



Chevron U.S.A. Inc.

Contract

Contract Number C-15-061-80

JAMES & LUTHER, INC.

Chevron U.S.A. Inc. hereafter referred to as COMPANY, and the undersigned, hereafter identified as CONTRACTOR, hereby mutually agree on **September 26**, 19 **80**, that CONTRACTOR shall perform for COMPANY, at or near **El Paso Refinery**, County of **El Paso**, State of **Texas**, the work set forth in Specification No. **EP-396-L**, dated **September 19, 1980 (RRF)** and entitled **"Various Line Relocations for Plants 22, 38 and 39."** Contract Terms and Conditions (Pages 1-4), Right-to-Audit Clause (Page 5), Certificate of Nonsegregated Facilities (Page 6), Utilization of Minority Business Enterprises (Page 7), Certificate of Insurance (Page 8), Specification No. EP-396-L (Pages A1-A14, Appendices I, II, III, IV and Supplement), and Refinery Instruction No. **1404** (Pages B1-B16 with Appendices B1 and B11), attached hereto, are part of this agreement.

COMPANY shall pay CONTRACTOR, in accordance with statements prepared by **CONTRACTOR** a compensation of **\$18,886.00** (Eighteen thousand eight hundred eighty-six and no/100 dollars) CONTRACTOR'S Compensation Adjustment, if necessary, will be in accordance with Exhibit - Compensation Adjustment and Exhibit - Construction Equipment, attached hereto, and also part of this agreement.

The work shall be commenced **September 29, 1980** diligently prosecuted, and completed **October 18, 1980**

A payment and performance bond in terms and executed by a surety company satisfactory to COMPANY shall be furnished to COMPANY in the sum of
(No bond required unless an amount is entered above.)

CONTRACTOR **JAMES & LUTHER, INC.**

Chevron U.S.A. Inc.

By _____

By _____

And _____

And _____

Witness _____

CONTRACTOR'S State License No. _____

(Where required by State Law)

Communications to CONTRACTOR should be addressed to the attention of

Invoices should be sent to:
Chevron U.S.A. Inc.
Post Office Box 20002
El Paso, Texas 79998
Attn.: Invoice Desk, Refinery Accounting

Communications to COMPANY should be directed to the attention of **Mr. L. R. Shanks**
Chevron U.S.A. Inc.
Post Office Box 20002
El Paso, Texas 79998

Facility Completed				Superintendent or Foreman	
Invoice No.	Date	Amount	Date Received	Charge Account No.	Job No.
				6173-01-360-	33-276
Remarks				CON12	

Note: If CONTRACTOR is incorporated, execution shall be by an authorized officer of the corporation and corporate seal affixed and attested to by the Secretary. If CONTRACTOR is not incorporated, signatures should be witnessed by an employee of COMPANY, if practicable; if not, by a disinterested party.

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GO-279-WOI (CD-1-77)
Printed in U.S.A.

TERMS AND CONDITIONS

Pages 1 through 4
James & Luther, Inc.

