

X-9228

AGREEMENT BETWEEN THE  
FEDERAL RESERVE BOARD  
AND  
PAUL P. CRET

X-9228

AGREEMENT made this 5th day of June, 1935, by and between the FEDERAL RESERVE BOARD, Washington, D. C., (hereinafter sometimes called the "Board"), party of the first part, and PAUL P. CRET, JOHN F. HARBESON, WM. J. H. HOUGH, WM. H. LIVINGSTON, and ROY F. LARSON, partners doing business under the name of "PAUL P. CRET", having an office at 1700 Architects' Building, 17th and Sansom Street, Philadelphia, Pennsylvania, (such partners as a firm being hereinafter sometimes called the "Architect"), party of the second part;

## WITNESSETH:

WHEREAS, the Board intends to erect a building on its premises located between 20th and 21st Streets, C Street and Constitution Avenue, N. W., Washington, D. C., and

WHEREAS, the Architect has submitted drawings in conformity with the requirements of a certain program of competition for the selection of an architect for such building and has been awarded the prize of such competition and has been appointed as the architect of such building;

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

1. SERVICES OF THE ARCHITECT: - The Architect will:

- (a) Act and serve as architect in all matters relating to the construction of the building and the design of the building and grounds, including the steel framing of the building together with the decorative work and

fixed and built-in equipment thereof and, when requested by the Board to do so, represent the Board at all hearings or meetings before such agencies as the Commission of Fine Arts and the National Capital Park and Planning Commission;

- (b) Make such revision of his competitive scheme as may be necessary to complete the design premiated in the competition with such changes as the Board may require; within sixty (60) days from the date hereof, prepare and deliver to the Board all sketches, preliminary drawings, estimate of cost, etc., necessary to enable the Board to pass judgment on the design as finally proposed by the Architect and to enable the Board to submit such design for the approval, in so far as is necessary, of the Commission of Fine Arts and the National Capital Park and Planning Commission;
- (c) Subject to the conditions of Article 3 and within one hundred and twenty (120) days from the date of the approval by the Board of the design under the provisions of paragraph (b) above, prepare all contract drawings, specifications, etc., including steel framing design and drawings, and deliver the same to the Board, so that the Board may advertise for bids and enter into a contract or contracts for the construction of the building; Provided, however, That, if the Board does not require the Architect to perform

the services set forth in Article 3 hereof or certain of them, all designs, specifications, etc. to be prepared with respect to such services not performed by the Architect shall be delivered to the Architect at least forty-five (45) days before the end of the period of one hundred and twenty (120) days referred to in this paragraph (c); and the said period of one hundred and twenty (120) days shall be extended by a number of days equal to the number of days, if any, by which the delivery of such designs, specifications, etc. to the Architect may be delayed beyond the time required by this proviso for such delivery;

- (d) Subject to the conditions of Article 3, prepare and deliver to the Board as rapidly as they may be needed in order to avoid any delay or interruption in the progress of the construction and completion of the building, all scale and full size detail drawings necessary for the execution of the work in accordance with the contract drawings and the spirit thereof;
- (e) Subject to the conditions of Article 4, supervise and inspect all phases of the construction of the building, including the tests and inspection of all materials, and, to the extent deemed necessary by the Board, all processes of the manufacture of articles permanently entering into the construction work;

- (f) Furnish such cooperation, consultation and advice to the Board, contractors or others, as may in the opinion of the Board be desirable to clarify the intent of the drawings or specifications or to assist in any way upon questions that may arise in connection with the construction of the building; and conduct correspondence and perform correlated work necessary to promote continuous prosecution of the work;
- (g) Furnish to the Board, promptly after the times when the originals of the documents herein enumerated shall have been respectively approved by the Board, a duplicate set of all designs and preliminary drawings, a duplicate set of the contract drawings and scale details, a duplicate set of complete specifications and a duplicate copy of the detailed estimate of the cost of the entire building; all such duplicates to be furnished at the Architect's expense, to be the property of the Board, to remain in the custody of the Board, and to be in such form satisfactory to the Board as to constitute a suitable permanent record, it being the intent of this paragraph (g) that, if at any time during the construction of the building the Architect should for any reason cease to furnish the services called for by this agreement, the Board shall possess as its own property, a complete duplicate set of all documents submitted by the Architect to the Board and approved by it,

which may be used by the Board in the completion of the building should the Board so desire, and also that the Board may have in its possession upon the completion of the building an accurate and detailed set of the final designs, drawings, plans, specifications and estimate of cost of the building as actually built.

