

MEDCL

28 December 1954

Mr. W. F. Tompkins
Comptroller
Medical College of Virginia
Richmond, Virginia

RE: Contract No. DA-49-007-MD-506
Modification No. 2

Dear Mr. Tompkins:

Inclosed herewith for your records are four copies of Modification No. 2 to the subject contract.

Please note that in accordance with Executive Order No. 10557, signed by the President on 3 September 1954, this Modification contains a provision in which you agree not to discriminate against any employee, or applicant for employment, because of race, religion, color, or national origin. Further, you have agreed to insert this provision in appropriate subcontracts. This modification also requires you to display in conspicuous places, available to employees and applicants for employment, "Posters" setting forth the provisions of the nondiscrimination clause. I have enclosed copies of the poster which you have agreed to display. Upon request, I shall supply additional copies for subcontractors who are subject to this poster requirement. If you have any questions concerning your obligations under the nondiscrimination clause or display of the posters, please do not hesitate to call on me.

Sincerely,

Incls:
a/s

W. F. LAWRENCE
Lt. Colonel, MSC
Contracting Officer

ALEXANDER NAIMON *AN*
Assistant to Chief,
Legal Office

Contracting Officer, 1705

MODIFICATION TO CONTRACT

Contract No. DA-49-007-MD-506
O. I. No. 77-54
Modification No. 2

DEPARTMENT OF THE ARMY
Office of The Surgeon General

CONTRACTOR: **MEDICAL COLLEGE OF VIRGINIA**
Richmond, Virginia

TERM OF CONTRACT: **1 December 1953 - 30 November 1955**

Amount provided by this Modification: **Six Thousand, Seven Hundred Sixty-Eight Dollars (\$6,768)**

Total amount provided by Contract: **Thirteen Thousand, Thirteen Dollars (\$13,013)**

Payment will be made under this contract by the Finance Officer, U. S. Army, Washington 25, D. C. (See Article 5 hereof).

The supplies and services to be obtained by this instrument are authorized by, are for the purposes set forth in, and are chargeable to the following allotments, the available balances of which are sufficient to cover the cost thereof:

506-5067 P5301-07 A21X2040 S49-007

This contract is negotiated under the authority of Section 2(c) (1) of the Armed Services Procurement Act of 1947, as amended (41 U.S.C. 151, et seq.) and Presidential Proclamation 2914.

Copies furnished:
BAO
Finance
2nd AAA

MODIFICATION TO CONTRACT

DEPARTMENT OF THE ARMY
Office of The Surgeon General
Washington 25, D. C.

THIS SUPPLEMENTAL AGREEMENT, entered into this 30th day of
November, 1954, between the UNITED STATES OF AMERICA
(hereinafter referred to as "the Government"), represented by the Contracting
Officer executing this Supplemental Agreement, and

MEDICAL COLLEGE OF VIRGINIA

Richmond, Virginia

(hereinafter referred to as "the Contractor").

W I T N E S S E T H:

WHEREAS, the parties entered into Contract No. DA-49-007-MD-506
(hereinafter referred to as "said contract") which requires the Contractor to
conduct certain studies and experimental investigations as therein specified
during the period commencing 1 December 1953 and ending
30 November 1954, on an actual cost basis in an amount not
to exceed Six Thousand, Two Hundred Forty-Five Dollars (26,245) and

MODIFICATION TO CONTRACT

WHEREAS the parties hereto are desirous of extending the term of said contract from the present expiration date of 30 November 1954 to 30 November 1955; and

WHEREAS the actual costs incurred or obligated to date under said contract indicate that additional funds in the sum of Six Thousand, Seven Hundred Sixty-Eight Dollars (\$6,768) will be required in order to continue the studies and experimental investigations until 30 November 1955; and

WHEREAS the parties hereto are desirous of modifying Articles 5, 10, 24, and 35; and

WHEREAS this supplemental agreement is authorized by the authority of Section 2 (c) (1) of the Armed Services Procurement Act of 1947, as amended (41 U.S.C. 151, et seq.) and Presidential Proclamation 2914;

NOW, THEREFORE, the contract is hereby modified in the following particulars, but in no others:

1. Subparagraph (a) of Article 2 is modified and changed so that, as modified and changed, it reads as follows:

"(a). Term of Contract. The Contractor shall commence the subject work on the 1 December 1953 and carry on the subject work to and including the 30 November 1955 unless this contract shall be terminated by the Government before that date in accordance with the provisions of this Article."

2. Article 1 of said contract is modified and changed so that, as modified and changed it reads as follows:

"Subject Work. The Contractor shall supply the necessary personnel and facilities for and conduct the studies and experimental investigations generally described in this Article 1 on Page 2 of this contract and hereinafter referred to as the "subject work."

