

PLAINTIFF'S EXHIBIT

B&R-421



Brown & Root, Inc.

DLS/lcm
SUBCONTRACT

Ethyl Corporation
General Plant Improvements
Pasadena, Texas

Job Number 27-4060

Subcontract No. 27-4060-5025

(Project)

Insulation of Piping & Equipment Items

(Sublet Work)

March 5, 1979

(Effective Date)

THIS SUBCONTRACT, by and between BROWN & ROOT, INC., a Texas Corporation, P. O. BOX 3, HOUSTON, TEXAS 77001, "GENERAL CONTRACTOR" and,

Triple B Corporation

a Corporation under laws of Texas
(Corporation, Proprietorship, Partnership) (State)

se address is P. O. Box 96119, Houston, Texas

"SUBCONTRACTOR," whose contractor's license number under laws of N/A

is N/A, entered into as of the EFFECTIVE DATE stated above.

WITNESSETH:

In consideration of the mutual promises herein contained General Contractor and Subcontractor agree, promise, and obligate themselves as follows

1. Subcontractor promises to perform the Sublet Work for the Project in accordance with the Contract Documents.
2. General Contractor promises to pay Subcontractor, for full, accurate and timely performance of the Sublet Work in accordance hereto, the Price and other payments, and promises to perform all of the other obligations of General Contractor, as set forth in the Contract Documents.
3. The Contract Documents constituting this Subcontract consist of
 - a. "Subcontract Terms" and exhibits thereto
 - b. ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
 - c. "General Conditions"
 - d. "Affidavit for Subcontractor" Form P-7 (1-77)
 - e.
 - f.

Project Account Code	<u>27-4060</u>
Vendor Code No.	_____
Net Price: \$	_____
Terms:	<u>At Payment 6</u>

Subcontract No. 27-4060-5025

The foregoing constitutes the entire contract, and supersedes all prior proposals, negotiations, agreements, awards, letter of intent and written or oral statements, representations or agreements.

4. The Effective Date set forth above is the date as to which all Contract Documents and provisions thereof have reference for purposes of coordination of their meaning and effect. The price relates to the Sublet Work as described in drawings, specifications and other Contract Documents in their condition on that date. Changes after the effective date will be dealt with in accordance with the provision for changes. Any work commenced and any payment made pursuant to an Award or Letter of Intent prior to the execution hereof shall be deemed to have been done and paid after the Effective Date under the terms of this Subcontract.

GENERAL CONTRACTOR:

BROWN & ROOT, INC.

By: D. E. Newton, Jr.
Title: Vice President, Procurement
Date: _____

SUBCONTRACTOR:

Triple B Corporation
By: Harold Hilton V.P.
Title: Vice President
Date: 10-2-79

SUBCONTRACT TERMS

SUBCONTRACT NO. 27-4060-5025

1. SUBLET WORK

- 1.1 The Sublet Work, in general, is to furnish, deliver and install insulation of piping and equipment items on a "call basis" at the direction of the General Contractor's Project Manager at the Ethyl Corporation Plant located in Pasadena, Texas.
- 1.2 More specifically, the Subcontractor agrees to perform the Sublet Work which consists of furnishing all labor, consumables, tools, scaffolding, construction equipment, supervision, taxes, insurance, accounting, management/administration, and all other things necessary (except for that described in Subcontract Term No. 3 herein) to perform the Sublet Work described herein for the Project at the above described location. All Sublet Work shall be performed in accordance with and pursuant to the requirements of the drawings and specifications described in Subcontract Term No. 2 hereunder, and all other provisions of the Subcontract Documents.
- 1.3 Subcontractor shall perform all work described herein in strict accordance with the directions and requirements of the General Contractor's Project Manager, or his duly authorized representative.

