

Constructors required, and that the estimated completion time would be eight months. The Chief of Engineers, in forwarding this report to the Adjutant General, recommended 25,000 barrel capacity tanks instead of 50,000.

On 23 July 1941 the Division Engineer relayed to the Chief of Engineers the District Engineer's request to be permitted to proceed with excavation work, but on 29 July 1941 the District Engineer was instructed not to start work as the plans were being materially changed.

On 3 September 1941 the Adjutant General requested the Chief of Engineers to revise the plans. On 23 September 1941 the District Engineer was directed to proceed with construction at Site "B" but not to start work at Site "A" pending arrival in Honolulu of the Engineer's Advisory Committee. On 27 September 1941 the District Engineer was notified that installation of eight 40,000 barrel capacity tanks had been approved and that negotiations for procuring these eight tanks had been begun.

On 9 October 1941 the District Engineer forwarded the report of the Advisory Committee (which had been in Honolulu in September) and concurred in its recommendations, and on 31 October 1941 the District Engineer was directed to proceed with the work in accordance with the recommendations of the Advisory Committee. On 15 November 1941 the District Engineer informed [X] the Division Engineer that he estimated the tanks and the pipe line could be installed sixty days after their arrival. Construction began 19 November 1941 with a completion date of 1 June 1942. On 25 November 1941 the District Engineer wired the Division Engineer requesting immediate shipment of the channel anchors and bars. By letter 25 November 1941 the Division Engineer forwarded to the District Engineer a copy of an indorsement for the Chief of Engineers to the Navy stating that four tanks would be shipped by 20 November and the steel for the other five by 15 January 1942. On 28 November 1941 the District Engineer was notified that the channel anchors and bars were shipped 29 November.

Plans and specifications for the 40,000 barrel tanks were received by the District Engineer 22 December 1941.

(Hand written:) The foregoing history is conclusive that it would have been impossible to have completed the war reserve gas storage by the date of Pearl Harbor.

ARMY PEARL HARBOR BOARD EXHIBIT No. 46

[RESTRICTED]

WAR DEPARTMENT

OFFICE OF THE CHIEF OF ENGINEERS

Contracts and Claims Branch

Bond, \$-----

Surety-----

Notice to proceed received by contractor -----, 19-----

To be commenced-----

To be completed within six months.

Completed-----, 19-----

Final payment made-----, 19-----

Voucher No.-----

Contract No. W 414 Eng. 602

File No. 600.1 (Hawaiian Oept.)-3

Payment card by ----- Indexed by -----

ARTICLES OF AGREEMENT

Entered into December 20, 1940.

Contractor: Hawaiian Constructors consisting of W. E. Callahan Construction Co., Gunther and Shirley Co., and Rohl-Connally Co. and Ralph Wooley.

Address: Honolulu, T. H.

For Construction of works of National Defense at locations within the Hawaiian Islands.

Total amount, Cost \$1,097,673.00
Fee 52,220.00

District Honolulu.

Appropriation Seacoast Defense.
Insular Department.

Progress Report

Month	Percent Complete	
	Scheduled	Actual
-----	S/A See form 50	-----

C. O. #10 11-14-41 Additional work.
C. O. #11 4-21-41 Reimburse contractor—about \$18,000.
S. A. #43 3-14-42 \$150,000.00
Fee 1,050.00
S. A. 13 1-20-42 \$4,020,530.00
Fee 57,725.00
S. A. 24 2-12-42 Add'l provision re communications
S. A. 25 2-27-42 \$4,459,000.00
Fee 43,205.00
S. A. 11 1-3-42 Adding Hwn. Cont. Co. to joint venture
C. O. #13 (pt.1) 5-13-42 Modify Contract No money
Terminate Contract 5-15-42

Contract W-414-eng-602 Hawaiian Constructors

Job Orders transmitted to GAO

No.	Date of transmittal	No.	Date of transmittal	No.	Date of transmittal
20.6	4-4	58.2	6-22	49.0	" "
21.0	4-21	47.0	6-22	20.3	" "
20.0	4-21 (Secret)	60.0	6-22	28.0	" "
29.0	4-22 (Secret)	65.0	6-22	31.0	7-17 Reg.
2.2	5-21-42	65.1	6-22	48.0	7-17 Reg.
73.0	"	65.2	6-22	38.0	7-22 Reg.
55.0	"	65.3	6-22	44.0	" "
83.0	"	65.4	6-22	88.0	" "
74.0	"	92.0	6-22	8.1	" "
54.2	"	47.0	6-22	51.0	" "
21.3	6-12	58.5	6-25 (Secret)	59.0	" "
47.1	"	75.0	7-9 (Secret)	36.0	" "
59.0	"	3.6	7-17 Reg.	47.3	" "
20.2	6-13 (Secret)	3.8	" "	93.0	" "
47.2	6-22	6.0	" "	96.0	7-29 Secret

Contract W-414-eng-602

Hawaiian Constructors

Job Orders transmitted to GAO

No.	Date of transmittal	No.	Date of Transmittal
27.0	1-22 (Regular)	67.0	3-3 (Regular)
Specs. to accompany above		48.0	3-3 (Regular)
24.0	1-27 Restricted	31.0	3-3 (Regular)
81.0	1-27 Secret	50.0	3-3
63.0 (with Addendum No. 1)	1-27 Secret	42.0	3-9 Secret
19.0 (with Addenda Nos. 1, 2, 3)	2-3 Secret	28.0	3-11 (Regular)
39.0	2-3 Secret	33.0	3-11 (Regular)
44.0	2-6 (Regular)	17.0	3-12 Secret
52.0	2-6 (Regular)	86.0	3-14 (Regular)
66.0	2-7 (Regular)	9.0	3-19 Secret
64.0	2-14 Secret	30.0	3-20 (Regular)
36.0 and 37.0	2-16 (Regular)	5.0	3-23 Secret
26.0	2-17 Secret	9.2	3-30 (Regular)
40.0	2-21 (Regular)	69.0	3-30 (Regular)
70.0	2-21 (Regular)	12.1	3-30 (Regular)
8.0 (3 volumes)	2-25 Secret	68.0 & 68.1	3-30 (Regular)
32.0	3-3 (Regular)	9.1	3-30 (Regular)
		8.2	3-30 (Regular)
		20.4	4-3 (Regular)

Contract W-414-eng-602

Hawaiian Constructors

Job Orders transmitted to GAO

RESTRICTED				SECRET	
No.	Date of transmittal	No.	Date of transmittal	No.	Date of transmittal
6.2	11-27-41	3.2	11-27-41	1.0	11-27-41
6.1	11-27-41	3.3	11-27-41	15.0	11-27-41
5.2	11-27-41	3.4	11-27-41	18.0	11-27-41
6.0	11-27-41	3.5	11-27-41	11.0	11-27-41
5.1	11-27-41	3.6	11-27-41		
3.9	11-27-41	3.7	11-27-41	4.0	11-27-41
8.1	11-27-41	3.0	11-27-41	2.1	11-27-41
20.3	11-27-41	3.1	11-27-41	14.0	11-27-41
10.1	11-27-41				
3.8	11-27-41			13.0	11-27-41

