

ARTHUR BROTHERS

INCORPORATED

HIWAY 77 BYPASS
KINGSVILLE, TEXAS 78363

PLAINTIFF'S EXHIBIT

CEL-1404

April 14, 1989

AFS:27

Hoechst Celanese Corporation
Engineering Plastics Division
P. O. Box 428
Highway 77 South
Bishop, Texas 78343

Attn: Mr. Merrick Suacier

Re: 1989 Contract

Dear Merrick:

Arthur Brothers, Incorporated (ABI), appreciates the opportunity to renew our contract with the Hoechst Celanese Bishop Facility.

We submit the attached schedules A, B, C and E to be attached to and made a part of the referenced contract.

In reference to Article 6, last sentence should read: Any work performed that does not meet agreed upon standards will be reworked at cost plus the fee components described in Article 10, paragraph F, Schedule C excluding paragraph C.

In reference to Article 10, paragraph (2): Cost of pre-employment testing as required by Contractor's Substance Abuse Program at \$35.00 per test.

In reference to the additional "Contract Exhibit" ABI understands and agrees to achieve the needed improvements as listed.

Sincerely,
ARTHUR BROTHERS, INC.

Aaron F. Starks
Aaron F. Starks
Vice-president

AFS/mmr

CC: D. Siemonsma
H. Wilmeth

16771

Bishop
SCHEDULE "A"

Effective date - May 1, 1989

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Classifications, Pay Rates and Pay Practices

A.	<u>Salaries</u>	<u>Range</u>
	Superintendent	40,000/54,000
	General Foreman	31,500/45,000
	Foreman	26,000/36,500

B. Standard Hourly Rates

1. General

Administrative Assistant	9.00 - 11.00
Technician	12.00 - 20.00
Mechanic A	11.50
Mechanic B	10.90
Mechanic C	10.30
Mechanic D	9.90
Utility A	9.45
Utility B	9.07
Utility C	8.69
Helper A	8.32
Helper B	7.94
Helper C	7.56
Utility Service A	7.09
Utility Service B	6.62
Utility Service C	6.33
Service A	5.95
Service B	5.67
Service C	5.29
Clerical	3.50 - 9.50
Field Buyer	9.00 - 11.50
Leadman	.50 above craft supervised
Temporary Foreman	1.00 above craft supervised

Bishop
SCHEDULE "A"

Effective Date - May 1, 1989

2. Warehouse	Rotating Shift	St. Day	St. Evening
Utility Service A	7.42	7.09	7.42
Utility Service B	6.95	6.62	6.95
Utility Service C	6.66	6.33	6.66
Service A	6.28	5.95	6.28
Service B	6.00	5.67	6.00
Service C	5.62	5.29	5.62

3. Engineering

Engineer	12.00 - 30.00
Draftsman	6.00 - 20.00
Estimator	6.00 - 20.00
Planner/Scheduler	6.00 - 20.00

C. Premium Hourly Rates

Premium Hourly Rates shall be paid at the rate of one and one-half (1-1/2) the employees Standard Hourly Rates. Premium time shall be defined as all hours worked in excess of eight hours (8) in a work day or in excess of forty hours (40) hours in a work week.

D. Pay Practices

- (1) Holiday, Sick Leave, Vacation and Jury Duty.
The following shall be recognized hereunder a contractor's Holidays.

July 4	Thanksgiving
Labor Day	Christmas

- (a) Hourly Employees - Company shall pay Contractor for any such holiday at 1-1/2 times the standard time pay rates however, Contractor shall not be paid for hours not worked, such as any illness, vacation or jury duty, for any of Contractor's hourly employees except with the written approval of the Company representative.

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Bishop
SCHEDULE "A"

Effective May 1, 1989

- (b) Salaried Employees - Company shall pay Contractor for all salaried employees at a weekly rate of 1/52 their annual salary except for sick leave which extends beyond three (3) days, all vacations and the four recognized Contractor holidays.

(2) Call Out Pay

Company shall pay contractor for work on a "call out" basis at Company's request, outside the Contractor's employees regular scheduled shift at 1-1/2 times standard rate for hours actually worked; however, if work extends into regular hours, then call out pay applies only to hours worked outside the regular scheduled shift. If Contractor's employee called out works less the four (4) hours and hours worked do not extend into the regular shift, Contractor will be reimbursed for four (4) hours at the standard rate or for hours actually worked at 1-1/2 times the standard rate, whichever is greater.