2. DRAWINGS AND SPECIFICATIONS

- 2.1 The Sublet Work shall be performed in accordance with, and all Bill of Material quantities developed by the Subcontractor shall comply and conform to the requirements of, the project drawings and specifications identified hereunder, in addition to all other drawings which are not identified herein but may be forthcoming:
 - 2.1.1 SP-92-1 (Hot Insulation) dated Jan., 1979.
 - 2.1.2 SP-92-2 (Cold Insulation) dated Feb., 1977
 - 2.1.3 SP-92-3 (Steam Tracing) dated Jun., 1977
 - 2.1.4 SP-92-4 (Polyurethane Insulation) dated Oct., 1978
- 2.2 All of the above described documents, and the drawings and/or specifications contained herein or related thereto, are in their entirety hereby made a part of this Subcontract by reference.

3. FURNISHED BY GENERAL CONTRACTOR

General Contractor shall furnish to Subcontractor the following items:

- 3.1 Potable water,.
- 3.2 110 volt electrical supply for small tools,
- 3.3 Adequate space (not covered) for storage of equipment and materials,
- 3.4 Parking for employees (outside the gate),
- 3.5 Sanitary facilities to be shared with others.

4. TIME OF PERFORMANCE

- 4.1 Subcontractor shall perform the Sublet Work in strict accordance with the directives of the General Contractor's Project Manager or his duly authorized representative, and shall perform all aspects of the work in a diligent manner and to the strict schedule requirements of the General Contractor.
- 4.2 Subcontractor shall maintain contact with the General Contractor's Project Manager for the purpose of scheduling and coordinating this Subcontract.
- 4.3 This Subcontract shall automatically expire on March 4, 1980 unless renewed by mutual consent of both parties for additional periods of one (1) year each.
- 4.4 General Contractor or Subcontractor may cancel this Subcontract subsequent to the end of each contract year by giving the other party thirty (30) days prior written notice.

5. SUBCONTRACT PRICE

- 5.1 General Contractor agrees to pay Subcontractor for complete, satisfactory and timely performance of the Sublet Work, strictly in accordance with the drawings, specifications and all other requirements and provisions of the Subcontract Documents an amount estimated in the aggregate to be the following:

FIFTEEN THOUSAND DOLLARS AND NO CENTS
(Words)

\$15,000.00
(Figures)

5. SUBCONTRACT PRICE - (Continued)

5.2 The price stated in Paragraph 5.1 is solely based upon estimated quantities required to accomplish the Sublet Work and is only used for the purpose of establishing an order of magnitude for pricing. General Contractor hereby reserves the right to purchase more or less quantity than that estimated, as governed by the construction requirements, without penalty; and the Subcontract shall be paid all amounts due for work performed hereunder, but shall have no claim for work not performed or anticipated profit.

5.3 The unit prices listed hereunder include all applicable sales/use taxes and shall apply to the Sublet Work of this Subcontract. The final dollar value of this Subcontract shall be determined from final field measure of installed items which have been accepted by General Contractor.

5.4 Personnel - Rates include taxes, insurance, overhead and profit:

		<u>Straight Time</u>	<u>Overtime</u>
5.4.1	Project Manager	\$24.04 P/H	\$34.93 P/H
5.4.2	Superintendent	18.90 P/H	26.58 P/H
5.4.3	General Foreman	18.09 P/H	25.36 P/H
5.4.4	Foreman	17.51 P/H	24.55 P/H
5.4.5	Leaderman	15.13 P/H	22.71 P/H
5.4.6	Mechanic	14.11 P/H	21.15 P/H
5.4.7	Helper	11.97 P/H	17.94 P/H
5.4.8	Subcontractor shall maintain daily time slips for each worker involved (listing name, classification, and craft), which shall be submitted to General Contractor's Engineer for approval each night after completion of that day's work. The approved time sheets are to be submitted as back up for invoice payment. Subcontractor recognizes this responsibility, and understands that failure to so submit time sheets may result in nonpayment for the work, due to the lack of proof of man hours involved.		

5. SUBCONTRACT PRICE - (Continued)5.5 Materials

- 5.5.1 Subcontractor shall submit invoice copies covering all materials purchased to substantiate their costs, at the time of billing.
- 5.5.2 Materials purchased from manufacturers/suppliers/vendors specifically for this Subcontract shall be at cost plus 15%.
- 5.5.3 Materials furnished from Subcontractor's warehouse shall be at cost plus 35%. These cost-prices must be substantiated.
- 5.5.3.1 Subcontractor shall analyze each and every need for materials and obtain from the source (5.5.2 or 5.5.3) least expensive unless directed otherwise in writing by General Contractor's Project Management.
- 5.5.4 Material mark up percentages shall be based on "pure" F.O.B. cost. Mark up shall not apply to freight, insurance, destination charges, or any other charge or tax added to pure cost.