The Architect shall diligently and promptly perform all services required of him under this contract, and the Board shall cooperate with him, to the end that the construction of the building may proceed to completion without delay and that the Architect shall consummate the services required of him within the limitations of time specified in paragraphs (b), (c) and (d) above. Each of the periods of time specified in paragraphs (b) and (c) for the completion of the services therein mentioned may be extended at any time or times if such extension is granted by a written instrument signed on behalf of the Board by the Board's Building Committee. In case any delay in the performance of the services specified in paragraphs (b) or (c) above is caused, in the judgment of the Board, by any action of the Board or by any failure to act or delay in acting by the Board, the Board will grant a corresponding extension of time for the performance of such services.

2. CONTRACTS FOR CONSTRUCTION: - The Board will act as the contracting agency on all contracts involved in the construction of the building, or will designate some person or agency for that purpose. Subject to the provisions of paragraph (g) of Article 1, the Board will also pay all costs arising from the making of blueprints, the reproduction of the specifications, the ad-

vertising for bids, and all other expenses incident to the execution of the contract or contracts for the construction of the building.

3. SPECIAL ENGINEERING SERVICES: - The Board may at its option require the Architect to perform, in addition to all other services and duties required of him, all of the designing and engineering services in respect to the following matters:

- (a) The foundations of the building;
- (b) The elevators, passenger and freight;
- (c) The air conditioning installation;
- (d) The fire detection and fire control apparatus;
- (e) The heating and ventilating installation;
- (f) The electrical layout and equipment;
- (g) The telephone layout and equipment;
- (h) The water supply and sanitary layout and equipment.

The Architect shall perform such of the designing and engineering services set forth in paragraphs (a) to (h) above as he may be required to perform by the Board, but in such event shall be entitled to an additional fee as provided in paragraph (b) of Article 5. Even though the Architect is not required to perform such additional services, he shall without additional compensation indicate on all contract drawings to be prepared by him so much of the purely engineering and technical features as may be necessary to correlate and connect the various phases of the engineering work with the architectural features.

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The Board will retain and pay the salaries of all engineers, consultants, designers, draftsmen, etc., necessary to prepare the completed contract drawings, specifications, etc., of the respective phases of such of the services set forth in this Article 3 as the Architect is not required by the Board to perform. These designs, specifications, etc., will be prepared in ample time, as set forth in paragraph (c) of Article 1, and in sufficient detail, to enable the Architect properly to relate all such purely technical features with the architectural features. Furthermore, the Board and the Architect will cooperate to the end that the work of the latter shall be facilitated to the greatest practicable extent.

4. SUPERVISION AND INSPECTION: - The Board may at its option require the Architect, in addition to all other services and duties required of him, to perform generally all duties of supervision and inspection, including the proper and adequate supervision and inspection of all of the work in connection with the construction of the building and the inspection and testing of all materials used therein, such inspection and testing to be made at the site of the building unless the Board shall, with respect to specified material or equipment, determine that such inspection or testing shall be made at some other place, in which case it



shall be made at the quarry, factory or other place of origin or manufacture, or elsewhere, as the Board shall determine. The Architect shall perform all such additional services if so required by the Board, but in such event shall be entitled to an additional fee as provided in paragraph (c) of Article 5.

