

RECORD OF NEGOTIATIONS AND  
AWARDS

717202

Contract No. AT-(40-1)-288

CONTRACTOR: THE BOWMAN GRAY SCHOOL OF MEDICINE OF  
WAKE FOREST COLLEGE

ADDRESS: WINSTON-SALEM 7, NORTH CAROLINA

I - U - D - E - X

<u>ITEM</u>	<u>DESCRIPTION</u>
1.	RECORD FOR PROPOSED AWARD OF CONTRACT
2.	MEMORANDUM RECORD OF NEGOTIATIONS (HUMPHREYS 20 FILES) JULY 5, 1949
3.	RESEARCH PROJECT PROPOSAL SUBMITTED BY CONTRACTOR AND REQUEST FROM WASHINGTON FOR PREPARATION OF CONTRACT
4.	ROUGH AND FINAL DRAFTS OF CONTRACT

BEST COPY AVAILABLE

REPOSITORY *Oak Ridge Operations*  
*Records Holding Area*  
 COLLECTION *Documents 1944-94*  
*Contracts AT-(40-1)-266-288*  
 BOX No. *2 of 2 Bldg. 2714-H*  
 FOLDER *Record of Negotiations &*  
*Award - Bowman Gray*

RECORD FOR PROPOSED AWARD OF CONTRACT

Contract No. AT-(40-1)-288

**NAME OF CONTRACTOR:** The Bowman Gray School of Medicine  
of Wake Forest College

**ADDRESS:** Winston-Salem 7, North Carolina

**PROJECT LEADERS:** Title I - Dr. George T. Harrell  
Title II - Dr. Camille Arton  
Title III - Project Leader - Dr. George T. Harrell,  
Associate Project Leaders: Dr. C. Arton  
and Dr. D. Cayer

BACKGROUND

The Commission's General Manager issued a policy statement on January 27, 1949, to the effect that the Commission would greatly expand Commission support of research projects in the fields of biology, medicine and biophysics. The Washington Division of Biology and Medicine was assigned the responsibility for approval of research proposals in these fields and for technical supervision of the resulting research contracts. The several operations offices were assigned the responsibility under an interim procedure for negotiating the contracts and for handling all phases of business administration. In this connection the Washington Division of Biology and Medicine recommends a budget but the Operations office is responsible for, and is authorized to negotiate the details of the budget in accordance with sound business judgment and in harmony with the requirements of the research project.

By memorandum dated May 23, 1949, Dr. L. W. Tuttle, Assistant Chief, Medical Branch, Division of Biology and Medicine, forwarded the approved research program with Bowman Gray School of Medicine of Wake Forest College, Winston-Salem, North Carolina, consisting of the continuation of two projects initiated with AEC funds and administered during Fiscal Year 1949 under Office of Naval Research Contracts Nos. N8onr-63701 and N8onr-63702, respectively. Also included in the approved research program is a new project to be carried out under the joint direction of Drs. Arton, Harrell and Cayer.

The budget ceiling recommended by the Washington Division for the two projects to be renewed is in the amount of \$11,000 for each project; the budget ceiling approved for the new project is in the amount of \$3,000. The memorandum requested Oak Ridge Operations to negotiate an appropriate contract with Bowman Gray School of Medicine in accordance with the interim procedure approved by the General Manager.

BRIEF DESCRIPTION OF THE WORK

Title I - Distribution and turnover of sodium and potassium in acute infections.

**Record for Proposed Award of Contract No. AT-(40-1)-288**

Title II - Hormonal and Pharmacological actions on formation of tissue phospholipides.

Title III - Toxicity of P<sup>32</sup> as related to the functional capacity of the liver.

**AMOUNT OF CONTRACT**

It is estimated that the combined cost of the three project titles under this contract will be \$25,000.00 during the fiscal year beginning July 1, 1949. Funds in this amount have been obligated from the allotment by the Washington Division of Biology and Medicine under Appropriation 8990100.001 Allotment 903-101, Program 620.

**TIME OF COMPLETION**

The work under this contract will probably continue for a number of years, however, funds will be made available after the initial period of the contract on a year to year basis.

