

CHEVRON U.S.A. INC.
MANUFACTURING DEPARTMENT
EL PASO, TEXAS

SPECIFICATION NO. EP-291-A
NOVEMBER 3, 1982 (CMH)
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SPECIFICATION NO. EP-291-A
GENERAL MAINTENANCE AND CONSTRUCTION WORK
EL PASO REFINERY

1.0 SCOPE

- 1.1 This Specification is applicable to time and material or cost plus contracts and covers the performance of routine general maintenance and construction work and other maintenance and construction work authorized by COMPANY at the Chevron U.S.A. Inc., El Paso Refinery. CONTRACTOR shall furnish necessary qualified personnel, supervision, tools, miscellaneous equipment and materials required to perform general maintenance and construction work, as requested by COMPANY. The exact location, design, and extent of each unit of work to be performed by CONTRACTOR shall be as authorized and directed by COMPANY.

This Specification supplements the Contract Terms and Conditions, Form GO-279 (OS-9-86). In the event any discrepancy is deemed to exist between this document and said Terms and Conditions, the provisions of the latter shall be controlling.

- 1.2 At times CONTRACTOR will be requested to furnish additional personnel for the performance of scheduled or unscheduled turnaround work or special project work which is not considered to be routine general maintenance and construction work. The exact location, design and extent of each unit of this work to be performed by CONTRACTOR shall be as authorized and directed by COMPANY on an "Authorization to Perform Work" (APW), Form MFG-2649X. The APW will define whether the work is time and material or fixed price.

2.0 GENERAL

- 2.1 CONTRACTOR will abide by the rules and regulations as set forth in Addendum No. 1, dated February 1985 and entitled "Additional Provisions for the Performance of Work", Pages A1 through A17 and Appendices B1 and B11. Addendum No. 1 supplements the contract Terms and Conditions, Form GO-279 (OS-9-86).
- 2.2 CONTRACTOR will abide by the rules and regulations as set forth in Refinery Instruction, RI-9900 entitled "Release of Equipment for Mechanical Work", attached hereto, which is part of this Contract agreement.
- 2.3 One or more Company Representatives will be assigned to administer the details of the contract and to assign daily work priorities for a given area within the refinery.
- 2.31 It is the COMPANY's intent that the CONTRACTOR retain his independent status at all times, regardless of job assignment or work priority, by maintaining complete control over his personnel and operation.

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- 2.4 Daily work priorities, manpower requirements, scheduling, and/or additional instruction to CONTRACTOR will be conducted orally between the Company and Contractor Representatives unless the situation, as determined by either or both parties, dictates the need for written authorization, as follows:
- 2.41 Any work definition, manpower requirement, schedule or additional instruction to CONTRACTOR that does not constitute a contract change must be transmitted on an "Authorization to Perform Work", Form MFG-2649X. The APW may be initiated and authorized by the Company Representative, and the agreement may be commenced immediately. Example: An APW would be required for the Company to authorize Contractor to perform work outlined in Section 1.2 above.
- It is the CONTRACTOR'S responsibility to advise COMPANY prior to any commitment by CONTRACTOR, when COMPANY'S request of CONTRACTOR to furnish additional personnel results in the work to be considered other than routine general maintenance or construction work.
- 2.42 Any work definition, manpower requirement, scheduled, or additional instruction to CONTRACTOR that does constitute a contract change must be transmitted on a "Change", Form GO-283-GEN. Example: A "Change" would be required for the COMPANY to authorize an increase in the rental rate of CONTRACTOR vehicles being used.
- 2.5 COMPANY reserves the right to award all or any part of the work to others as COMPANY may elect.
- 2.6 CONTRACTOR agrees that any and all information which it acquires pertaining to the design, construction, maintenance, or operation of any facilities owned by or in the custody of COMPANY, will be kept confidential and will not be disclosed to others, duplicated, or used for any purpose other than CONTRACTOR's performance under this agreement.

3.0 PERFORMANCE OF WORK

- 3.1 Compliance with Laws and Regulations: CONTRACTOR shall comply with all laws, regulations, decrees, codes, ordinances, resolutions, and other acts of any governmental authority which are applicable to this Agreement, equipment and materials furnished and CONTRACTOR's performance hereunder.
- 3.2 CONTRACTOR is completely responsible for the quality control of all his work. Workmanship shall be of the highest quality. Unless otherwise specified, and as applicable, all work is to meet or exceed the requirements of ANSI Spec.B 31.3, API, Section I, VIII (Division 1), and IX of the ASME Boiler and Pressure Vessel Code. COMPANY may spot check from time to time as determined necessary by COMPANY.

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All defective workmanship shall be corrected whenever discovered at CONTRACTOR's cost. Omission or failure by the COMPANY to condemn same at time of its installation shall not relieve the CONTRACTOR of his duty of correction of the same to correspond with these specifications.

4.0 SUB-CONTRACT WORK

- 4.1 CONTRACTOR shall not sublet any work without first obtaining COMPANY's approval in writing and the cost basis of such sub-contract work shall be as agreed to by both COMPANY and CONTRACTOR prior to the start of the subcontract work.