(3) Show Up Pay

Company shall pay Contractor two (2) hours "show up" pay, at the standard rate, for any contractor employee who reports for his regular scheduled shift but is prohibited from working for any cause beyond Contractor's control.

Class Descriptions and Qualifications

Mechanic A.

Skilled, experienced, capable and responsible to perform all phases of one or more of the following crafts: Instrument Mechanic, Electrician, Machinist, Pipe Welder (carbon & alloys), Pipefitter, Rigger, Boilermaker, Equipment Operator (heavy), Diesel engine mechanics, Insulators, Painter, Carpenter and Iron Workers

Mechanic B.

Gradient of Mechanic A. Skilled, experienced, capable and responsible to perform all phases of one or more of the following crafts: Carpenter (rough), Painter (brush), Pipe Welder (carbon), Iron Worker/Welder (Structural), Iron Worker (rebar).

Mechanic C.

Gradient of Mechanic A & B. Skilled, capable, and responsible to perform as craftsman with moderate experience.

Mechanic D

Gradient of Mechanic A, B & C. Capable and responsible to perform as craftsman with minimal experience.

Utility A

Positions demanding considerable skill and responsibility i.e., Tool room attendant, Water blaster, Warehouse receiving clerk, Equipment operator (light), Dispatcher, Gauger, Etc.

Utility B

Gradient of Utility Man A.

Utility C

Gradient of Utility A & B

Helper A, B, & C

Assistant to and under direction of Mechanic. Position demands considerable skill and responsibility. Unless otherwise qualified helpers start as Class C and earn promotions through individual merit.

Class Descriptions and Qualifications
Page 2 of 2

Utility Service A

Semi-skilled positions demanding moderate responsibility, i.e., Warehouse delivery, Truck Driver (light), Tractor mower, Metal salvage, Fuel oil loader, Warehouse packaging, drumming, etc. May also be used as assistant to other classifications.

Utility Service B

Gradient of Utility Service A

Utility Service C

Gradient of Utility Service A & B

Service A, B & C

Unskilled labor. Unless otherwise qualified Service men start at Class C and earn promotions thru individual merit. May be used as assistant to other classifications..

Engineering

Due to the wide range in education, expertise and experience in these positions, rates are set on an individual basis, with approval of company representative.

Technician

Special skills not attainable under other classifications. Approval of ABI main office and HCC company representative is required.

All positions are filled at the lowest possible classifications consistent with manpower availability.

SCHEDULE "B"

Employee Moves And Traveling Expenses

Key Long Term Employees

Actual moving expenses to job site of Contractor's long term employees shall be limited to an allowance of, not to exceed packing and moving, 15,000 lbs of household goods only, at existing local standard rates and not to exceed rates set by the Texas Railroad Commission. Employee shall receive Three (3) days leave of absence at his regular salary for such move.

Key Short Term Employees

Travel expenses of Contractor's key short term employees shall be limited to travel expenses not to exceed actual mileage to and from Contractors Main office to the job site at the rate of 24 cents per mile. Travel time (hourly employees only), shall be limited to one hour at the standard rate of pay for each fifty (50) miles traveled to and from Contractors Main office and the job site.

Per diem of fifty (50.00) dollars shall be allowed for each employee whose work requires they stay overnight away from their principle residence.

All moving, travel and per diem expenses shall have prior approval of the company representative.

Long term employee shall be defined as one who becomes a part of the ongoing operation, whereas short term shall be those brought in for turn-arounds or other projects of specific duration.

A charge of 24 cents per mile will be charged for all vehicles used by the Contractor in the performance of work on behalf of the owner. Transportation of employees to and from the work site is not a reimbursable cost.

SCHEDULE "C"

Percentage Fee (Markup) for Maintenance, Construction and Engineering Labor Costs.

A. 22% on the straight time portion of actual wages and salaries chargeable to the work which covers all related costs such as FICA, employee benefits, and required insurance. State and Federal Unemployment taxes are excluded and shall be accrued and billed to Company at cost at the end of each quarter.

B. Sliding Scale Fee of:

1. 6% on the straight time portion of actual wages and salaries chargeable to the work up to \$8,000,000.00 to cover, overhead and other unidentified costs.
2. 5% on the straight time portion of actual wages and salaries chargeable to the work from 8,000,001.00 to 12,000,000.00 to cover, overhead and other unidentified costs.
3. 4% on the straight time portion of actual wages and salaries chargeable to the work from 12,000,001.00 and up, to cover, overhead and other unidentified costs.