PERFORMANCE OF THE WORK

- 1.1 Definitions
 - 1.11 The term "work" as used in this Agreement means, unless the context otherwise requires, all work to be performed by CONTRACTOR under this Agreement.
 - 1.12 The term "Facility" as used in this Agreement means the product of the work, such as an improvement to real property, designs or data.
 - 1.13 The term "material" or "materials" as used in this Agreement means all material, supplies and equipment to be incorporated into the Facility.
 - 1.14 The term "affiliate" as used in this Agreement means Standard Oil Company of California or any company in which Standard Oil Company of California owns directly or indirectly at least 51 percent of the shares entitled to vote at a general election of directors.
 - 1.15 The terms "indemnitee" and "indemnities" as used in this Agreement mean respectively COMPANY, one of its affiliates or the agent or employee of COMPANY or one of its affiliates and all of them.
 - 1.16 The terms "subcontractors" and "vendors" as used in this Agreement mean subcontractors or vendors of any tier.
- 1.2 Independent Contractor: CONTRACTOR shall be an independent contractor, maintaining complete control over CONTRACTOR's men and operations.
- 1.3 Specifications: CONTRACTOR shall perform the work, including the provision of materials, in accordance with the specifications and exhibits (if any) which are a part of this Agreement and such additional drawings and explanations as COMPANY may provide to CONTRACTOR from time to time to detail and illustrate the work.
- 1.4 Permits: Unless otherwise provided in this Agreement, CONTRACTOR shall secure all permits, make all cash and other deposits, provide all bonds and give all notices required by law in connection with the work.
- 1.5 Items to be Provided by CONTRACTOR: Unless otherwise provided in this Agreement, CONTRACTOR shall provide all materials, utilities, consumable supplies, tools, construction equipment, and labor, including supervision, necessary for the completion of the work.
- 1.6 Safety Measures: CONTRACTOR shall perform the work in accordance with safe practices, taking all reasonable precautions to protect the Facility and adjacent facilities, workmen and the public and providing, where reasonably necessary, barriers, guards, temporary bridges, lights and watchmen. While on the premises of COMPANY or its affiliates all of COMPANY's safety rules shall be strictly observed; in particular, smoking shall be limited to such locations and occasions as are specifically authorized in writing by COMPANY. CONTRACTOR shall not perform or permit any act on the premises of COMPANY or its affiliates which involves a fire or explosion hazard, including welding, torch cutting and disposal of debris by burning, without prior written consent of COMPANY.
- 1.7 Suppliers
 - 1.71 COMPANY may nominate bidders for the supply of certain items of material. CONTRACTOR shall request bids on these items from the nominees, and may obtain such other bids as CONTRACTOR may elect.
 - 1.72 COMPANY may have available for sale certain materials not products of COMPANY. CONTRACTOR shall purchase such materials offered by COMPANY and its designated affiliates as long as such material is suitable and is competitively priced.
 - 1.73 When the work includes purchasing certain materials, CONTRACTOR shall be fully responsible for ordering, expediting, receiving and safeguarding (subject to the provisions of Section 5.3 of these Terms and Conditions) all such materials, and for conducting all competitive bidding by and negotiations with the vendors thereof and for paying for materials and enforcing of warranties, unless otherwise provided in this Agreement.
- 1.8 Labor
 - 1.81 CONTRACTOR shall employ labor from that available in the vicinity of the work, and in accordance with the terms of employment prevailing in that vicinity, to the extent that it is practicable and consistent with the timely and efficient prosecution of the work.
 - 1.82 CONTRACTOR shall use all reasonable efforts to avoid any disturbances in the existing labor situation which will adversely affect the business of COMPANY, its affiliates or other contractors working in the area.
- 1.9 Carriers: In connection with transportation of purchased materials, CONTRACTOR shall give consideration to, but shall not be limited to, use of carriers recommended by COMPANY.

2. COMPENSATION

- 2.1 Changes: COMPANY may make "changes" by adding to, omitting or deviating from the requirements of this Agreement. In the event COMPANY issues any written directive which is not identified as a Change but which CONTRACTOR considers to be a Change, CONTRACTOR shall so notify COMPANY in writing within 10 days after receipt of such directive. If no such timely notice is given, CONTRACTOR shall proceed in accordance with such directive without any adjustment in compensation. If COMPANY originally identifies the directive as a Change, or if CONTRACTOR gives such timely notice and COMPANY agrees that such directive is a Change, CONTRACTOR shall within 10 days after giving such notice or after receipt of the directive advise COMPANY of its proposed adjustment in compensation and COMPANY and CONTRACTOR shall attempt to agree in writing on an appropriate adjustment in compensation resulting from the Change. After such agreement is reached, CONTRACTOR shall proceed with the Change. However, if such notice is given or if COMPANY originally identified the directive as a Change, and in either instance COMPANY and CONTRACTOR fail to agree on whether or not such directive is a Change or fail to agree on an appropriate adjustment in compensation, then COMPANY may issue a written request for CONTRACTOR to proceed in accordance with such directive without such agreement. CONTRACTOR shall comply with such written request, but such compliance shall not prejudice either party's claim that the directive is a Change or, as the case may be, claim for an appropriate adjustment in compensation. After the written request to proceed is issued, any adjustment which is to be made to the compensation shall be determined in accordance with the Exhibit-Compensation Adjustment.
- 2.2 Taxes: CONTRACTOR shall pay, and CONTRACTOR's compensation provided for hereunder includes an allowance for, all State, Federal and other payroll taxes, including contributions and taxes assessed against employees on wages earned in connection with the work, and CONTRACTOR shall make all reports required by governmental authorities. CONTRACTOR shall also pay, and CONTRACTOR's compensation provided for hereunder includes an allowance for, any and all other taxes now or hereafter imposed by any governmental authority upon, measured by or incident to the performance of this Agreement or the purchase, storage, use or consumption by CONTRACTOR of materials, utilities, consumable supplies, tools or construction equipment used in the performance of this Agreement, unless the applicable laws specifically provide that such tax be paid by COMPANY.
- 2.3 Acceptance of Facility: Where provision is made by law for recording Notice of Completion, COMPANY may indicate its Acceptance of the Facility by recording such Notice; otherwise Acceptance shall be on the date COMPANY gives written notice to

