A F F I D A V I T

STATE OF )  
COUNTY OF )

SS

Terry Underhill, being (a) ~~(a member of the firm)~~ (an official of the corporation) ~~(the individual)~~ above-named as the proposed contractor for the project herein referred to, being first duly sworn, deposes and says:

That the above information was submitted on behalf of \_\_\_\_\_  
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, that he has participated in and knows the contents of the foregoing negotiations; and that all information and data submitted by him to the United States incident to the foregoing negotiations are accurate and true to the best of his knowledge and belief.

Terry Underhill  
Secretary  
(title)

Subscribed and sworn to me this 1<sup>st</sup> day December 1943.

Edith Lawrence Smith  
(Notary Public)

NOTARY PUBLIC IN AND FOR THE COUNTY  
OF ALAMEDA, STATE OF CALIFORNIA  
My Commission Expires June 1, 1947.

My commission expires \_\_\_\_\_

(a) Eliminate inapplicable terms.