21.1	-----	11-29-41	Restricted
22.0	-----	12- 6-41	Secret
7.1 and 7.2	-----	12-20-41	Secret
20.1, 20.120, 20.130, and 20.140	-----	1-14-42	(Regular)
2.30	-----	1-16-42	(Regular)
20.5	-----	1-16-42	(Regular)
7.3 and 7.4	-----	1-19-42	Secret
7.0	-----	1-19-42	Secret

[1] [Stamped:] OFFICE CHIEF OF ENGINEERS 600.1 (Haw. Dept.)3
 JAN 1 1941 Sub. 1 and copy 3S14 (Natl. Defense) 393/1 acctg.

[RESTRICTED]

Seacoast Defense

Appropriation Titles: Insular Department
 Symbol Numbers: 21011210: 21010605: 21x1204

Contract No. W414-Eng-602

C. P. F. F. Form No. 1
 Approved by the Assistant Secretary of War
 July 12, 1940

COST-PLUS-A-FIXED-FEE CONSTRUCTION CONTRACT

WAR DEPARTMENT

Contractor: Hawaiian Constructors, Honolulu, T. H., consisting of W. E. Callahan Construction Co., a Nebraska Corporation, Gunther and Shirley Company, a Nebraska Corporation, ~~W. E. Callahan Construction Company~~ and Rohl-Connolly Company, a Nevada Corporation.

Fixed-fee, \$52,220.

Contract for the construction of works of National Defense at locations within the Hawaiian Islands.

Place Islands of Hawaii, Maui, Oahu and Kauai.

Estimated cost of project, \$1,097,673.00.

Payments to be made by Finance Officer at Honolulu, T. H.

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

CAC 126 P34-99 A1200-01
 SC 1450 P23-99 A0605-01
 Eng 305 P13-99 A1204-N
 Eng 306 P16-99 A1204-N

THEODORE WYMAN, JR.,
 Theodore Wyman, Jr.,
Lt. Col. C. E.
Contracting Officer.

This contract is authorized by the following laws: National—Defense—Strengthening—Chapter 508, 3d Session (Public—No. 703—76th Congress).

I hereby authorize change of this classification from "SECRET" to "RESTRICTED."

[2] COST-PLUS-A-FIXED-FEE CONSTRUCTION CONTRACT

THIS CONTRACT, entered into this 20th day of December, 1942 by THE UNITED STATES OF AMERICA, hereinafter called the Government, represented by the Contracting Officer executing this contract, ~~W. E. Callahan Construction Company~~ Hawaiian Constructors, Honolulu, T. H., consisting of W. E. Callahan Construction Company, a Nebraska Corporation, Gunther and Shirley Company a Nebraska Corporation and Rohl-Connolly Company, a Nevada Corporation. ~~corporation organized and existing under the laws of the State of Nebraska partnership consisting of~~ (not applicable).

"and" individual trading as (not applicable) of the City of Honolulu in the Territory of Hawaii hereinafter called the Contractor, witnesseth that:

In order to expedite the building up of the national defense, it is necessary, out of moneys appropriated for national defense purposes for the fiscal year ending June 30, 1941, to enter into a contract, without advertising, for the construction, rehabilitation, conversion, and/or installation at various military posts, depots, stations, and other locations within the Hawaiian Islands, such plants, buildings, facilities, utilities and/or appurtenances as are or may become necessary to the functioning of the national defense plan.

¹ Delete all lines which do not apply.

[3] WHEREAS, the Government desires to have certain work performed, specifically enumerated but not restricted to the following:

1. Ammunition storage magazines on the Island of Oahu, specified in Article I, 1.
2. Warning service stations at locations to be determined, specified in Article I, 1.
3. Railway trackage at locations specified in Article I, 1.
4. Fixed Fortification Structures at locations specified in Article I, 1.
5. An addition to radio station WTJ, Island of Oahu, as specified in Article I, 1.

WHEREAS, the accomplishment of the above-described work under a cost-plus-a-fixed-fee contract, entered into after negotiations approved by the Secretary of War, and without advertising for proposals, is authorized by law; and

WHEREAS, as a result of such negotiations, the Secretary of War has directed that the Government enter into a cost-plus-a-fixed-fee contract with the Contractor for the accomplishment of the above-described work;

NOW, THEREFORE, the parties do mutually agree as follows:

ARTICLE I—STATEMENT OF WORK

1. The Contractor shall, in the shortest possible time, furnish the labor, materials, tools, machinery, equipment, facilities, supplies not furnished by the Government, and services, and do all things necessary for the completion of the following work:

A. Ammunition storage magazines on the Island of Oahu complete with service roads, railroad spur tracks and appurtenances. The major items of work involved in the construction of the ammunition storage magazines include the approximate quantities as follows:

- Excavation 200,000 cu. yds.
- Compacted backfill 135,000 cu. yds.
- Concrete in floors, walls and protected covering 36,000 cu. yds.
- Reinforcing steel 6,000,000 lbs.

All service roads will be constructed at locations to be determined by the Contracting Officer, and will involve grading, installation of drainage structures, preparation of the sub-grade and constructing bituminous type pavements. The major features of construction include the following approximate quantities:

- Excavation 180,000 cu. yds.
- Compacted earth embankment 15,000 cu. yds.
- Foundation for pavement 6" thick, 28,000 sq. yds.
- Bituminous type pavement 3" thick, 28,000 sq. yds.
- Culverts, Total length 1,410 lin. ft.

The major items of work involved in the construction of the railroad spur tracks will include transporting government furnished materials and supplies to the site of the work, preparing the site for the tracks, furnishing ballast and constructing the tracks complete in all details as directed by the Contracting Officer. All ties, rails, switches, fastenings and track accessories will be furnished by the Government.

B. Aircraft warning service stations on the Islands of Oahu, Hawaii, Maui and Kauai, involving certain installations, including buildings, roads, trails, cableways, haulage ways and other structures appurtenant to aircraft warning service, as directed by the Contracting Officer.

C. Railway trackage on the island of Oahu at certain locations to be designated, in accordance with detailed instructions to be issued from time to time by the Contracting Officer. All track materials, including ties, rails, frogs, switches, fastenings and track appliances, will be furnished by the Government.

D. Fortification structures for use in connection with fixed fortifications at locations to be determined by the Contracting Officer.