5.6 Scaffolding - Rental rates:

5.6.1	<u>Item</u>	<u>Day</u>	<u>Week</u>	<u>Month</u>
	2' Aluminum Rods	.02	.08	.32
	4' Aluminum Rods	.03	.12	.48
	5' Aluminum Rods	.04	.16	.64
	6' Aluminum Rods	.05	.20	.80
	8' Aluminum Rods	.06	.24	.96
	10' Aluminum Rods	.07	.28	1.12
	13' Aluminum Rods	.08	.32	1.28
	20' Aluminum Rods	.12	.48	1.92
	Right Angle Clamp	.04	.16	.64
	Swivel Clamp	.05	.20	.80
	FL6 End Frame	.16	.64	2.56
	F06 End Frame	.16	.64	2.56
	B74 Cross Braces			N/C
	Coupling Pins			N/C
	Expansion Pins	.02	.08	.32
	Casters	.19	.76	3.04
	Base Plates	.02	.08	.32
	Scaffold Wrench	.41	1.64	6.56
	8' Scaffold Board	.16	.63	2.50
	10' Scaffold Board	.21	.82	3.27
	12' Scaffold Board	.26	1.00	4.04
	14' Scaffold Board	.30	1.20	4.80
	16' Scaffold Board	.35	1.40	5.57

5. SUBCONTRACT PRICE - (Continued)5.6 Scaffolding - (Continued)

5.6.1 (continued)

<u>Item</u>	<u>Day</u>	<u>Week</u>	<u>Month</u>
8' Aluminum Pencil Board	.69	2.76	11.04
20' Aluminum Pencil Board	2.02	8.08	32.32
24' Aluminum Pencil Board	2.44	9.76	39.04
32' Aluminum Pencil Board	3.67	14.68	58.72

5.6.2 A delivery and pickup charge will be effective on orders less than \$50.00 per month.

5.7 Equipment - Rental rates:

<u>Item</u>	<u>Day</u>	<u>Week</u>	<u>Month</u>
Bosun Chair w/rope & rigging	6.00	24.00	96.00
Step Ladder 8'	.31	1.24	4.96
Step Ladder 10'	.38	1.52	6.08
Step Ladder 12'	.50	2.00	8.00
Air Drill 1/4"	7.00	28.00	112.00
Air Drill 3/8"	8.00	32.00	128.00
Electric Drill 1/4"	5.00	16.00	30.00
Electric Drill 3/8"	6.00	24.00	36.00
Electric Drill 1/2"	7.00	28.00	42.00
Extension Ladder 20'	1.00	4.00	16.00
Pop Rivet Gun - Air Operated	9.00	36.00	144.00
Table Saw - Electric			
110 Volts	8.00	32.00	128.00
Band Saw w/duct collector & hose	15.00	60.00	240.00
Skill Saw - Electric	5.00	20.00	80.00
Jig Saw - Electric	3.00	12.00	48.00
Angle Grinder - Electric	8.00	32.00	128.00
Lockformer - Electric	6.00	24.00	96.00
Easy Edger	5.00	20.00	80.00
Metal Roller	6.25	25.00	100.00
Combination Beader & Crimper	5.38	22.00	86.00
Foot Metal Shear	6.00	24.00	96.00
Hand Metal Shear wo/rack	1.50	6.00	24.00
Hand Metal Shear w/rack	6.00	24.00	96.00
Metal Brake 4'	8.00	32.00	128.00
Metal Brake 5'	9.00	36.00	144.00
Metal Brake 10'	18.00	72.00	288.00
Unishear	1.25	5.00	20.00
Mud Box w/mixing hoe	.31	1.24	4.96
Glue Pot w/roller-electric	1.50	6.00	24.00
Hand Tacker	.31	1.24	4.96