"The subject work shall be carried on with the utmost dispatch and in accordance with such instructions of the Scientific Officer as may be given from time to time as the subject work proceeds, but which may not require or authorize the expenditure of any amount in excess of the maximum authorized amount, to wit:

Thirteen Thousand, Thirteen Dollars (\$13,013)."

MODIFICATION TO CONTRACT — (Continued)

k. Salaries and expenses of deans of schools and heads of instructional departments and their offices shall not be included in the cost of the work under this contract unless approved in writing by the Contracting Officer.

l. The Contracting Officer shall have the right at all times to make or cause to be made such examinations and audits of the Contractor's books, records and accounts as he may request."

34. Article 5, Payments, is modified and changed, so that as modified and changed it reads as follows:

ARTICLE 5, PAYMENTS

(a) Once each month (or at more frequent intervals, if approved by the Contracting Officer) the Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require but including the number of the applicable contract, an invoice or public voucher supported by a statement of cost incurred by the Contractor in the performance of this contract and claimed to constitute Allowable Cost. Each statement of cost shall be certified by an officer or other responsible official of the Contractor authorized by it to certify such statement.

(b) As promptly as may be practicable after receipt of each invoice or voucher and statement of cost, the Government shall, except as hereinafter provided and subject to the provisions of paragraph (c) below, make payment thereon as approved by the Contracting Officer. After payment of eighty per cent (80%) of the total estimated cost of performance of this contract, as from time to time amended, further payment on account of Allowable Cost shall be withheld until a reserve of either (i) one percent (1%) of such total estimated cost or (ii) \$100,000 whichever shall be less, shall have been set aside, such reserve or the balance thereof to be retained until the execution and delivery of a release by the Contractor as provided in paragraph (d) hereof.

(c) At any time or times prior to final payment under this contract the Contracting Officer may cause to be made such audit of the invoices or vouchers and statements of cost as shall be deemed necessary. Each payment theretofore made shall be subject to reduction to the extent of amounts included in the related invoice or voucher and statement of cost which are found by the Contracting Officer on the basis of such audit not to constitute Allowable Cost, and shall also be subject to reduction for overpayments or to increase for underpayments on preceding invoices or vouchers. On receipt of the voucher or invoice designated by the Contractor as the "completion voucher" or "completion invoice" and statement of cost, which shall be submitted by the Contractor as promptly as may be practicable following completion of the work under this contract but in no event later than one (1) year (or such longer period as the Contracting Officer may, in his discretion, approve in writing) from the date of such completion, and following compliance by the Contractor with all provisions of this contract (including, without limitation, provisions relating to patents and the provisions of paragraphs (d) and (e) of this clause), the Government shall as promptly as may be practicable pay any balance of Allowable Cost.

(d) The Contractor and each assignee under an assignment entered into under this contract and in effect at the time of and as a condition precedent

MODIFICATION TO CONTRACT -- (Continued)

to final payment under this contract, a release discharging the Government, its officers, agents and employees of and from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions:

(1) Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor.

(2) Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Contractor to third parties arising out of the performance of the contract, which are not known and by the exercise of due diligence could not have been known to the Contractor on the date of the execution of the release, and of which the Contractor gives notice in writing to the Contracting Officer not more than six (6) years after the date of release of the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier.

(3) Claims for reimbursement of cost (other than expenses of the Contractor by reason of its indemnification of the Government against patent liability) including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of the contract relating to patents.

(e) The Contractor agrees that any refunds, rebates or credits (including any interest thereon) accruing to or received by the Contractor or any assignee which arise out of the performance of this contract and on account of which the Contractor has received reimbursement shall be paid by the Contractor to the Government. The Contractor and each assignee under an assignment entered into under this contract and in effect at the time of final payment under this contract shall execute and deliver at the time of and as a condition precedent to final payment under this contract, an assignment to the Government of refunds, rebates or credits (including any interest thereon) arising out of the performance of this contract in form and substance satisfactory to the Contracting Officer. Reasonable expenses incurred by the Contractor for the purpose of securing any such refunds, rebates or credits shall constitute Allowable Cost when approved by the Contracting Officer.

(f) Any cost incurred by the Contractor under the terms of this contract which would constitute Allowable Cost under the provisions of this clause shall be included in determining the amount payable under this contract, notwithstanding any provisions contained in the specifications or other documents incorporated in this contract by reference, designating services to be performed or materials to be furnished by the Contractor at its expense or without cost to the Government.