E. An addition to radio station WTJ in accordance with detailed instructions to be issued by the Contracting Officer.

F. The items of work to be done, enumerated in Article I, paragraphs A, B, C, D and E, include construction for which funds have been provided, in whole or in part. Additional work may be required to be done under the terms, if

and when additional moneys, appropriated for national defense purposes, become available, provided such additional work is ordered to be done by the Contracting Officer. [4] in accordance with the drawings and specifications or instructions contained in appendix "A" hereto attached and made a part hereof, or to be furnished hereafter by the Contracting Officer and subject in every detail to his supervision, direction, and instructions.

It is estimated that the total cost of the construction work covered by this contract will be approximately One Million Ninety Seven Thousand Six Hundred Seventy Three dollars (\$1,097,673.00), exclusive of the Contractor's fee, and that the work herein contracted for will be ready for utilization by the Government within six (6) months from the date of this contract. It is expressly understood, however, that the Contractor does not guarantee the correctness of either of these estimates. The estimated total cost set forth above is based upon a detailed estimate agreed to by both the Government and the Contractor, a copy of which is on file in the office of ²The Chief of Engineers.

In consideration for his undertaking under this contract the Contractor shall receive the following:

(a) Reimbursement for expenditures as provided in article II.

(b) Rental for Contractor's equipment as provided in article II.

(c) A fixed fee in the amount of Fifty-two thousand, two hundred twenty dollars (\$52,220) which shall constitute complete compensation for the Contractor's services, including profit and all general overhead expenses.

2. The Contracting Officer may, at any time, by a written order and without notice to the sureties, make changes in or additions to the drawings and specifications, issue additional instructions, require additional work, or direct the omission of work covered by the contract. If such changes cause a material increase or decrease in the amount or character of the work to be done under this contract, or in the time required for its performance, an equitable adjustment of the amount of the fixed fee to be paid to the Contractor shall be made and the contract shall be modified in writing accordingly. Any claim for adjustment under this article must be asserted within 10 days from the date the change is ordered: Provided, however, That the Contracting Officer, if he determines that the facts justify such action, may receive and consider, and, with the approval of the Chief of Branch, adjust any such claim asserted at any time prior to the date of final settlement of the contract. If the parties fail to agree upon the adjustment to be made the dispute shall be determined as provided in article XV hereof. But nothing provided in this article shall excuse the Contractor from proceeding with the prosecution of the work so changed.

3. The title to all work, completed or in the course of construction, shall be in the Government. Likewise, upon delivery at the site of the work or at an approved storage site and upon inspection and acceptance in writing by the Contracting Officer, title to all materials, tools, machinery, equipment and supplies, for which the Contractor shall be entitled to be reimbursed under article II, shall vest in the Government. These provisions as to title being vested in the Government shall not operate to relieve the Contractor from any duties imposed under the terms of this contract.

4. The work shall be executed in the best and most workmanlike manner by qualified, careful, and efficient workers, in strict conformity with the best standard practices.

[5] 5. Except it be otherwise authorized by the Contracting Officer, all materials shall be of the best quality of their respective kinds. If the Contracting Officer requires that the Contractor submit for prior approval samples of materials proposed for use in the work covered by this contract, the Contractor shall make no commitments for such materials until the submitted sample has been approved by the Contracting Officer.

ARTICLE II—COST OF THE WORK

Reimbursement for Contractor's Expenditures.

1. The Contractor shall be reimbursed in the manner hereinafter described for such of his actual expenditures in the performance of the work as may be approved or ratified by the Contracting Officer and as are included in the following:

(a) All labor, material, tools, machinery, equipment, supplies, services, power,

² Insert name of chief of branch concerned.

and fuel necessary for either temporary or permanent use for the benefit of the work. All articles of machinery or equipment valued at \$300 or less shall be classed as tools and shall be charged directly to the work. Title thereto shall thereupon pass to the Government.

(b) All subcontracts made in accordance with the provisions of this agreement.

(c) Rental actually paid by the Contractor, at rates not to exceed those approved by the Contracting Officer, ~~mentioned in the schedule of rental rates in appendix "B," hereto attached and made a part hereof, except as hereinafter set forth;~~ for construction plant in sound and workable condition, such as pumps, derricks, concrete mixers, boilers, clamshell or other buckets, electric motors, electric drills, electric hammers, electric hoists, mechanical shovels, locomotive cranes, power saws, engineers' levels and transits, and such other equipment exceeding \$3.0 in value as may be necessary for the proper and economical prosecution of the work. Each contract for the rental of construction plant or parts thereof by the Contractor from third parties shall be in a form prescribed by the Secretary of War, shall be subject to approval by the Contracting Officer, and shall contain the same provisions entitling the Government to acquire title to such plant or any part thereof upon the same conditions as those contained in paragraph 2 of article II of this contract.

(d) Loading and unloading at the site of the work of construction plant, owned or rented by the Contractor; the transportation thereof to the place or places where it is to be used in connection with said work and return transportation f. o. b. cars to the point of original shipment or equivalent mileage, except as hereinafter set forth; the installation and dismantling thereof, and such repairs and spare parts as are not included in the rental; provided such repairs or spare parts are not made necessary by defects in such plant, or parts thereof, or by the fault or negligence of the Contractor or his employees; but charges for transportation of such construction plant over distances in excess of 500 miles must have the written authorization of the Contracting Officer in advance.

(e) Transportation charges on materials and supplies.

(f) Transportation and traveling expenses to and from the work of the necessary field forces for the economical and successful prosecution of the [6] work; expenses of procuring labor and expediting the production and transportation of material and equipment. Expenditures under these items must have the written authorization of the Contracting Officer in advance.

(g) Salaries of resident engineers, superintendents, timekeepers, foremen, and other field employees of the Contractor in connection with the work. In case the full time of any field employee of the Contractor is not applied to the work his salary shall be included in this item only in proportion to the actual time applied thereto. No person shall be assigned to service by the Contractor as superintendent of construction, chief engineer, chief purchasing agent, chief accountant, or similar position in the Contractor's field organization, or as principal assistant to any such person, until there has been submitted to and approved by the Contracting Officer a statement of the qualifications and experience of the person proposed for such assignment. The regular salary or compensation rate of any such person shall not be in excess of the highest salary or compensation rate received by him during the year preceding the date of this contract plus such increase as the Contracting Officer may approve.

(h) Temporary rights in land required in connection with the work.

(i) Buildings and equipment required for necessary field offices, commissary, hospital and other facilities and the cost of maintaining and operating said offices, hospital and other facilities, including minor expenses such as telegrams, telephone service, expressage, and postage. The cost of maintaining commissary buildings and utility service therein will be reimbursed, but the cost of all commissary operating personnel and supplies will be borne by the Contractor. All commissaries shall be operated as nearly as possible without profit or loss and shall be subject to such sanitary regulations as the Contracting Officer may prescribe.