**SPECIAL CONTRACT PROVISIONS**

Every effort has been made to develop a contract which will require a minimum of administrative effort commensurate with sound business practice and which will permit the contractor to conduct his research with the necessary latitude of action for work of this nature and with only slight interference with his normal procedures. The unusual provisions which have been incorporated in the contract are described below:

a. Property

In consideration of the contractor's contribution to the project the contract provides for vesting of title of all property acquired under the contract in the contractor. The contractor will furnish space, use of his facilities already on hand to the extent that such use will not interfere with programs already in progress, and all general and administrative overhead activities. Estimated equipment purchases for the initial period beginning July 1, 1949, are in the amount of \$5535. and represent items of property of very little future value to the Commission's program. Items of property which may arise in future budgets and which are deemed to be of sufficient value to the Commission in its other programs after work under this contract has been completed will be listed in Section 2 c. of Appendix "A" as an exception to this provision of the contract which vests title to property in the contractor.

Record for Proposed Award of Contract No. AF-(40-1)-288

b. Advances and Reimbursement

Provisions have been made to advance funds to the Contractor at the start of the contract. The contractor will estimate his requirements for the first two quarters. The amount of this estimate will be paid as an advance of funds. The contractor will not be required to establish a separate bank account. After the end of each quarter the contractor will submit a voucher supported by a simple certified listing of his expenditures during the preceding quarter. Invoices, payrolls, and other normal types of supporting documents will not be required, however, the contractor agrees to keep records showing his expenditures and these records are open to AEC inspection at any time. The substitution of a certified schedule of expenditures for usual supporting documents is agreeable to the local General Accounting Office since the Comptroller General has previously approved this procedure for use on similar OSRD Research and Development contracts. Provision is also made in the contract for recouping any portion of the advance not actually obligated by the Contractor in the performance of the contract. This adjustment will be made on an annual basis and the unobligated balance will either be recouped or applied on the next year's budget.

The Files

July 5, 1949

R. G. Humphries, Office of Special Assistant to the Manager

**NEGOTIATION OF RESEARCH CONTRACT WITH THE BOWMAN GRAY SCHOOL OF MEDICINE  
OF WAKE FOREST COLLEGE**

REFER TO  
SYMBOL: SA:RSH

Dr. Harry Stoeckle and the undersigned met with Dr. George W. Harrell and Dr. Camille Arton on June 22, at the Bowman Gray School of Medicine, in Winston-Salem, North Carolina, for the purpose of negotiating a contract to cover the three research projects which had been proposed by Bowman Gray and which had been approved, with some limitations, by the Washington Division of Biology and Medicine and forwarded to Oak Ridge Operations Office for negotiation, by memorandum dated May 23, 1949, from Dr. L. W. Tuttle, Assistant Chief, Medical Branch.

In order to secure a better understanding of the Contractor's proposed budget, Dr. Harrell conducted the Commission representatives on an inspection tour of the facilities where the contract work will be carried on. The new laboratory which will be utilized by the Contractor in carrying out most of the work under this contract will be located on the 5th floor of the main laboratory building of the school and has been completely altered to fit it for work of this nature. The Contractor was in the process of moving part of his equipment into the Laboratory during our visit.

Dr. Stoeckle and the undersigned then met with Dr. Arton to go over the budget for the project that he will serve as Project Leader and which is designated as Title II of the contract.

The budget as originally submitted by the Contractor is in the proposed amount of \$12,120.00 to which had been added a proposed overhead allowance of 6% to cover the school's administrative costs. The Washington Division in approving this project, limited the amount of funds to cover the work to \$11,000. The contractor had proposed to furnish the salaries of staff members without charge to the project, leaving the requested labor charges to cover the full time technicians and two part-time technicians with a total amount of \$4,320.00. This amount was accepted by the Commission representatives.

In going over the list of permanent equipment proposed to be purchased, a question was raised as to whether or not Dr. Arton would be able to utilize an analytical balance already on hand in the laboratory. Dr. Arton stated that he could use the existing balance and it was agreed to eliminate this item from the equipment portion of the budget, leaving a sum of \$2500.00 to be expended for equipment as itemized.

As requested by the Washington Division, the proposed purchase of a Geiger-Muller counter with Q gas chamber was discussed with Dr. Arton.

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July 5, 1949

R. G. Humphries,

NEGOTIATION OF RESEARCH CONTRACT WITH THE BOWMAN GRAY SCHOOL OF MEDICINE  
OF WAKE FOREST COLLEGE

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It was explained that there was some feeling that he might find this particular type of counter unsatisfactory for his work and it was thought advisable, before actually making the purchase, that he investigate the possibility of utilizing another type counter. This Dr. Arton agreed to do.

The consumable supplies outlined in the contractor's proposal were reviewed and agreed to as reasonable items in the total amount of \$34,000.00.

The elimination of the proposed trip to the First International Congress of Biochemistry, in Cambridge, England, was explained to Dr. Arton and he agreed to limit his travel expenditures to \$200.00.