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MODIFICATION TO CONTRACT

45. Sub-paragraph (a) of Article 10 is modified and changed so that as modified and changed it reads as follows:

"ARTICLE 10, REPORTS AND INSPECTIONS (a) The Contractor shall report the progress of the subject work from time to time as requested by the Project Officer. All reports shall be furnished in such quantity and form as may be requested by the Project Officer. A final report will be made upon the termination of this contract."

56. Article 35, is modified and changed so that as modified and changed it reads as follows:

"ARTICLE 35, RECORDS (a) (1) The Contractor agrees to maintain books, records, documents and other evidence pertaining to the costs and expenses of this contract (hereinafter collectively called the "records") to the extent and in such detail as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this contract. The Contractor's accounting procedures and practices shall be subject to the approval of the Contracting Officer; provided, however, that no material change will be required to be made in the Contractor's accounting procedures and practices if they conform to generally accepted accounting practices and if the costs properly applicable to this contract are readily ascertainable therefrom.

(2) The Contractor agrees to make available at the office of the Contractor at all reasonable times during the period set forth in subparagraph (4) below any of the records for inspection, audit or reproduction by any authorized representative of the Department or of the Comptroller General.

(3) In the event the Comptroller General or any of his duly authorized representatives determines that his audit of the amounts reimbursed under this contract as transportation charges will be made at a place other than the office of the Contractor, the Contractor agrees to deliver, with the reimbursement voucher covering such charges or as may be otherwise specified within two years after reimbursement of charges covered by any such voucher, to such representative as may be designated for that purpose through the Contracting Officer such documentary evidence in support of transportation costs as may be required by the Comptroller General or any of his duly authorized representatives.

(4) Except for documentary evidence delivered to the Government pursuant to subparagraph (3) above, the Contractor shall preserve and make available its records for a period of six years (unless a longer period of time is provided by applicable statute) from the date of the voucher or invoice submitted by the Contractor after the completion of the work under the contract and designated by the Contractor as the "completion voucher" or "completion invoice" or, in the event this contract has been completely terminated, from the date of the termination settlement agreement; provided, however, that records which relate to (A) appeals under the clause of this

MODIFICATION TO CONTRACT

contract entitled "Disputes," (B) litigation or the settlement of claims arising out of the performance of this contract, or (C) costs or expenses of the contract as to which exception has been taken by the Comptroller General or any of his duly authorized representatives, shall be retained by the Contractor until such appeals, litigation, claims, or exceptions have been disposed of, but in no event for less than the six-year period mentioned above.

(5) Except for documentary evidence delivered pursuant to sub-paragraph (3) above, and the records described in the proviso of subparagraph (4) above, the Contractor may in fulfillment of its obligation to retain its records as required by this clause substitute photographs, microphotographs or other authentic reproductions of such records, after the expiration of two years following the last day of the month of reimbursement to the Contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Contracting Officer with the concurrence of the Comptroller General or his duly authorized representative.

(6) The provisions of this paragraph (a), including this subparagraph (6), shall be applicable to and included in each subcontract hereunder which is on a cost, cost-plus-a-fixed-fee, time-and-material or labor-hour basis.

(b) The Contractor further agrees to include in each of his subcontracts hereunder, other than those set forth in subparagraph (a) (6) above, a provision to the effect that the subcontractor agrees that the Comptroller General or the Department, or any of their duly authorized representatives, shall, until the expiration of three years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor involving transactions related to the subcontract. The term "subcontract," as used in this paragraph (b) only, excludes (i) purchase orders not exceeding \$1,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

67. ARTICLE 24 is modified and changed so that as modified and changed it reads as follows:

"ARTICLE 24, NONDISCRIMINATION IN EMPLOYMENT. In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.

"The contractor further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials."

EXCEPT AS MODIFIED HEREIN said contract shall remain in full force and effect and the terms and conditions thereof shall apply to this agreement.

MODIFICATION TO CONTRACT

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Agreement effective as of the day and year hereinabove written.

THE UNITED STATES OF AMERICA

W. F. Lawrence

W. F. LAWRENCE
Lt Colonel, MSG

BY

Contracting Officer
Office of The Surgeon General
Department of the Army

MEDICAL COLLEGE OF VIRGINIA

CONTRACTOR

BY

W. T. Sanger
Title: President

I, George W. Babeman, certify that I am the
Secretary of the corporation named as Contractor here
that W. T. Sanger who signed this supplemental agreeeme
on behalf of the Contractor was then President
of said corporation; that said supplemental agreement was duly signed for and on
half of said corporation by authority of its governing body and is within the sc
of its corporate powers.

George W. Babeman

(SEAL)