(j) Premiums on such bonds and insurance policies as the Contracting Officer may require for the protection of the Government; the cost of all public liability, employer's liability, workmen's compensation, fidelity, fire, theft, burglary, and other insurance that the Contracting Officer may approve as reasonably necessary for the protection of the Contractor.

(k) Losses and expenses, not compensated by insurance or otherwise (including settlements made with the written consent of the Contracting Officer), actually

sustained by the Contractor in connection with the work and found and certified by the Contracting Officer to be just and reasonable.

(l) The cost of reconstructing and replacing any of the work destroyed or damaged, and not covered by insurance, but expenditures under this item must have the written authorization of the Contracting Officer in advance.

(m) Payments from his own funds made by the Contractor under the Social Security Act, and any applicable State or local taxes, fees, or charges which the Contractor may be required on account of this contract to pay on or for any plant, equipment, process, organization, materials, supplies, or personnel; and, if approved in writing by the Contracting Officer in advance, permit and license fees, and royalties on patents used including those owned by the Contractor.

[7] (n) Such portion of the transportation traveling, and hotel expenses of officers, engineers, and other employees of the Contractor as is actually incurred in connection with this work. Expenditures under this item must have the written authorization of the Contracting Officer in advance.

(o) When specifically approved in advance by the Chief of Branch, a reasonable allowance for work done in the Contractor's general offices exclusively for and directly chargeable to the work.

(p) Such other items as should, in the opinion of the Contracting Officer, be included in the cost of the work. When such an item is allowed by the Contracting Officer, it shall be specifically certified as being allowed under this paragraph.

(q) It is agreed that, unless otherwise authorized by the Contracting Officer, all allowances as items of cost on account of the work under this contract for travel expenses and subsistence provided for herein shall conform to the allowances authorized by the "Standardized Government Travel Regulations."

Rental for Contractor's Equipment.

2. Rental shall be paid to the Contractor for such construction plant or parts thereof, as he may own and furnish, at not to exceed the rates mentioned in the schedule of rental rates hereto attached; except as hereinafter set forth, approved by the Contracting Officer. Except as specified below, such rental shall begin on the date of the delivery of such plant, or part thereof to a common carrier for shipment to the site of the work, as evidenced by the bill of lading covering such shipment, and shall terminate, unless title thereto passes to the Government at an earlier date, on the date of the delivery of such plant, or parts thereof, to a common carrier for shipment from the site of the work Government dock at Fort Mason, Calif., as evidenced by the bill of lading covering such shipment, provided such plant, or parts thereof, are so delivered without delay after notice by the Contracting Officer to the Contractor that such plant, or parts thereof, are no longer required; otherwise, the rental shall terminate on the date of such notice. If such plant, or any part thereof, is not in sound and workable condition when it arrives at the site of the work, the rental period therefor shall not begin until such plant, or parts thereof, shall have been placed in sound and workable condition at the expense of the Contractor, and no rental therefor shall be paid for any prior period. If such plant, or parts thereof, cannot be placed in sound and workable condition, no transportation charges for the shipment thereof shall be included in the cost of the work or paid, either directly or indirectly, by the Government. Determination as to whether such plant, or parts thereof, are in sound and workable condition shall, in every instance, be made by the Contracting Officer. Slight delays in the use of such plant, or parts thereof, caused by necessary minor or field repairs and replacements shall not interrupt the rental period, but no rental shall be paid for the period of any delay in the use of such plant, or parts thereof, caused by other than necessary minor or field repairs. When such construction plant or any part thereof shall arrive at the site of the work, the Contractor shall file with the Contracting Officer a schedule setting forth the fair valuation at that time of each part of such construction plant. Such valuation shall be deemed final unless the Contracting Officer shall, within 10 days after the machinery has been set up and working, modify or change such valuation. When and if the total rental paid to the Contractor for any such part shall equal the valuation thereof, plus one percent (1%) per month for each [7A] Before the delivery of any item of plant to the site of the work, the contractor shall file with the contracting officer a schedule setting forth the fair valuation, at that time of each part of such construction plant. Such valuation shall be deemed final unless the contracting officer shall, within 10 days after the

machinery has been set up and working, modify or change such valuation. Any new equipment purchased by the contractor for rental on the job must be acceptable to the contracting officer, and no purchase of any item of equipment at a cost exceeding \$500 shall be made without prior approval of the contracting officer. When and if the total rental paid to the Contractor for any such part shall equal the valuation thereof, plus one percent (1%) per month for each month or fraction thereof such part has been in use, no further rental therefor shall be paid to the Contractor, and title thereto shall vest in the Government. At the completion of the work or upon termination of the contract as provided in article VI, the Government may at its option purchase any part of such construction plant by paying to the Contractor the difference between the valuation of such part or parts, plus one percent (1%) per month for each month or fraction thereof such part or parts have been in use and the total rentals theretofore paid for such part or parts. The contracting officer will furnish necessary fuel and lubricants required for the operation of the construction plant at the site of the work. The contractor will maintain at all times a suitable supply of repair parts acceptable to the contracting officer, payments for such parts delivered to the site of the work and deemed necessary by the contracting officer for the maintenance and operation of the plant will be made upon presentation of a receipted proper invoice.

[8] month or fraction thereof such part has been in use, no further rental therefor shall be paid to the Contractor, and title thereto shall vest in the Government. At the completion of the work or upon termination of the contract as provided in article VI, the Government may at its option purchase any part of such construction plant by paying to the Contractor the difference between the valuation of such part or parts, plus one percent (1%) per month for each month or fraction thereof such part or parts have been in use and the total rentals theretofore paid for such part or parts.

SEE PAGE 7-A

General

3. The Government reserves the right to furnish any materials, construction equipment, machinery, or tools necessary for the completion of the work.

4. The Government reserves the right to pay directly to common carriers any or all freight charges on construction plant, materials, and supplies.

5. The Government reserves the right to pay directly to the persons concerned all sums due from the Contractor for labor, materials, or other charges.

6. Rates of rental as substitutes for scheduled rental rates may be agreed upon in writing between the Contractor and the Contracting Officer, such rates to be in conformity with similar rates of rental charged in the particular territory in which the work covered by this contract is to be performed. Such substitute rates shall be subject to the approval of the Chief of Branch, but shall be followed until so approved, at which time any necessary adjustments in prior payments will be made.

7. No salaries of the Contractor's executive officers, no part of the expense incurred in conducting the Contractor's main office or regularly established branch offices, and no overhead expenses of any kind, except as specifically authorized in section 1 of this article, shall be included in the cost of the work; nor shall any interest on capital employed or on borrowed money be included in the cost of the work.