5.0 ITEMS TO BE FURNISHED BY CONTRACTOR

5.1 Labor, Tools and Equipment

- 5.11 CONTRACTOR shall furnish all labor, tools and equipment, of whatever kinds, for complete performance of the most routine units of work that CONTRACTOR has been authorized by COMPANY to perform as referred to in Section 1.0 above and in Attachment Nos. 1 and 2. This includes, but is not limited to, mechanic tools basic to the mechanic's craft as outlined in, but not limited to, Appendix A, Section II.

- 5.111 CONTRACTOR shall furnish at least one English speaking laborer for each unit of work to be performed by laborers and at least 50% of all laborers furnished by CONTRACTOR must speak English fluently. The 50% requirement can be modified by approval of the Superintendent-Maintenance.

CONTRACTOR shall notify COMPANY with the names of the English and non-English speaking laborers on a weekly basis.

- * 5.112 Flame-Resistant Work Clothing - CONTRACTOR employees including those of its subcontractors will be required to wear flame-resistant work clothing while working in or around any of the operating units, maintenance turnarounds, tank farms, high voltage equipment and any other areas where there may be a potential exposure to flame or flash fire. Flame resistant work clothing refers to garments manufactured from aramid fibre cloth and sold under a number of trade names; Nomex-III, PBI, etc. Flame resistant work clothing manufactured from materials treated to be flame retardant such as cotton, wool and polyester are not acceptable, it must be a aramid fibre material.

CONTRACTOR and its subcontractors shall furnish flame-resistant work clothing for their employees and shall be responsible for cleaning of the flame-resistant clothing.

- 5.12 CONTRACTOR shall furnish pickup trucks as authorized by COMPANY as necessary for complete performance of the most routine units of work.

* Revised 1/91 (RLG)

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6.0 ITEMS TO BE FURNISHED BY COMPANY

6.1 Materials

6.11 Generally, the COMPANY will furnish and deliver all items of material required by the CONTRACTOR. CONTRACTOR shall use COMPANY Purchasing Department Form GO-111, "Materials Requisition", to order material from Refinery Storehouse stock, or if the material is not a stock item, from an outside supplier. The GO-111 must be signed by the Company Representative before the material is delivered or, if necessary, picked up by the CONTRACTOR at the Storehouse or other designated location. CONTRACTOR shall use the refinery delivery system.

6.12 Occasionally, the COMPANY will authorize the CONTRACTOR to furnish material not available from Refinery Storehouse stock. This material must be supported by invoice when CONTRACTOR's bill is submitted to COMPANY for payment as outlined in Appendix A, Section V.

CONTRACTOR is responsible for the quality of materials purchased by the CONTRACTOR.

6.13 Appendix A, Section V, applies only to work being done on a time and material basis.

The CONTRACTOR is completely responsible for all materials, if work is being done on a fixed price basis, except those specified in writing to be supplied by COMPANY on an approved APW.

7.0 CONTRACT PRICE

7.1 COMPANY agrees to compensate CONTRACTOR for Labor and Equipment on all work considered to be routine general maintenance and construction work as outlined in Appendix A, Sections I, II, and III, and as shown on CONTRACTOR's "Labor Rate Computation Sheet MFG-4398, Exhibit-I", attached hereto.

7.2 For all work other than routine general maintenance and construction work authorized by COMPANY as referred to in Sub-Sections 1.2 and 2.41 above, COMPANY agrees to compensate CONTRACTOR for Labor and Equipment if time and material is specified on APW, as outlined in Appendix A, Sections I, II and III, and as shown on CONTRACTOR's "Labor Rate Computation Sheet MFG-4398, Exhibit-II", attached hereto.

7.3 CONTRACTOR shall notify COMPANY in writing when CONTRACTOR's employees reach State and/or Federal taxation limits, regardless of the employee's length of time in the refinery. This shall be done so a mutually negotiated or compromised decrease in COMPANY percentage payments may be effected by modification to contract. It is the COMPANY's intent not to pay the CONTRACTOR's employees initially agreed upon labor rates, which include all applicable taxes, after the CONTRACTOR's employees have exceeded their taxation limits as set by law.

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- 7.4 In the event of any increase or decrease in any labor rate or equipment rental rate prior to the termination of this contract, CONTRACTOR shall notify COMPANY in a timely fashion of the changes by submitting new rate proposals, in writing, for approval. Acceptance by COMPANY may be in whole or in part, and single labor rates or equipment rental rates, as well as the entire proposal, may be subject to negotiation and compromise prior to acceptance of a modification to contract by COMPANY. No change will be considered approved until a duly authorized contract Change (Form GO-283-GEN) is processed. It is the COMPANY's intent that all CONTRACTOR equipment rental rates and labor rates not affected by union trade agreements be competitively bid for the duration of the contract and not subject to negotiation unless there are unusual circumstances.
- 7.5 Costs for all materials that COMPANY requests CONTRACTOR to furnish shall be billed as outlined in Section V. This also includes consumable construction supplies listed in Section IV.
- 7.6 Costs for any work sublet approved by COMPANY in writing, shall be billed as outlined in Section VI.

