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Hoechst Celanese

Date April 17, 1989

To E. H. Munoz

om D. G. Pausky
DGP-95-89

Dept/Location Chatham

Dept/Location Bishop

PLAINTIFF'S EXHIBIT

CEL-1408

Subject MAINTENANCE SERVICES CONTRACT AT BISHOP, TEXAS

Bishop requests approval for a cost plus percentage markup maintenance and selective services contract for the Bishop Plant to be awarded to Arthur Brothers, Inc. The contract is valued at \$6 million and the term is for nine (9) months, May 1, 1989 to January 31, 1990. A contract abstract is attached for approval signatures.

Arthur Brothers, Inc. (ABI) has held the maintenance contract at the Bishop, Texas plant for over forty years. They have provided contract labor for plant maintenance, warehousing, construction, and bagging. The current contract expires on April 30, 1989.

A Southwest Region Task Force composed of key maintenance and purchasing personnel from the Bishop, Pampa, Clear Lake, Bayport, Bay City, Dallas, and Corpus Christi Technical Center sites evaluated seven (7) potential contractors of maintenance services. Of these, three (3) were selected to prepare formal bid proposals (Arthur Brothers, Inc., Mundy Company, and Fluor Daniels). The Task Force recommended a three year regional contract be awarded to the Mundy Company over all other contractors for all sites. With the exception of Bishop, the remaining Hoechst Celanese Texas locations are accepting the Task Force recommendation of Mundy Company.

Bishop and EPD Management are sensitive to the termination of such a long term relationship with ABI (a Kingsville owned business), and the potential negative reaction in the local community. Bishop recognizes the relative weaknesses of ABI among maintenance contractors, but believes that it is appropriate to allow ABI an additional opportunity to improve upon its performance and value as our business partner before terminating such a long term relationship. Areas of performance deficiency and expectations of improvements will be identified for ABI as a supplement to the actual contract.

If ABI's performance as a maintenance contractor at Bishop does not show satisfactory progress as outlined in the supplement, Bishop will reconsider its position. The Bishop plant can be added to the Mundy Company contract utilized at all other Texas Plants at any time, up to January 31, 1990.


D. G. Pausky

DGP:CH

cc: W. M. Beaty - Chatham
J. J. Conway

Hoechst 

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