5. SUBCONTRACT PRICE - (Continued)5.7 Equipment - Rental rates (continued)

5.7.1	<u>Item</u>	<u>Day</u>	<u>Week</u>	<u>Month</u>
	Pulley 10"	.25	1.00	4.00
	Gang Box	.50	2.00	8.00
	D. C. Stud welding unit w/leads & gun	35.00	140.00	560.00
	A. C. Pin welding unit w/leads & gun	45.00	180.00	720.00
	200 AMP Lincoln Welder - Trailer mounted	19.00	77.00	305.00
	200 AMP Miller Welder w/ power plant	17.50	72.00	285.00
	200 AMP Lincoln Welder - Trailer mounted	27.00	109.00	433.00
	Hand Radio Units - Motorola FM 2-Way	9.85	39.35	157.35
	Welding lead w/holder & ground clamp (price per ft.)	.06	.24	.96
	Oxy-Acety, cutting rig w/torch, hose & gauges	7.00	28.00	112.00
	175 CFM Gasoline Powered Air Compressor	34.50	138.00	550.00
	45 to 1 Airless Mastic Pump w/hose & gun	65.00	260.00	1,040.00
	3/4" x 50' Air Hose	3.00	12.00	48.00
	Dvorak Hydraulic Iron Worker	40.00	160.00	640.00
	Air Tugger - 1 ton w/cable	22.00	88.00	350.00
	Air Tugger - 2 ton w/ 3/8" cable	35.00	140.00	560.00
	Air Tugger - 3 ton w/ 3/8" cable	40.00	160.00	640.00
	Bolt Cutters 18"	.50	2.00	8.00
	Bolt Cutters 36"	1.25	5.00	20.00
	8 x 10 Change House unlined & unwired	6.00	24.00	96.00
	8 x 16 Change House unlined & unwired	9.00	36.00	144.00
	10 x 20 Change House un- lined & unwired	11.00	44.00	176.00
	8 x 10 Office Building w/air and heat	11.50	46.50	186.00
	8 x 16 Office Building w/air and heat	12.75	51.00	204.00
	10 x 20 Office Building w/air and heat	17.25	69.00	275.00
	8 x 36 Office Trailer w/air and heat	42.00	167.00	668.00

5. SUBCONTRACT PRICE - (Continued)5.7 Equipment - (Continued)

- 5.7.2 Equipment not listed, but necessary for job performance will be invoiced at our cost plus 10%.
- 5.7.3 Delivery and pickup charge of \$75.00 on change houses and office buildings.
- 5.7.4 Rental rates are based on one (1) 8 hour shift operations, two (2) 8 hour shift operation will be charged at one and one-half (1-1/2) times the single shift operation, three (3) 8 hour shift operation will be charged at two times the single shift operation.

5.8 Vehicle - Rental rates:

5.8.1	<u>Item</u>	<u>Day</u>	<u>Week</u>	<u>Month</u>
	1/2 Ton Pick-up	19.90	79.50	318.00
	1 Ton Stake Bed	27.90	111.50	446.00
	1-1/2 Ton Stake Bed	34.25	137.00	548.00
	2-1/2 Ton 18' Van	42.75	171.00	684.00
	3 Ton Tractor	82.00	331.75	1,327.00
	40' Van Trailer - Long Haul	50.00	200.00	800.00
	40' Van Trailer - Storage	13.75	55.00	220.00
	3 Ton Tractor w/40' Van Trailer	122.00	488.00	1,952.00
	2-1/2 Ton Service Truck	58.90	236.00	942.00
	JLG Manlift	101.25	405.00	1,620.00
	Sky Climber	37.50	150.00	600.00
	Farm Tractor	45.00	180.00	720.00
	Bus, school, transportation	31.25	125.00	500.00
	16' Lowboy trailer	18.75	75.00	300.00
	18' Lowboy trailer	22.50	90.00	360.00
	20' Lowboy trailer	26.25	105.00	420.00
	4 Wheel Utility Wagon	12.00	48.00	192.00

5. SUBCONTRACT PRICE - (Continued)5.8 Vehicle- (Continued)

5.8.2 Price on above items does not include gas or mileage, except on pick-up trucks.

5.8.3 Pick-up truck rental rates include gas costs of .56 per gallon, any increase in gas costs will be billed to the customer.