8. The Contractor shall, to the extent of his ability, take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and bonifications, and when unable to take advantage of such benefits he shall promptly notify the Contracting Officer to that effect and the reason therefor. In determining the actual net cost of articles and materials of every kind required for the purpose of this contract, there shall be deducted from the gross cost thereof all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and bonifications which have accrued to the benefit of the Contractor or would have so accrued except for the fault or neglect of the Contractor. Such benefits lost through no fault or neglect on the part of the Contractor, or lost through fault of the Government, shall not be deducted from gross costs.

9. All revenue from the operations of the hospital or other facilities, except commissaries, or from rebates, discounts, refunds, etc., shall be accounted for by the Contractor and applied in reduction of the cost of the work.

[9]

ARTICLE III—PAYMENTS

Reimbursement for Cost.

1. The Government will currently reimburse the Contractor for expenditures made in accordance with article II upon certification to and verification by the Contracting Officer of the original signed pay rolls for labor, the original said invoices for materials, or other original papers. Generally, reimbursement will be made weekly but may be made at more frequent intervals if the conditions so warrant.

Rental for Contractor's Equipment.

2. Rental as provided in article II for such construction plant or parts thereof as the Contractor may own and furnish shall be paid monthly upon presentation of proper vouchers.

Payment of the Fixed-Fee.

3. The fixed-fee prescribed in article I shall be compensation in full for the services of the Contractor, including profit and all general overhead expenses. Ninety percent (90%) of said fixed-fee shall be paid as it accrues, in monthly installments based upon the percentage of the completion of the work as determined from estimates made and approved by the Contracting Officer. Upon completion of the work and its final acceptance, any unpaid balance of the fee shall be paid to the Contractor. If the contract is terminated for the convenience of the Government, before completion, the Contractor will be paid that proportion of the prescribed fee which the work actually completed bears to the entire project, less fee payments previously made. If the contract is terminated due to the fault of the Contractor, no additional payments on account of the fee will be made.

Payments by Contractor.

4. If bills for purchase of material, machinery or equipment, or pay rolls covering employment of laborers or mechanics incurred by the Contractor or by any subcontractor hereunder are not promptly paid by the Contractor or subcontractor as the case may be, the Contracting Officer may, in his discretion, withhold from payments otherwise due the Contractor an amount equivalent to the amount of any such bill or pay roll. Should the Contractor neglect or refuse to pay such bills or pay rolls or to direct any subcontractor to pay such bills or pay rolls within five (5) days after notice from the Contracting Officer so to do, the Government shall have the right to pay such bills or pay rolls directly, in such event a deduction equal to five percent (5%) of the amount so paid directly shall be made from the Contractor's fee.

Final payment.

5. Upon completion of the work and its final acceptance in writing by the Contracting Officer, the Government shall pay to the Contractor the unpaid balance of the cost of the work determined under Article II hereof, and of the fee, less any sum that may be necessary to settle any unsettled claims for labor or material, or any claim the Government may have against the Contractor. The Contracting Officer shall accept the completed work with reasonable promptness. [10] The Contractor shall, if required, furnish the Government with a release of all claims against the Government arising under and by virtue of this contract other than such claims, if any, as be specifically excepted by the Contractor from the operation of the release in stated amounts to be set forth therein.

ARTICLE IV—RECORDS AND ACCOUNTS—INSPECTION AND AUDIT

1. The Contractor agrees to keep records and books of account, on a recognized cost-accounting basis, showing the actual cost to him of all items of labor, material, equipment, supplies, services, and other expenditures of whatever nature for which reimbursement is authorized under the provisions of this contract. The system of accounting to be employed by the Contractor shall be such as is satisfactory to the Contracting Officer.

2. The Contracting Officer shall at all times be afforded proper facilities for inspection of the work and shall at all times have access to the premises, work and materials, to all books, records, correspondence, instructions, plans, drawings, receipts, vouchers, and memoranda of every description of the Contractor pertaining to said work; and the Contractor shall preserve for a period of 3 years after completion or termination of this contract, all books, records, and other papers herein mentioned.

3. Any duly authorized representative of the Contractor shall be accorded the privilege of examining the books, records, and papers of the contracting officer relating to the cost of the work for the purpose of checking up and verifying such cost.

ARTICLE V—SPECIAL REQUIREMENTS

1. The Contractor hereby agrees that he will:

(a) Procure and thereafter maintain such bonds and insurance in such forms and in such amounts and for such periods of time as the Contracting Officer may approve or require.

(b) Procure all necessary permits and licenses; obey and abide by all applicable laws, regulations, ordinances, and other rules of the United States of America, of the State, Territory, or subdivision thereof wherein the work is done, or of any other duly constituted public authority.

(c) Unless this provision is waived in writing by the contracting officer, reduce to writing every contract in excess of two thousand dollars (\$2,000) made by him for the purpose of the work hereunder for services, materials, supplies, machinery, or equipment, or for the use thereof; insert therein a provision that such contract is assignable to the Government; make all such contracts in his own name, and not bind or purport to bind the Government or the Contracting Officer thereunder. No purchases in excess of \$500 shall be made or placed without the prior approval of the Contracting Officer.

(d) Enter into no subcontract for any portion of the work, except in the form prescribed by the Secretary of War, nor without the written approval of the Contracting Officer. Subcontracts are defined as contracts entered into by the Contractor with others which involve the performance, wholly or in part at the site of the work, of some part of the work described in Article I hereof.

[11] (e) At all times during the progress of the work keep at the site thereof a duly appointed and qualified representative who shall receive and execute on the part of the Contractor such notices, directions, and instructions as the Contracting Officer may give.

(f) The Contracting Officer may require the Contractor to dismiss from the work such employee as the Contracting Officer deems incompetent, careless, insubordinate, or otherwise objectionable.

(g) At all times use his best efforts in all acts hereunder to protect and subserve the interest of the Government.

ARTICLE VI—TERMINATION OF CONTRACT BY GOVERNMENT

1. Should the Contractor at anytime refuse, neglect, or fail to prosecute the work with promptness and diligence, or default in the performance of any of the agreements herein contained, or should conditions arise which make it advisable or necessary in the interest of the Government to cease work under this contract, the Government may terminate this contract by a notice in writing from the Contracting Officer to the Contractor. 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 Government may have against the Contractor. Upon receipt of such notice the Contractor shall, unless the notice directs otherwise, immediately discontinue all work and the placing of all orders for materials, facilities, and supplies in connection with performance of this contract and shall proceed to cancel promptly all existing orders and terminate work under all subcontractors insofar as such orders and/or work are chargeable to this contract.

2. If this contract is terminated for the fault of the Contractor, the Contracting Officer may enter upon the premises and take possession, for the purpose of completing the work contemplated by this contract, of all materials, tools, equipment, and appliances and all options, privileges, and rights, and may complete or employ any other person or persons to complete said work.