In the event the Board does not require the Architect to perform the services of supervision and inspection referred to above, it may select such supervisors and inspectors as it desires, and shall pay their salaries and bear the cost of all other work necessary for that purpose. However, in such event the Architect will be required to keep on the work at all times a duly qualified and experienced representative satisfactory to the Board, and may also be required by the Board to have the partner or partners designated by the Board visit the work from time to time as the construction work progresses for whose traveling expenses on such visits as may be so required the Architect will be reimbursed as provided in paragraph (e) of Article 5. For this purpose the Architect will be reimbursed for the actual salary of his representative, which shall be subject to the approval of the Board, and will also be paid ONE HUNDRED DOLLARS (\$100.00) per day (in addition to the traveling expenses provided for in paragraph (e) of Article 5) for such time as one or more of the partners spends at the site of the work

pursuant to the requirement of or with the approval of the Board. It will be the duty of the Architect's representative to see that the work is carried out in accordance with the spirit of the contract drawings, full sized details, etc., prepared by the Architect; but in all such matters he will report directly to the Board or its representative and shall not deal directly with the contractors.

5. PAYMENTS: - Except as expressly provided in this agreement, the Board shall not be required to make any payment to the Architect on account of any liability for services or materials incurred by the Architect or on any other account. The Architect shall be paid for his services in connection with the building as follows:

- (a) For all services enumerated or described in this agreement, except as provided in Article 4 and in paragraphs (b), (c), (d), (e), and (f) of this Article 5, a fee equal to four and one-half per cent ( $4\frac{1}{2}\%$ ) of the total cost to the Board of the construction and completion of the building herein proposed, as determined by the Board, but in no event shall the amount of said fee paid to the Architect for the services referred to in this paragraph exceed the sum of ONE HUNDRED AND FIVE THOUSAND DOLLARS (\$105,000). Said fee shall be paid in five equal installments, as follows:

1st - Thirty (30) days after the approval by the Board of the contract retaining the services of the Architect;

2nd - Upon approval by the Board of the preliminary drawings of the building;

3rd - Upon the award of the principal contract for the construction of the building;

4th -- Upon the completion of the roof and the weather-proofing of the building; and

5th -- Upon acceptance by the Board of the completed building.

- (b) If the Board elects to require of the Architect all of the services enumerated and described in Article 3, a fee of ONE AND ONE-QUARTER PERCENT ( $1\frac{1}{4}\%$ ) of the total cost of the construction and completion of the building, as determined by the Board, PROVIDED, HOWEVER, that the total amount to be paid to the Architect for this phase of the work shall not exceed TWENTY-NINE THOUSAND ONE HUNDRED SIXTY-SIX DOLLARS AND SIXTY-SIX CENTS (\$29,166.66); payments to be made in proportionate monthly installments as this phase of his work progresses. In the event the Architect is required by the Board to perform some but not all of the special designing and engineering services set out in paragraphs (a) to (h) of Article 3, he shall be paid such part of such one and one-quarter percent ( $1\frac{1}{4}\%$ ) of the cost of the building as may be agreed upon between him and the Board.
- (c) If the Board elects to require of the Architect the services enumerated and described in Article 4, for the supervision and inspection of the construction of the building, a fee of ONE PERCENT (1%) of the total cost of the construction and completion of the building, as determined by the Board, PROVIDED, HOWEVER, that the total amount to be paid to the Architect for this phase of the

work shall not exceed TWENTY-THREE THOUSAND THREE HUNDRED THIRTY-THREE DOLLARS AND THIRTY-THREE CENTS (\$23,333.33); payments to be made in proportionate monthly installments as the construction work progresses.

- (d) The maximum amounts to be paid the Architect as specified in paragraphs (a), (b) and (c) of this Article 5 are calculated on a basic cube of 3,220,000 cubic feet. Should this basic cube of 3,220,000 cubic feet be increased in the finished building the maximum amounts specified above will be increased proportionately, anything in this section to the contrary notwithstanding. Until the actual cost of the building is known, all payments to the Architect under paragraph (a), (b) or (c) of this Article 5, not definitely fixed in amount shall be computed on the basis of the estimated cost of the building and when the actual cost of the building becomes known all such payments theretofore made shall be adjusted in conformity with such actual cost.
- (e) In addition to the fees described in paragraphs (a), (b) and (c) of this Article 5, the amount of all actual and necessary traveling and subsistence expenses (not exceeding five dollars (\$5.00) per person per day in addition to the actual cost of transportation) incurred by the Architect and his professional and technical employees when traveling

on duty in the carrying out of this agreement, PROVIDED, that all travel, the expenses of which are reimbursable under this paragraph, must be approved by the Board.