5.9 Any price increases of which Subcontractor has given notice are subject to the approval and acceptance by General Contractor and shall be based upon the General Contractor's audit of appropriate documentation thereof. Subcontractor further agrees to submit said documentation and any other proof related thereto, as may be requested by General Contractor. Any such increases shall require 30 days prior written notice.

5.9.1 Should Subcontractor give notice of price increases for materials, General Contractor hereby reserves the right to invoke one or both of the following at any time during the course of this Subcontract:

5.9.1.1 Subcontractor shall upon request provide General Contractor with satisfactory evidence that competitive bids from at least three (3) material suppliers have been obtained prior to notifying General Contractor of price increase.

5.9.1.2 General Contractor may at any time supply required materials for execution of the Sublet Work.

6. PAYMENT

6.1 The following paragraph supplements Paragraph Number 32 of the General Conditions:

Subcontractor shall be paid in monthly progress payments the value of the Sublet Work satisfactorily performed during the preceding month based upon the estimated lump sum price detailed and described in Subcontract Term No. 5 less 10% of such value as retainage until final completion and acceptance of the Sublet Work by General Contractor. Subcontractor shall prepare and submit an invoice for the proposed monthly progress payments and shall submit supporting documents and proof of payment of all bills for labor and materials, as may be requested by General Contractor. Subcontractor's invoice for proposed monthly progress payments with requested supporting documents and proof of payment of all bills will be submitted for approval by General Contractor and, when approved, payment shall be made within thirty days thereafter. Final payment and release of retainage shall be made when the Sublet Work has been satisfactorily completed and accepted and Subcontractor has submitted the two affidavits as called for in Subcontract Term No. 12.

7. PAYMENT AND PERFORMANCE BONDS

As of the effective date of this Subcontract, the requirement to furnish separate 100% Payment and Performance Bonds, each in the estimated total Subcontract amount is hereby waived. However, at General Contractor's option, this requirement may at any time be reinstated in accordance with the provisions of General Condition 19 herein.

8. INVOICES

Subcontractor shall render all invoices in quadruplicate to the following address:

Brown & Root, Inc.
209 No. Main Street
Pasadena, Texas 77506

Attn: Accounts Payable

9. INSURANCE

Subcontractor shall forward his Certificate of Insurance stating the names of its Insurance Carriers and certifying that its insurance coverages meet the requirements set forth in General Condition No. 21 herein to the following address:

Brown & Root, Inc.
P. O. Box 3
Houston, Texas 77001

Attn: D. L. (Don) Seyfert
(01-129-G) (676-3116)

10. LABOR RELATIONS

The following supplements Paragraph 14 of the General Conditions:

The Subcontractor represents that its pre-hiring collective bargaining agreements, if any, contain or will contain provisions that, or Subcontractor has entered into or will enter into a project agreement modifying such collective bargaining agreement to provide that, there shall be no strikes, slowdowns, picketing, secondary boycotts, or work stoppages during the performance of the Sublet Work. Subcontractor will further subcontract only to lower-tier subcontractors having similar provisions in their collective bargaining agreements, if any.

11. SUBCONTRACTOR'S REPRESENTATIVE

Subcontractor shall designate a site representative to the General Contractor. The Subcontractor's Representative or his designated assistant shall be authorized to act in behalf of the Subcontractor; any instructions given to the Subcontractor's Representative shall be considered as having been given to the Subcontractor.

12. AFFIDAVITS

Two copies of the General Contractor's "Affidavit for Subcontractor" (Form P-7) are attached for use in implementing the provision of General Condition No. 32. Subcontractor shall execute and return one copy with his final or retainage invoice to the address shown in Subcontract Term No. 8.

13. COMPLIANCE WITH PRESIDENT'S COUNCIL GUIDELINES

In accepting this Subcontract the Subcontractor warrants that the Guidelines established by the President's Council on Wage and Price Stability have been adopted voluntarily, and that the prices shown are in compliance therewith.