3. Upon the termination of this contract as hereinbefore provided, full and complete settlement of all claims of the Contractor arising out of this contract shall be made as follows:

(a) The Government shall assume and become liable for all obligations, commitments, and claims that the Contractor may have theretofore in good faith undertaken or incurred in connection with said work and in accordance with the provisions of this contract; and the Contractor shall, as a condition of receiving the payments mentioned in this article, execute and deliver all such papers and

take all such steps as the Contracting Officer may require for the purpose of fully vesting in the Government the rights and benefits of the Contractor under such obligations or commitments.

(b) The Government shall reimburse the Contractor for all expenditures made in accordance with Article II and not previously reimbursed.

(c) If this contract is terminated for the convenience of the Government, the Government shall reimburse the Contractor for such further expenditures after the date of termination for the protection of Government property and for accounting services in connection with the settlement of this contract as the Contracting Officer may approve.

[12] (d) The Government should pay to the Contractor any unpaid balance for the rental of the Contractor's equipment in accordance with Article II to the date of termination, and if any of the Contractor's equipment is retained by the Government under the provisions of this article, additional compensation therefore shall be paid in accordance with Article II, either by purchase or rental at the election of the Contracting Officer.

(e) The obligation of the Government to make any of the payments required by this article, or by paragraph 3, Article III of this contract, shall be subject to any unsettled claims for labor or material or any claim the Government may have against the Contractor.

ARTICLE VII—PREFERENCE FOR DOMESTIC ARTICLES

1. In the performance of the work covered by this contract the Contractor, subcontractors, materialmen or suppliers, shall use only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States. The foregoing provision shall not apply to such articles, materials, or supplies of the class or kind to be used or such articles, materials, or supplies from which they are manufactured, as are not mined, produced or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality, or to such articles, materials, or supplies as may be excepted by the head of the department under the proviso of title III, section 3, of the act of March 3, 1933, 47 Stat. 1520 (U. S. Code, title 41, section 10b).

2. Inasmuch as the materials listed below or the materials from which they are made are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of satisfactory qualities, their use in the work herein specified is hereby authorized without regard to the country of origin:

Asbestos.	Nickel.
Balsa wood.	Nickel alloy
China wood oil	(Monel metal).
(Tung oil).	Platinum.
Chromium.	Rubber.
Cork.	Silk.
Jute.	Sisal.
Kaurigum.	Teak wood.
Lac.	Tin.

Articles, materials, or supplies made in the United States and containing mercury, antimony, tungsten, or mica of foreign origin may be used (subject to the requirements of applicable specifications) in the work herein specified, if such manufactured articles, materials, or supplies have been made in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States.

ARTICLE VIII—CONVICT LABOR

The Contractor shall not employ any person undergoing sentence of imprisonment at hard labor.

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ARTICLE IX—RATES OF WAGES—NONREBATE

1. In accordance with the act of August 30, 1935 (49 Stat. 1011; 40 U. S. C. 276a and 276a-1), the following provisions shall apply:

(a) The Contractor or his subcontractor shall pay all mechanics and laborers employed directly upon the site of the work, unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account the full amounts accrued at the time of payment, computed at wage rates not less than those established by the Secretary of Labor for the work herein specified, regardless of any contractual relationship which may be alleged to exist between the Contractor or subcontractor and such laborers and mechanics; and the scale of wages to be paid shall be posted by the Contractor in a prominent and easily accessible place at the site of the work. The Contracting Officers shall have the right to withhold from the Contractor so much of accrued payments as may be considered necessary by the Contracting Officer to pay to laborers and mechanics employed by the Contractor or any subcontractor on the work the difference between the rates of wages required by the contract to be paid laborers and mechanics on the work and the rates of wages received by such laborers and mechanics and not refunded to the Contractor, subcontractors, or their agents.

(b) In the event it is found by the Contracting Officer that any laborer or mechanic employed by the Contractor or any subcontractor directly on the site of the work covered by the contract has been or is being paid a rate of wages less than the rate of wages required by the contract to be paid as aforesaid, the Government may, by written notice to the Contractor, terminate his right to proceed with the work or such part of the work as to which there has been a failure to pay said required wages and prosecute the work to completion by contract or otherwise and the Contractor shall be liable to the Government for any excess costs occasioned the Government thereby.

2. Should the Contractor or any subcontractor pay to any laborer or mechanic a wage based upon a rate in excess of the wage rate for the classification in which said laborer or mechanic is included as established for the work by the Secretary of Labor, such increased wage shall be at the expense of the Contractor and shall not be reimbursed by the United States. When, in connection with the audit and check by the Contracting Officer or his authorized representative, of the Contractor's pay rolls, prior to reimbursement as contemplated in paragraph 1 of article II hereof, it is found that one or more laborers and/or mechanics have been paid wages at rates in excess of the wage rates, established for such laborers and/or mechanics, the reimbursement made to the Contractor on account of such pay rolls will not include such excess payments. The provisions of this section shall not apply when wage rates for a particular classification greater than those prescribed by the Secretary of Labor have been approved in writing by the Contracting Officer who executed this contract or his successor.

3. The Contractor shall furnish to the Government representative in charge at the site of the work covered by this contract or if no Government representative is in charge at the site, shall mail to the Federal agency having control of the project, within 7 days after the payment of each and every weekly pay roll, an affidavit in the form prescribed by regulations issued jointly by the Secretary of the Treasury and the Secretary of the Interior under date of January 8, 1935, or any modification thereof pursuant to the act of June 13, 1934 (48 Stat. 948; 40 U. S. C. 276b and 276c), sworn to by the officer or employee of the Contractor supervising such payment to the effect that each and every person employed on the work has been paid in full the weekly wages shown on the pay roll covered by the affidavit; that no rebates, or deductions from any wages due such employee or employees not required by law have been made either directly or indirectly, and that to the best of the knowledge and belief of the affiant no agreement or understanding exists with any person employed on the project pursuant to which any person, directly or indirectly, by force, intimidation, threat, or otherwise, induces or receives any deductions or rebates in any manner whatever from any sum paid or to be paid any person for labor performed in carrying out this contract. At the time upon which the first affidavit with respect to wages paid employees is filed the Contractor shall also furnish an affidavit executed by its president or a vice president, setting forth the name of the officer or em-

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ployee who supervises the payment of employees and stating that such officer or employee is in a position to have full knowledge of the facts set forth in the affidavit respecting the payment of wages of employees. A similar affidavit shall be filed immediately in the event that a change is made in the officer or employee who supervises the payment of employees. The Contractor shall cause appropriate provisions to be inserted in all subcontracts relating to this work to insure fulfillment of the requirements of this article.