- (f) In addition to the fees described in paragraphs (a), (b) and (c) of this Article 5, the amount of all salaries and/or wages paid by the Architect to professional and technical personnel for such time as they are actually and necessarily engaged upon work, not properly included in the services to be rendered by the Architect under the provisions of Article 1 above, made necessary by modifications of and/or additions to any designs, drawings, specifications, etc., after the same have been approved by the Board; PROVIDED, HOWEVER, that the pay of all personnel to be employed shall be subject to the prior approval of the Board; and PROVIDED, FURTHER, that the decision of the Board as to whether the work involved in making such modifications and/or additions is or is not properly included in the services described in Article 1, shall be final.

6. DEFINITION OF TOTAL COST: - In determining the total cost of the construction and completion of the building, under Article 5, the Board shall not include:

- (a) fees and charges to which the Architect is entitled under Article 5:

- (b) the cost of services specified in Articles 3 and 4, whether or not such services are performed by the Architect;
- (c) the cost of furnishings and movable equipment (it being understood that the cost of lighting fixtures is to be included in determining the total cost of the construction and completion of the building);
- (d) amounts paid as damages, compensation or otherwise, in settlement of or as an incident to any claim against the Board based upon alleged injury, including death, to a person or damage to property in connection with the construction of the building;
- (e) the cost of replacing defective work or of reconstructing or repairing work destroyed or damaged by fire, flood or other causes, the intention being to exclude double or additional costs in respect of the work or any part of it under the contingencies indicated in this paragraph (e).

7. REVISIONS: - In the event that any design (including the design premiated in the competition), sketch, drawing, set of specifications (etc.), whether preliminary or final, submitted by the Architect, is not approved by the Board, the Architect shall revise such design, sketch, drawing, set of specifications (etc.) until the approval of the Board is obtained, all without additional compensation, except that, if the Board fails or refuses to give its approval or gives

a conditional approval, and such refusal, failure or conditional approval necessitates a modification of or addition to any design, sketch, drawing, set of specifications (etc.) already approved by the Board, the Architect shall be entitled to receive for such modification or addition compensation determined in accordance with paragraph (f) of Article 5.

8. INFORMATION, ETC.: - The Board is to give all information as to the requirements of the building and is to pay for all necessary surveys, borings, and tests.
9. PERSONNEL: - The Architect shall not change in personnel or in any way transfer, assign or bequeath his appointment or share it with any other person without the written consent of the Board. In the event of the death of any of the partners in the firm the Board reserves the right to sever relations with the Architect and to select any other architect it desires to complete the work, whether or not such architect shall have been one of the competitors under the program of competition.
10. SEVERANCE OF RELATIONS: - If the Board shall wish for any reason to sever relations at any time with the Architect, it may do so by paying him (1) all amounts which at the time of such severance have theretofore become due to such Architect under the provisions of Article 5 less the sum of all payments previously made to him in accordance with the provisions of said Article 5, and (2) in addition thereto such sum as may be fair and equitable in the judgment of the Federal Reserve Board according to the portion of his services rendered which is not covered under the schedule of payments provided in said Article 5 by the amounts

which have theretofore become due to him. In determining the amount of such additional sum under (2) of the preceding sentence, the Board shall give due consideration to evidence which may be furnished by the Architect as to the amount of work which he has performed and the amount of expense which he has incurred in carrying out the provisions of the agreement prior to such severance of relations. In the event that the Board for any reason severs relations at any time with the Architect, the Board reserves the right to select any other architect it desires to complete the work, whether or not such architect shall have been one of the competitors under the program of competition.