C. 2% on the straight time portion of actual wages and salaries chargeable to the work to cover profit. This portion of the fee shall not be applicable to any rework as described in Article 6.

D. 7.5% on the premium portion of overtime actual wages and salaries chargeable to the work which covers all payroll related (FICA) costs.

E. 1% on the premium portion of overtime actual wages and salaries chargeable to the work, to cover profit, overhead and other unidentified costs.

SCHEDULE "E"

Substance Abuse Program

1. All new employees must pass test for substance abuse prior to beginning work.
2. Ten (10%) percent of workforce is randomly selected and tested each month for substance abuse.
3. All employees are tested at least once each 12 months.
4. Any employee incurring an OSHA loggable injury shall be tested.

CONTRACT EXHIBIT

CONTRACTOR AGREES TO ACHIEVE SATISFACTORY IMPROVEMENT PROGRESS IN THE FOLLOWING AREAS, AND TO FURNISH THE COMPANY WITH EVIDENCE OF THESE IMPROVEMENTS

<u>IMPROVEMENT AREA</u>	<u>EXPECTATION</u>
FOREMAN MANAGEMENT SKILLS	1. DEVELOP AND IMPLEMENT LONG TERM TRAINING PLANS TO IMPROVE PEOPLE AND ORGANIZATIONAL MANAGEMENT SKILLS. MEASURE AND REPORT ON PROGRESS REGULARLY, TO INCLUDE RESULTS ON THE JOB. 2. DEVELOP AND UTILIZE CRAFTSMEN INPUT TO JOB IMPROVEMENT ACTION IDEAS. 3. IDENTIFY CANDIDATES FOR SUPERVISOR BACKUP AND REPLACEMENT, AND DEVELOP SKILLS WITH RELEVANT TRAINING. REPORT ON PROGRESS REGULARLY.
CRAFTSMAN SKILLS	1. DEVELOP AND IMPLEMENT A PLAN TO IMPROVE CROSS CRAFT SKILLS. REPORT ON PROGRESS REGULARLY. 2. IMPROVE EMPLOYEE RECORD KEEPING ON EVALUATIONS OF PERFORMANCE, SKILLS, REASONS FOR LEAVING, RECOMMENDATION FOR REHIRE, ETC., TO HIRE SKILLS TO MATCH WORK ASSIGNMENTS. 3. IDENTIFY AND OBTAIN REQUIRED CERTIFICATIONS (e.g. YARD RUNNERS, FORKLIFTS, WEED SPRAYERS, ASBESTOS REMOVAL, ETC.). REPORT ON PROGRESS REGULARLY.
CREW MIX MANAGEMENT	1. SIGNIFICANTLY INCREASE THE CURRENT HELPER/CRAFTSMAN RATIO OF 0.5 2. IMPROVE CREW MIX MANAGEMENT METHODS TO OPTIMIZE AVERAGE WAGE RATE AND REPORT RESULTS MONTHLY. (e.g. BY FUNCTIONS - MAINTENANCE, CONSTRUCTION, WAREHOUSING, ETC. AND TOTAL). 3. DEVELOP AND IMPLEMENT A PLAN TO CONTROL PROGRESSION TO TOP WAGE RATE.
COMPANY IMPROVEMENT	1. IDENTIFY COMPANY STRATEGY FOR CONTINUAL IMPROVEMENT OF SAFETY, QUALITY, AND PRODUCTIVITY, AND IMPLEMENT A PLAN FOR FOR ACHIEVEMENT.
GENERAL	1. THE OVERALL IMPACT OF PROGRESS IN THE ABOVE NEEDS IMPROVEMENT AREAS MUST BE A SIGNIFICANTLY IMPROVED MAINTENANCE ORGANIZATION AS VIEWED BY HOECHST CELANESE. 2. LACK OF SATISFACTORY PROGRESS MAY RESULT IN CANCELLATION OF THE CONTRACT.
ACTION PLANS & SCHEDULES	1. IMPROVEMENT PLANS MUST BE WRITTEN, FURNISHED TO THE COMPANY, AND INCLUDE TARGET PROGRESS SCHEDULES.

RATINGS: 1989
CONTRACT
BIDDERS

*nothing
in the file*

RATINGS: 1969
OUTRAGE
BIDDERS

nothing
in the file