ARTICLE X—WORKMEN'S COMPENSATION LAWS

The act of June 25, 1936 (49 Stat. 1938, 1939; 40 U. S. C. 290), provides that the several States have authority to make their workmen's compensation laws applicable to contracts for the construction, alteration, or repair of a public building or public work of the United States, and the several States are vested with the power and authority to enforce such State laws on lands of the United States.

ARTICLE XI—ACCIDENT PREVENTION

The Contractor shall at all times exercise reasonable precautions for the safety of employees on the work and shall comply with all applicable provisions of Federal, local, State, and municipal safety laws and building and construction codes.

ARTICLE XII—OFFICIALS NOT TO BENEFIT

No Member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to his contract if made with a corporation for its general benefit.

ARTICLE XIII—APPROVAL REQUIRED

This contract shall be subject to the written approval of ~~Assistant~~ Under Secretary of War and shall not be binding until so approved.

ARTICLE XIV—COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that he has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to terminate the contract, or in its discretion, to deduct from payments due the Contractor the amount of such commission, percentage, brokerage, or contingent [15] fee. This warranty shall not apply to commissions payable by Contractors upon contracts or sales secured or made through bona fida established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

ARTICLE XV—DISPUTES

Except as otherwise specifically provided herein, all disputes concerning questions of fact arising under this contract shall be decided by the Contracting Officer, subject to written appeal by the Contractor within 30 days to the Chief of Branch concerned or his duly authorized representative, whose decision shall be final and conclusive upon the parties hereto, when the amount involved is \$15,000 or less. When the amount involved is more than \$15,000, the decision of the Chief of Branch shall be subject to written appeal within 30 days by the Contractor to the Secretary of War or his duly authorized representative, whose decision shall be final and conclusive upon the parties hereto. In the meantime the Contractor shall diligently proceed with the work as directed.

ARTICLE XVI—CONTRACTOR'S ORGANIZATION AND METHODS

Upon the execution of this contract the Contractor shall submit to the Contracting Officer a chart showing the executive and administrative personnel to be regularly assigned for full or part-time service in connection with the work under contract, together with a written statement of the duties of each person and the administrative procedure to be followed by the Contractor for the control and direction of the work; and the data so furnished shall be supplemented

as additional pertinent data become available. There shall also be submitted to the Contracting Officer by the Contractor charts of the various field organizations showing all personnel, other than artisans, mechanics, helpers, and laborers to be assigned for full or part-time service outside of the central-office organization, together with a written statement of the duties and rates of pay of each person and the procedure proposed to be followed by the Contractor for the accomplishment of all field work, including temporary requirements; and the data so furnished shall be supplemented as additional pertinent data become available. Statements of procedure shall include purchasing, disbursing, accounting, transportation, storage, employment, housing, sanitation, subsistence, recreation, and similar essential activities and methods.

ARTICLE XVII—DEFINITIONS

1. The term "Chief of Branch" refers to the head of a branch or bureau of the War Department, viz., the Quartermaster General, the Chief of Engineers, etc.

2. The term "his duly authorized representative" shall mean any person authorized by the Secretary of War or a chief of branch, as the case may be, to act for him, other than the Contracting Officer.

3. Except for the original signing of this contract, the term "Contracting Officer" as used herein shall include his duly appointed successor or his authorized representative.

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ARTICLE XVIII—ALTERATIONS

The following changes were made in this contract before it was signed by the parties hereto:

APPENDIX "B" was added.

In Article 11, Section 2, line 9, the words "the site of the work" were deleted and in lieu thereof the following words were inserted: "Government dock at Fort Mason, Calif." Beginning in line 26 of said Article and Section with the word "When" the balance of the section was deleted and page 7A added.

ARTICLE XIX—EIGHT-HOUR LAW—OVERTIME COMPENSATION

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work at the site thereof, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this article. The wages of every laborer and mechanic employed by the contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this article a penalty of five dollars shall be imposed upon the contractor for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this article, and all penalties thus imposed shall be withheld for the use and benefit of the Government: *Provided*, That this stipulation shall be subject in all respects to the exceptions and provisions of U. S. Code, title 40, sections 321, 324, 325 and 326, relating to hours of labor, as in part modified by the provisions of Section 303 of Public Act No. 781, 76th Congress, approved September 9, 1940, relating to compensation for overtime.

ARTICLE XX—LOADING AND UNLOADING RAILWAY CARS

The contractor shall load promptly all railroad cars furnished for loading upon his order and shall unload from railroad cars promptly upon arrival all shipments consigned to him and shall provide storage facilities and other facilities necessary for these purposes; and the contractor shall not order railway cars for loading unless they can be loaded promptly and shall not cause or permit shipments to be consigned to him unless they can be unloaded from railroad cars promptly upon arrival.

[17] IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

Approval recommended: Dec. 28, 1940

J. L. Schley,
J. L. SCHLEY,
Major General,
Chief of Engineers.

THE UNITED STATES OF AMERICA
By Theodore Wyman, Jr.
THEODORE WYMAN, JR.,
Lt. Col. C. E.

Two witnesses:

H. F. BARSA,
1501 Hamlin St. NE.,
Washington, D. C.
ANASTASIA B. GOWEN,
101 N. Carolina Ave. SE.,
Washington, D. C.

HAWAIIAN CONSTRUCTORS (Contractor)
By PAUL GRAFE,
(Business address.)

Approved 3 January, 1941

ROBERT P. PATTERSON,
Underscretary of War.

I, _____, certify that I am the _____, secretary of the corporation named as Contractor herein; that _____ who signed this contract on behalf of the Contractor was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(CORPORATE SEAL)

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry, Paul Grafe, who signed this [18] contract for the Hawaiian Constructors had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

THEODORE WYMAN, JR.,
Theodore Wyman, Jr.
(Contracting Officer) Lt. Col. C. E.

DIRECTIONS FOR PREPARATION OF CONTRACT

1. This form shall be used when authorized by the Secretary of War for formal contracts for the construction, alteration, or repair of buildings or works accomplished under the provisions of the law specifically authorizing the use of a cost-plus-a-fixed-fee contract.

2. There shall be no deviation from this approved contract form, except as provided for in these directions, without approval of the Secretary of War or his duly authorized representative. Where interlineations, deletions, additions, or alterations are authorized, specific notations of the same shall be entered in the blank space following the article entitled "Alterations" before signing. This article is not to be construed as general authority to deviate from the form. Deletion of the descriptive matter not applicable in the preamble need not be noted in the article entitled "Alterations."

3. All blank spaces on the little page must be filled in including a citation of the act or acts authorizing the contract. The Contracting Officer or his duly authorized representative will sign the certificate of availability of funds appearing on the title page.

4. The blank space in the preamble is intended for the insertion of a statement of the work to be done, together with place of performance, or for the enumeration of papers which contain the necessary data.