GO-279-GEN OR GO-279-WO1 (CD-1-77)
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this Agreement, plus an amount for reasonable and verified costs of CONTRACTOR incurred in preparation for the part of the work not yet performed and in shutting down his operations hereunder, plus an amount for a reasonable part of the profit CONTRACTOR would otherwise have earned; provided, that the amounts payable under this Section 4.33 shall in no event exceed the unpaid part of CONTRACTOR's compensation.

5. LIABILITY

- 5.1 General Liability: CONTRACTOR shall indemnify and save harmless the indemnitees from and against any and all loss, damage, injury, liability, and claims thereof for injury to or death of a person, including an employee of CONTRACTOR or an indemnitee, or for loss of or damage to property (except property subject to Sections 5.2 and 5.3 of these Terms and Conditions), resulting directly or indirectly from CONTRACTOR's performance of this Agreement, including, but not limited to, the use by CONTRACTOR of staging or other equipment provided by COMPANY or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, one or more of the indemnitees, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement and except where such loss, damage, injury, liability or claim is the result of active negligence or willful misconduct of an indemnitee and is not contributed to by any act of, or by any omission to perform some duty imposed by law or contract on, CONTRACTOR, its subcontractor or either's agent or employee.
- 5.2 Liability for Property of COMPANY and its Affiliate: CONTRACTOR shall be liable to COMPANY and its affiliates for any loss of or damage to the property of COMPANY and its affiliates (other than the property subject to Section 5.3 of these Terms and Conditions) resulting directly or indirectly from CONTRACTOR's performance of this Agreement, regardless of the negligence of COMPANY, its agents, employees, and affiliates, except to the extent that such liability is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement; provided, however, that CONTRACTOR's liability under this Section 5.2 shall be limited to the applicable insurance which CONTRACTOR carries or has others carry and which shall not be less than that provided in Section 6 of these Terms and Conditions.
- 5.3 Liability for the Facility and Materials: CONTRACTOR shall exercise due care and diligence in the performance of this Agreement and in the care and protection of the Facility and materials. At COMPANY's option, CONTRACTOR shall reconstruct, repair or replace any part of the Facility or materials lost or damaged by any cause whatsoever, including but not limited to those referred to in Section 3.2 of these Terms and Conditions, wherever said loss or damage occurs including loss or damage to materials while in transit. In such event COMPANY shall reimburse CONTRACTOR for the costs of such reconstruction, repair or replacement in excess of \$1,000 for each occurrence or in excess of the coverage of any applicable insurance which CONTRACTOR may elect to carry or have others carry, whichever is greater, except costs incurred in reconstruction, repair and replacement of work or materials subject to condemnation by COMPANY prior to loss or damage (whether or not such condemnation was effected) under Section 4.2 of these Terms and Conditions, and except costs incurred in order to meet the guarantee(s), if any, contained elsewhere in this Agreement. CONTRACTOR also shall be paid a reasonable profit on that part of such reconstruction, repair or replacement for which cost reimbursement is made. COMPANY shall not be liable for loss or damage to construction equipment, tools, temporary structures, temporary excavations or supplies owned or used by CONTRACTOR or its subcontractors.
- 5.4 Compliance with Laws and Regulations: CONTRACTOR shall comply with all laws, regulations, decrees, codes, ordinances, resolutions, and other acts of any governmental authority, including Federal and State labor and tax laws, which are applicable to this Agreement and CONTRACTOR's performance hereunder, and shall indemnify and save COMPANY and its affiliates harmless from and against any and all loss, damage, injury, liability and claims thereof resulting directly or indirectly from CONTRACTOR's failure to do so.
- 5.5 Liens: CONTRACTOR shall discharge at once or bond or otherwise secure against all liens and attachments which are filed in connection with the work and shall indemnify and save COMPANY, its affiliates, and the owners of the premises on which the work is performed harmless from and against any and all loss, damage, injury, liability and claims thereof resulting directly or indirectly from such liens and attachments.
- 5.6 Patent Rights: CONTRACTOR shall indemnify and save COMPANY and its affiliates harmless from and against any and all loss, damage, injury, liability and claims thereof for any patent infringement resulting directly or indirectly from CONTRACTOR's performance of the work, including provision of material and designs by CONTRACTOR, and use of tools and other equipment by or for CONTRACTOR in any connection therewith.
- 5.7 Costs and Attorneys' Fees: CONTRACTOR shall promptly pay (a) to any indemnitee all costs and attorneys' fees incurred by such indemnitee resulting directly or indirectly from any and all loss, damage, injury, liability and claims for which CONTRACTOR is obligated to indemnify such indemnitee pursuant to Sections 5.1, 5.4, 5.5 or 5.6 of these Terms and Conditions, and (b) to COMPANY all costs and reasonable attorneys' fees in any legal action in which COMPANY or its affiliate prevails, in whole or in part, brought against CONTRACTOR based on a breach of this Agreement.