8.0 ACCOUNTING OF CONTRACT COSTS

- 8.1 For time and material work the CONTRACTOR shall keep an accounting of all labor, equipment and material furnished by CONTRACTOR and shall prepare and render by the end of each shift to Company Representative a report using COMPANY's Time and Material Daily Report, Form MFG-1638-8. Time and Material Daily Reports not submitted for approval at the end of the shift on which the work was performed must be approved by the Superintendent-Maintenance.

CONTRACTOR shall retain the white and yellow copies of each Time and Material Daily Report and furnish Company Representative with green and pink copies after Company's and Contractor's Representatives have each signed the Time and Material Daily Report, acknowledging that it is correct. These Time and Material Daily Reports shall be used as a basis for computing the total contract price. When submitting invoices for the work, CONTRACTOR shall furnish one (1) copy of the invoice, the yellow copy of each Time and Material Daily Report, and the white copy of APW, if applicable, pertaining thereto.

CONTRACTOR shall include with its invoices a copy of all third-party receipts for subcontractor costs, rentals, materials, fuel, and other costs not specifically mentioned herein.

- 8.11 If a fixed price is specified on an APW, 8.1 above does not apply.

8.2 Invoicing Instructions

- 8.21 For time and material work the CONTRACTOR shall, for COMPANY's accounting purposes, furnish invoices in accordance with Paragraph 2.41 of the Contract Terms and Conditions, Form GO-279 (OS-9-86). All entries on the invoices must be supported by Time and Material Daily Reports and/or Purchased Material List signed by a Company

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Representative. Invoices are to show a breakdown of each job by actual hours worked, materials, supplies and equipment used, with unit costs, and with the correct refinery charge numbers. Labor, equipment rental, material and total invoices shall be as follows:

- 8.211 Labor invoices shall indicate APW number (if applicable), date, refinery charge number, labor classification, hours worked, rate per hour, total charge for each labor classification and total labor charge.
- 8.212 Equipment rental invoices shall indicate APW number (if applicable), date, refinery charge number, equipment classification, hours used if hourly rate or length of time used if flat rate, rate per hour or flat rate, total charge for each equipment classification and total equipment charges. When rental equipment is furnished for a flat rate, and the flat rate includes equipment rental with operator, invoices will so state.
- 8.213 Material invoices shall indicate APW number (if applicable), date, refinery charge number, name of supplier, supplier's invoice number, material classification, total charge for each material classification, total handling fee if applicable, and total material charge.
- 8.214 The total invoice or recap must separately indicate the total labor charge, total equipment rental charge, total material charge and total freight charge.

This applies to invoices for both time and material and fixed price work except for fixed price new construction projects (8xxx and 9xxx projects) to improve real property.

Invoices submitted on fixed price new construction projects to improve real property shall be in accordance with the price agreed upon (Do not list charges separately).

- 8.215 Invoices should not include sales tax. COMPANY's Direct Payment Exemption Certificate, attached hereto, is part of this Agreement.

COMPANY's Direct Payment Exemption Certificate is valid for purchases of taxable materials on time and material and all fixed price APW work. However, it is not valid for fixed price new construction projects (8xxx and 9xxx projects) to improve real property.

- 8.22 If a fixed price is specified on an APW, invoices submitted shall be in accordance with the price agreed upon. No change will be considered approved unless an authorized subsequent APW is processed with an explanation of the change and the agreed to compensation adjustment.

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8.23 All invoices shall be sent to:

Chevron U.S.A. Inc.
Invoice Desk, Refinery Accounting
P.O. Box 20002
El Paso, TX 79998

9.0 APPENDICES

9.1 Appendix A, Section I - Labor Rates, II - Small Tools and Expendable Supplies, III - Equipment Rental Rates, IV - Consumable Construction Supplies, V - Material Costs, and VI - Subcontractor Work Costs, attached hereto, is a part of this Specification and the contract agreement. Rates apply only for Time and Material work. These costs to CONTRACTOR are expected to be included in total cost for all fixed price APW jobs.

10.0 SPECIFICATIONS

Attachment No. 1 - Bottle Wash and Janitorial Services -- Refinery Laboratories
Attachment No. 2 - Hydrocarbon Recovery Services

11.0 INFORMATIVES

11.1 The following blank COMPANY forms and instructions are included with this Specification for CONTRACTOR's information:

11.11 Authorization to Perform Work (APW), Form MFG-2649X.

11.12 Contract Change, Form GO-283-GEN.

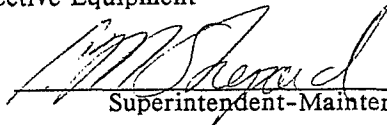
11.13 Time and Material Daily Report, Form MFG-1638-8.

11.14 Engineering and Maintenance Instruction:

No. EP-2200 "Qualification of Welders"

11.15 Refinery Instruction:

No. 1108 "Respiratory Protective Equipment"


Superintendent-Maintenance

* Revised 1/91 (RLG)

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