

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

SPECIFICATION NO. EP-431-A
JANUARY 24, 1983
PAGE 1 OF 6

SPECIFICATION NO. EP-431-A
SUPPLEMENTAL CONTRACT INSULATION AND REFRACTORY
MAINTENANCE AND CONSTRUCTION WORK
EL PASO REFINERY

1.0 SCOPE

- 1.1 This Specification covers the contractual requirements for any time and material or fixed price work that is assigned and defined to the CONTRACTOR in writing. This work will be for the performance of supplemental insulation and refractory, maintenance and construction related work. CONTRACTOR will furnish supervision, other necessary qualified personnel, tools, miscellaneous equipment required by CONTRACTOR and necessary material, 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 on an "Authorization to Perform Work" (APW), Form MFG-2649x.

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 This Specification authorizes CONTRACTOR to do no work. It only specifies the legal requirements and defines the actual procedures that will be used when work is authorized to the CONTRACTOR on an approved APW. 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 BI and BII. 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 and 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.
- 2.4 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:

* Revised 6/92 (RLG)

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

SPECIFICATION NO. EP-431-A
JANUARY 24, 1983
PAGE 2 OF 6

2.41 Any work definition, manpower requirement, schedule, or additional instruction to CONTRACTOR that does not constitute a contract change must be transmitted on a "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 an increase in the number of CONTRACTOR vehicles being used.

2.42 Any work definition, manpower requirement, schedule, 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 Codes: All work shall comply with all applicable local, state, federal, ASME and ANSI Codes and Standards relating to all materials, installation and workmanship.

3.2 CONTRACTOR is completely responsible for the quality control of all his work. Workmanship shall be of the highest quality. COMPANY may spot check from time to time as determined necessary by COMPANY.

All defective workmanship will 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 sub-contract work.

* Revised 6/92 (RLG)

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

SPECIFICATION NO. EP-431-A
JANUARY 24, 1983
PAGE 3 OF 6

All sub-contractor work shall apply in section 3.0 above.

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 Sub-Section 1.1. above.

5.12 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.

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

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.

* Revised 6/92 (RLG)

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

SPECIFICATION NO. EP-431-A
JANUARY 24, 1983
PAGE 4 OF 6

- 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.

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

7.0 CONTRACT PRICE

- 7.1 COMPANY agrees to compensate CONTRACTOR for labor, travel expense, equipment and material if time and material is specified on APW, as outlined in Exhibit I, attached hereto, which is part of the contract agreement.

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.

8.0 ACCOUNTING OF CONTRACT COSTS

- 8.1 If time and material is specified on APW 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 pertaining thereto.

* Revised 6/92 (RLG)

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

SPECIFICATION NO. EP-431-A
JANUARY 24, 1983
PAGE 5 OF 6

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

8.2 Invoicing Instructions

8.21 If time and material is specified on APW 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 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, 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, 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, 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 Travel and subsistence invoices shall indicate APW number, date, refinery charge number, number of persons, mileage, rate per day or per mile, total subsistence charge for each person and total mileage charge for each job.

8.215 The total invoice or recap must separately indicate the total labor charge, total equipment rental charge, total material charge, total freight charge, total travel and subsistence 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).

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

SPECIFICATION NO. EP-431-A
JANUARY 24, 1983
PAGE 6 OF 6

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

- 8.216 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.

9.0 INFORMATIVE

- 9.1 The following blank COMPANY forms are included with this specification for CONTRACTOR'S information:

9.11 Authorization to Perform Work, (APW) Form MFG-2649x.

9.12 Contract Change, Form GO-283.

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


Superintendent-Maintenance