6. INSURANCE

- 6.1 Insurance Required: Without in any way limiting CONTRACTOR's liability pursuant to Section 5 of these Terms and Conditions, CONTRACTOR shall maintain the following insurance.
 - 6.11 Worker's Compensation and Employers' Liability Insurance as prescribed by applicable law, including insurance covering liability under the Longshoremen's and Harbor Workers' Act and the Jones Act, if applicable.
 - 6.12 Without in any way affecting CONTRACTOR's obligations pursuant to Section 6.11 of these Terms and Conditions, if marine work is to be performed hereunder, Protection and Indemnity Insurance, including coverage for injuries to or death of masters, mates and crews of vessels used in the performance of this Agreement. The limits of liability of such insurance shall not be less than \$500,000 per occurrence.
 - 6.13 Comprehensive General Bodily Injury Liability Insurance. Such insurance shall include the following coverages: Broad Form Contractual Liability, Personal Injury Liability, Completed Operations, and Products Liability. The limits of liability of such insurance shall be not less than \$500,000 per occurrence.
 - 6.14 Broad Form Property Damage Liability Insurance. Such insurance shall include the following coverages: Broad Form Contractual Liability, Completed Operations, and Products Liability, and shall expressly cover property of COMPANY and its affiliates other than that referred to in Section 5.3 of these Terms and Conditions. The limits of liability of such insurance shall be not less than \$100,000 per occurrence.
 - 6.15 Automobile Bodily Injury and Property Damage Liability Insurance. Such insurance shall extend to owned, non-owned, and hired automobiles used in the performance of this Agreement. The limits of liability of such insurance shall be not less than \$250,000 per person/\$500,000 per occurrence for Bodily Injury and \$100,000 per occurrence for Property Damage.
- 6.2 Policy Endorsements: The above insurance shall include a requirement that the insurer provide COMPANY with 30 days' written notice prior to the effective date of any cancellation or material change of the insurance. The insurance specified in Section 6.11 of

RIGHT-TO-AUDIT CLAUSE

FOR GO-277 SERVICE ORDERS AND
GO-278, GO-279 AND PD-52 CONTRACTS

RECORDS AND AUDITS: CONTRACTOR and its subcontractors and vendors of any tier shall maintain true and correct records in connection with the work and all transactions related thereto and shall retain all such records for at least 24 months after Acceptance.

No director, employee or agent of CONTRACTOR or of any subcontractor or vendor of CONTRACTOR of any tier shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with the work, or enter into any business arrangement with any director, employee or agent of COMPANY or any affiliate other than as a representative of COMPANY or its affiliate, without prior written notification thereof to COMPANY. CONTRACTOR shall promptly notify COMPANY of any violation of this paragraph and any consideration received as a result of such violation shall be paid over or credited to COMPANY. Additionally, if any violation of this paragraph occurring prior to the date of this Agreement resulted directly or indirectly in COMPANY's consent to enter into this Agreement with CONTRACTOR, COMPANY may, at COMPANY's sole option, terminate this Agreement at any time and, notwithstanding any other provision of this Agreement, pay no compensation or reimbursement to CONTRACTOR whatsoever for any work done after the date of termination. Any representative(s) authorized by COMPANY may audit any and all records of CONTRACTOR and any such subcontractor or vendor for the sole purpose of determining whether there has been compliance with this paragraph.