Miscellaneous and incidentals in the total amount of \$580.00 was agreed to as covering the last item in the budget, rounding out a total of \$11,000 for Title II work.

Dr. Stoeckle and the undersigned then met with Dr. George Harrell to review the budgets for Titles I and III.

Under Title I the Contractor had proposed a charge for salaries in the amount of \$4,700. There was some discussion of the item of part-time salary of Dr. Yount since we felt that Dr. Yount being a member of the school staff should be part of the Contractor's contribution to the project. Dr. Harrell pointed out that, due to the school's poor financial condition, they were unable to pay Dr. Yount a salary commensurate to his ability and that he had previously been permitted to spend one or two days each week seeing patients at the school's hospital to augment the salary paid him by the School to make a livable salary. That in order to secure the services of Dr. Yount for this project it will be necessary for the school to pay him the amount that he would otherwise earn seeing patients and since the school was unable to pay the additional salary he had asked for this salary as a part of the contract cost. Dr. Harrell pointed out that this project would not be able to make the proper progress without the services of Dr. Yount. It was then agreed to include the item in the budget.

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R. G. Humphries

NEGOTIATION OF RESEARCH CONTRACT WITH THE BOWMAN GRAY SCHOOL OF MEDICINE  
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REFER TO

SYMBOL: SA:ESH

In the permanent equipment portion of the budget the Contractor had proposed a flame photometer in the amount of \$2800.00 and a chemical hood in the estimated amount of \$1200 to be used with the flame photometer. Since the total budget of the contractor in the amount of \$13,075 had been cut back by Washington to \$11,000, it was necessary to eliminate these items from the permanent equipment budget. In lieu of the type of flame photometer originally proposed by Dr. Harrell there was substituted in the budget a flame photometer of another type with an estimated cost of \$725.00 since, from a review of the laboratory facilities, Dr. Stoeckle felt that the contractor would be unable to carry forward the work properly without the use of such equipment. The adjusted equipment portion of the budget was in the amount of \$2750.

In reviewing the consumable supplies portion of the budget it was noted that the contractor had failed to include an item for the purchase of radioisotopes which would be needed in the work and a sum of \$4.00 was included in the budget for this purpose, making an adjusted total of \$3,150 for consumable supplies.

Travel and contingency funds were allowed in the proposed amount of \$200 each, rounding the budget out in the approved amount of \$11,000 for Title I work.

In reviewing the budget for Title III, the salary item of \$1500 was accepted as proposed.

One item of proposed permanent equipment, one direct reading balance for animals, in the amount of \$250 was eliminated since Dr. Harrell indicated he could use similar equipment in another part of the laboratory. The adjusted equipment budget item was in the amount of \$285.00.

Expendable supplies was accepted as proposed with the addition of animals to the item described as dietary components which now reads "dietary components and animals - \$500.00". The total for expendable supplies is \$950.00.

Balance of available funds was listed under miscellaneous as \$265.00 completing the budget in the total amount of \$3000.00.

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July 5, 1949

R. G. Humphries

NEGOTIATION OF RESEARCH CONTRACT WITH THE BOWMAN GRAY SCHOOL OF MEDICINE  
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REFER TO  
SYMBOL: SA:RCH

A draft of the contract which had been prepared by the Commission prior to the meeting was then discussed with Dr. Harrell, going over the draft point by point, and met with no objection from the school representatives.

Since the budgets described above do not include any of the proposed overhead allowance of .8% on each project made by the contractor, the question of overhead was then discussed with Mr. Parker, Controller. Mr. Parker was very adamant in his stand almost to the point of insisting that the overhead allowance, as proposed, be included in the budget. It was explained that the Commission representatives had already agreed to items in the working budget to the full extent of funds provided by the Washington office and that any allowance for overhead would result in a cut back of some of the essential items to be used by the scientific personnel.

The question was not resolved before the Commission representatives left to catch a plane back to Oak Ridge. Dr. Harrell stated before the meeting adjourned that he would refer the question of accepting the contract without the overhead provision to Dr. C. C. Carpenter, Dean of the School. Dr. Harrell made the trip back to Oak Ridge with the Commission representatives for purposes not connected with contract negotiations.

At 11:00 a.m., June 23, the undersigned received a telephone call from Dr. Harrell in Oak Ridge indicating that he had just talked to Dr. Carpenter, in Winston-Salem, and Dr. Carpenter was agreeable to accepting the contract without including an overhead allowance in the budget. On this basis the Commission proceeded with preparation of a contract for signature.

*R. G. Humphries*  
R. G. Humphries

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