5. The blank spaces in articles I and XIII must be filled in with the data indicated therein. The contract must be dated, and the performance and payment bonds, if required, must bear the same date.

6. Each appendix will contain a sufficiently descriptive statement to identify it with the contract viz.:

APPENDIX "A" to Contract No. W414-Eng-602, dated December 20, 1940 between THE UNITED STATES OF AMERICA and Hawaiian Constructors for the construction of works of National Defense at locations within the Hawaiian Islands.

7. Contracts subject to approval are not valid until approved by the authority designated to approve them, and the Contractor's number will not be delivered [19] ed, nor any distribution made, until such approval. All changes and deletions must have been made before the contract is forwarded for approval.

8. The number of executed copies and of certified copies, designation of

disbursing officer, statement of appropriation, amount of bond if required, as well as other administrative details, shall be as directed by the Chief of Branch to which the contract pertains.

9. An officer of a corporation, a member of a partnership, or an agent signing for the principal, shall place his signature and title after the word "by" under the name of the principal. A contract executed by an attorney or agent on behalf of the Contractor shall be accompanied by two authenticated copies of his power of attorney, or other evidence of his authority to act on behalf of the Contractor.

10. If the Contractor is a corporation, one of the certificates following the signature of the parties must be executed. If the contract is signed by the secretary of the corporation, then the first certificate must be executed by some other officer of the corporation under the corporate seal, or the second certificate executed by the Contracting Officer. In lieu of either of the aforementioned certificate there may be attached to the contract copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

11. The full name and business address of the Contractor must be inserted, and the contract signed with his usual signature. Typewrite or print name under all signatures to contract or bonds.

12. Any provisions respecting labor or materials required by law to be included in this contract and any additional contract provisions deemed necessary for the particular work shall be made the subject of one or more additional articles or included in the specifications, appendix "A".

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APPENDIX "B"

To Contract No. W414-Eng-602, dated December 20, 1940, between THE UNITED STATES OF AMERICA and W. E. Callahan Construction Company, Hawaiian Constructors.

1. The following changes were made in the aforementioned contract before it was signed:

a. In Article II, Section 1 (c), lines 1, 2 and 3, the words "mentioned in the schedule of rental rates in Appendix "B", hereto attached and made a part hereof, except as hereinafter set forth," were deleted therefrom and in lieu thereof the following words were inserted: "approved by the Contracting Officer."

b. In Article II, Section 1 (d), the following phrase was inserted in line 1 between the words "Unloading" and "of": "at the site of the work". There was also inserted in line 3 in said Article and Section between the word "work" and the comma immediately following it, the phrase: "and return transportation f. o. b. cars to the point of original shipment or equivalent mileage".

c. In Article II, Section 2, lines 2 and 3, the words "mentioned in the schedule of rental rates hereto attached, except as hereinafter set forth," were deleted therefrom and in lieu thereof the following words were inserted: "approved by the Contracting Officer."

d. In Article IX, Section 2, the following sentence was added at the end thereof: "The provisions of this section shall not apply when wage rates for a particular classification greater than those prescribed by the Secretary of Labor have been approved in writing by the Contracting Officer who executed this contract or his successor."

e. A new Article, Number XIX, is added and shall read as follows:

"ARTICLE XIX—*Eight-Hour Law*—Overtime Compensation. No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work at the site thereof, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this article. The wages of every laborer and mechanic employed by the contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this article a penalty of five dollars shall be imposed upon the contractor for each laborer or mechanic for every calendar day in which such employee is required

or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this article, and all penalties thus imposed shall be with- [21] held for the use and benefit of the Government; *Provided*, That this stipulation shall be subject in all respects to the exceptions and provisions of U. S. Code, title 40, sections 321, 324, 325 and 326, relating to hours of labor, as in part modified by the provisions of Section 303 of Public Act No. 781, 76th Congress, approved September 9, 1940, relating to compensation for overtime."

f. A new Article, number XX, is added and shall read as follows:

"ARTICLE XX—*Loading and Unloading Railway Cars.* The contractor shall load promptly all railroad cars furnished for loading upon his order and shall unload from railroad cars promptly upon arrival all shipments consigned to him and shall provide storage facilities and other facilities necessary for these purposes; and the contractor shall not order railway cars for loading unless they can be loaded promptly and shall not cause or permit shipments to be consigned to him unless they can be unloaded from railroad cars promptly upon arrival."

End of Appendix "B"

Revised 9/26/40

40/1553

[1] ARMY PEARL HARBOR BOARD EXHIBIT No. 46-A

ORNL (How. Dept. Airfields) 62/3

RESTRICTED

Contract No. W-414-eng 002

SUPPLEMENTAL AGREEMENT

This supplemental agreement entered into this 23d day of March, 1941, by and between the UNITED STATES OF AMERICA, hereinafter called the Government, represented by the contracting officer executing this agreement, and The Hawaiian Constructors, a joint venture, composed of W. K. Callahan Construction Company, a Nebraska corporation; Guntley & Shirley Company, a Nebraska corporation, and Kohl-Connolly Company, a Nevada corporation, joint contractors and co-venturers, hereinafter called the contractor, WITNESSETH That:

WHEREAS, On the 28th day of December, 1940, the parties hereto entered into contract No. W-414-eng 002 for the performance of work therein described at locations within the Territory of Hawaii, hereinafter referred to as the said contract; and

WHEREAS, it is found advantageous and in the best interests of the United States to modify the said contract so that construction work and services, now particularly hereinafter described, in addition to that covered by the said contract, may be performed for the benefit of the National Defense; and

WHEREAS, The work and services to be performed by this Supplemental Agreement are authorized by, are for the purpose set forth in, and are chargeable to, Procurement Authority No. Eng-002 PMA-0540005-N, the available balance of which is \$1,007,000, and to Procurement Authority No. Eng 710 PMA-0540005-N, the available balance of which is \$283,580.

[2] Now, *viscerous*, The said contract is hereby modified in the following particulars, but in no others:

1. The contractor agrees, for and in consideration of the fixed fee being increased as hereinafter provided, to perform the work and services (in addition to that covered by the said contract) described in Schedules A and B herein and made a part hereof.

2. The estimated total cost of the work and services covered by this Supplemental Agreement is approximately \$1,671,000, exclusive of the contractor's fee for said work and services. The estimated total cost set forth above is based upon field data now available and agreed to by both the Government and the contractor.

3. The fixed fee stated in the said contract shall be increased in the amount of sixty-nine thousand dollars (\$69,000), which shall cover all the work and services irrespective of the cost thereof.

4. The work shall be done in conformity with the provisions of the War Department Construction policy dated June 15, 1940, File AG 600-12 (6-15-40) M-41-M, and its supplements.