COMPANY may from time to time and at any time after the date of this Agreement until 24 months after Acceptance make an audit of all records of CONTRACTOR and its subcontractors and vendors of any tier in connection with payments made on a cost reimbursement basis. Such audit may also cover CONTRACTOR's procedures and controls with respect to such reimbursable costs. Upon completion of this audit, COMPANY shall pay CONTRACTOR any compensation due hereunder as shown by the audit. Any amount by which the total payment by COMPANY to CONTRACTOR exceeds the amount due CONTRACTOR as shown by the audit shall be returned to COMPANY. Items of compensation such as fixed percentages or fixed lump sums shall not be subject to audit under this paragraph.

CONTRACTOR shall assist COMPANY in making the above audits.

CONTRACTOR shall require, and shall require all subcontractors and vendors of any tier to require, in all agreements in connection with the work the agreement of the parties to the provisions of this Section.

UTILIZATION OF MINORITY BUSINESS ENTERPRISES

(a) It is the policy of the Government that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of Government contracts.

(b) The CONTRACTOR agrees to use his best efforts to carry out this policy in the award of his subcontracts to the fullest extent consistent with the efficient performance of this contract. As used in this contract, the term "minority business enterprise" means a business, at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes, Spanish-speaking American persons, American-Orientals, American-Indians, American-Eskimos, and American Aleuts. CONTRACTORS may rely on written representations by subcontractors regarding their status as minority business enterprises in lieu of an independent investigation.

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Certificate of Insurance GO-279-11

To: (Company) CHEVRON U.S.A. (Attention) _____

This is to certify that the (Insurer) THE AETNA CASUALTY AND SURETY COMPANY
has issued policies of insurance as indicated below to (Contractor) JAMES AND LUTHER, INC.
and is aware that said policies will apply to work performed under the Agreement between said Insured and (Company) CHEVRON U.S.A.
dated _____ 19 ____.

Type of Coverage	Amount of Coverage	Policy Number	Expiring
A. Workers' Compensation	Statutory	60C7208CCA	9-4-81
Longshoremen's and Harbor Workers' Act	\$ _____		
Jones Act	\$ _____		
Employers' Liability	\$ <u>100,000</u> each person \$ <u>100,000</u> per occurrence		
B. Protection and Indemnity Insurance including coverage for injuries or death of masters, mates and crews. (Name of Vessel) _____	\$ _____ per occurrence		
C. Comprehensive General Bodily Injury Liability Insurance, including Broad Form Contractual Liability, Personal Injury Liability, Completed Operations, and Products Liability.	\$ <u>500,000</u> per occurrence (Min. \$500,000)	60AL465002CCA	9-4-81
D. Broad Form Property Damage Liability Insurance, including Broad Form Contractual Liability, Completed Operations, and Products Liability.	\$ <u>250,000</u> per occurrence (Min. \$100,000)	60AL465002CCA	9-4-81
E. Automobile Liability Insurance extending to owned, non-owned, and hired automobiles.	Bodily Injury \$ <u>250,000</u> per person (Min. \$250,000) \$ <u>500,000</u> per occurrence (Min. \$500,000) Property Damage \$ <u>100,000</u> per occurrence (Min. \$100,000)	60AL465002CCA	9-4-81

It is further certified that:

- (1) Each of the above policies contains a provision that the policy shall not be cancelled or materially changed without 30 days' prior notice to the holder of this certificate.
- (2) The policies listed under A above contain a waiver of subrogation against Indemnities.*
- (3) The policies listed under B, C, D and E above
 - (a) name Indemnities as additional insureds;
 - (b) provide that said insurance is primary coverage with respect to all insureds; and
 - (c) contain a Standard Cross Liability Endorsement or Severability of Interest Clauses.

Upon written request by the holder of this certificate, the Insurer or his agent if indicated below will furnish a copy of any policy cited above, certified to be a true and complete copy of the original.

Insured THE AETNA CASUALTY AND SURETY COMPANY
by GOLDFARB INSURANCE AGENCY Title AGENT
Date 9-4- 19 80

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*Do not include data for those items unless Marine work will be performed under the above mentioned Agreement.

*Indemnities is defined to mean Company, one of its affiliates, or the agent, or employee of Company, or one of its affiliates and all of them.