11. ABANDONMENT: - If the work upon the construction of the building is not begun for a period of three (3) years after bids have been obtained upon the completed working drawings and specifications, or if after such work has been begun operations thereon are entirely suspended for a period of three (3) years, then in either event at the end of such three year period, the Architect shall be entitled to receive the sum of SIXTY-THREE THOUSAND DOLLARS (\$63,000) less payments previously made to him in satisfaction of all claims; PROVIDED, HOWEVER, that if the work shall be resumed within two (2) years subsequent to the expiration of such three (3) year period, the contract shall continue in force and effect and the amount paid the Architect under the provision of this Article, that is SIXTY-THREE THOUSAND DOLLARS (\$63,000), shall apply on account of his fee as such Architect.

If at the time of resuming the building construction above



mentioned, building costs have advanced sufficiently to make it necessary for the proper execution of the work to revise the plans and specifications or other documents, then the Architect is to be equitably paid for such extra services and expenses.

12. DETERMINATION OF FACTS: - Whenever under the provisions of this agreement there shall arise any question of fact, whether relating to compensation or otherwise, the determination of which is not specifically otherwise provided for herein, such question shall be determined by the Federal Reserve Board and its decision upon any such question shall be final and binding upon the parties hereto.
13. BOARD'S BUILDING COMMITTEE: - Any approval, requirement or request of the Board under this agreement may be made by the Board acting through its Building Committee. Such Committee now consists of Mr. Adolph C. Miller. The Board will notify the Architect in the event of any change in the personnel of such Committee.
14. RECEIPTS, VOUCHERS (ETC.): - Payments to the Architect under this agreement shall be made only upon certified statements rendered to the Board by the Architect supported by such receipts, vouchers, audits of accounts or records of the Architect or others as the Board shall require.
15. DEFINITION OF "DAY": - The term "day" or "days" when used in this agreement shall mean calendar day or days respectively except that the word "day" in Article 4 hereof shall mean business day.

16. N. R. A. COMPLIANCE: - The Architect shall comply with each approved code of fair competition to which he is subject, and if he is engaged in any trade or industry for which there is no approved code of fair competition, then as to such trade or industry with an agreement with the President under Section 4(a) of the National Industrial Recovery Act (President's Reemployment Agreement), and the Board shall have the right to cancel this contract for failure to comply with this provision or have the work called for by this contract otherwise performed at the expense of the Architect, and the Architect shall not accept or purchase for the performance of this contract or enter into any subcontracts for any articles, materials, or supplies, in whole or in part produced or furnished by any person who shall not have certified that he is complying with and will continue to comply with each code of fair competition which relates to such articles, materials, or supplies, and/or in case there is no approved code for the whole or any portion thereof then to that extent with an agreement with the President as aforesaid.
17. OFFICIALS NOT TO BENEFIT: - It is an express condition of this contract that no Member of, or Delegate to, Congress, or Resident Commissioner, shall be admitted to any share in this contract,

or to any benefit to arise therefrom.

IN WITNESS WHEREOF, the parties hereto have duly executed  
this agreement in duplicate the day and year first above written.

FEDERAL RESERVE BOARD

(SEAL)

By: (Signed) A. C. Miller  
Building Committee

Attest:

(Signed) Chester Morrill  
Secretary

PAUL P. CRET

By: (Signed) Paul P. Cret  
A General Partner

Witness:

(Signed) Marie Ward

## CERTIFICATE OF COMPLIANCE

It is hereby certified that the undersigned is complying with and will continue to comply with each approved code of fair competition to which he is subject, and/or if engaged in any trade or industry for which there is no approved code of fair competition, then as to such trade or industry that he has become a party to and is complying with and will continue to comply with an agreement with the President under Section 4(a) of the National Industrial Recovery Act (President's Reemployment Agreement) and that all other conditions and requirements of Executive Order No. 6646, dated March 14, 1934, as amended, are being and will be complied with.

PAUL P. CRET

By: (Signed) Paul P. Cret  
A General Partner

June 6, 1935  
(Date)

1700 Architects' Building,  
17th and Sansom Street,  
Philadelphia, Pennsylvania.