



Contracting Procedures

THE MANUAL FOR SUBCONTRACTING

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SECTION 1

Introduction

SECTION 1.1

Overview

The primary purpose of this Contracting Procedures Manual is to provide the Project Team with uniform policies, procedures, and tools to ensure we employ sound and binding business relationships with Subcontractors/Vendors and are issuing agreements or purchase orders against prime contracts awarded to Operating Units (OpUs) within PMO West by our Clients (also called Project Owners).

This manual covers agreements and purchase orders related to Subcontractors and project work. It does not cover Prime Contracts with our Owners

All agreements – as well as Subcontractor approvals – are prepared and managed by the Contract Specialist (CS) in the Benicia office. Any time a Subcontractor provides labor or services, an agreement is required. Subcontractors are not permitted on our jobsites unless they are an approved Subcontractor, and a fully executed agreement and all supporting documentation is on file with the Contract Specialist in the Benicia office. Project Teams are also expected to keep a copy in the job files.

Some of our Clients have very strict terms and conditions that apply not only to us as the prime contractor, but to every Subcontractor employed on our jobsites. We must ensure the contracting regulations are enforced. The forms and policies identified herein ensure compliance with required flow down clauses, requirements, and contractual relief required by our prime contracts.

We have established and employed a variety of subcontracting agreements and processes to cover the various procurement actions, including subcontracting (on site), purchasing (materials/equipment), and miscellaneous services to support the project. Each agreement has been developed to meet the prime contract requirements.

The role of each team member is to ensure all procurement actions represent the best interests of our OpUs and our Clients, while maintaining the public's trust, sound business, and profitability.

Every subcontract and/or agreement must follow the procedures found in this manual. For questions or more information, contact the Contract Specialist in the Benicia office.

SECTION 1.2

The Project Lifecycle

Our projects begin when a Client (Project Owner) submits an RFP on which we would operate as the prime contractor.

Learn More

- Refer to the interactive [Project Lifecycle](#) flowchart for more information about how the subcontracting process fits into the overall lifecycle of a project. The flowchart provides subflows with details about each step of a project, and links to all our supporting documents, such as the Contract Process Workflow, Bid Authority Matirs, Bid Review & Prepartion Initiative, and many more.

SECTION 2

Scoping & Bidding a Project

As soon as we receive an RFP from a Client, the Project Team begins the scoping, estimating, and process. The team will...

- ☑ Define the scope of work to prepare for obtaining bids from Subcontractors
- ☑ Verify the status of potential Subcontractors
- ☑ Obtain quotes/bids from Subcontractors
- ☑ Define the price schedule
- ☑ Submit the Proposal to the Client

See below for more details of each step.

SECTION 2.1

Define the Scope of Work

Before requesting bids from Subcontractor, UCCo must prepare a complete scope of work. This is important to ensure a clear understanding between UCCo and the Subcontractor, so the Subcontractor can provide accurate project bids. It also helps to facilitate timely performance and resolution of contractual issues during the course of the project.

The scope of work should identify the separate definable features of work and, if possible, align with the pricing schedule. The definable features of work should be consistent with the elements identified in the schedule. When preparing the scope of work do not “cut and paste” the scope of work and/or terms and conditions from a Subcontractor proposal or quotation. A Subcontractor’s scope and terms/conditions frequently conflict with ours and may have a negative effect on enforcing some of our standard terms and conditions.

- ☑ Identify the applicable sections or requirements of the prime contract without providing specific paragraphs or requirements. The Subcontractor is responsible for reviewing and complying with the terms and conditions for the work being subcontracted/purchased.
- ☑ Ensure global inclusions (applies to all work) or exceptions are not included with specific tasks. Conversely, ensure that inclusions or exceptions specific to one feature of work is identified with that feature of work.
- ☑ if the Owner requires environmental compliance (e.g., SWPPP/SMARTS NOI/NOT, QSP/QSD inspections), ensure the scope includes these deliverables, or procure a qualified Subcontractor for them.
- ☑ Use action verbs to define the work (provide, install, deliver, etc.) in lieu of unspecified requirements. For example, “Provide and install main water heater including all necessary plumbing and electrical connections in Building 101” instead of “Water heater.”
- ☑ Identify any specific submittal requirements, inspection, testing, insurance, hours/schedule, etc. that may be unclear.
- ☑ Identify terms and conditions for Subcontractors/Vendors that the work is “on call” or as needed. Clarify how much notice is required and when they are expected to deliver or arrive on site.
- ☑ If submittals are required, define when they are due (e.g., no later than 6 weeks after issuance of a Subcontract or Purchase Order, etc.). Identify the due date for the material/equipment after acceptance of the submittals (e.g., no later than 12 weeks after receipt of an approved submittal, etc.).

SECTION 2.2

Verify the Status of Potential Subcontractors

Whenever possible the team should identify and request quotes/bids from Subcontractors (Subs) who are already vetted to perform the scope of work required.

Doing so at this point can mitigate delays in the subcontracting process once the project is awarded, as the vetting/compliance process can take several weeks to complete.

- ☑ The team uses the Subcontractor Status Log to identify existing compliant Subcontractors that are qualified to perform the scope of work needed for a specific project.
 - The Subcontractor Status Log details the status for each sub, their specialties, and other information that will be needed further in this process.
 - Note that a Subcontractor who is approved under one Operating Unit (UCCo/UECCo/IMC) is not automatically approved for another. Submit a fresh SRF and execute the correct OpU agreement tied to the specific Prime Contract.

Note: *The Project Team must ensure the Subcontractor meets all requirements set forth by the Project Owner/Client (Union, ISNET, etc.). It is **very important** that the Project Team is familiar with the Project Owner's specific requirements.*

Learn More

- See Step 1 in [“SECTION 3.2”](#) for more details about vetting Subcontractors.

SECTION 2.3

Obtain Quotes/Bids from Subcontractors

If a firm commitment is necessary prior to issuance of a subcontract/purchase order, issue a Letter of Commitment. Issuance of the Letter of Commitment should be limited and only issued on a case-by-case basis as to not overcommit UCCo outside established contract procedures.

- If a Subcontractor payment and performance bond is required:
 - The cost of the P&P bond for the Subcontractors should be added to our estimates. There is a line on the TES (Tail End Sheet) for Subcontractor Bonds.
 - Request the Subcontractor's bonding rate. Any Subcontractor that has a bonding rate higher than 2.0% requires more investigation. A high bonding rate typically indicates problems on past projects. Even if they are the low bidder, we need to ask some questions and determine if the low price is the right price.
 - For any Subcontractor with medium to high-risk scope of work, a bond may be required. For example, any Subcontractor performing an HDD or working in a sensitive or restricted area should have a bond. If the contract requires the Company to provide a P&P Bond to the Owner then UCCo should require Subcontractors to provide bonds. The need for Subcontractor bonds should be reviewed with the Division Director.

SECTION 2.4

Define the Price Schedule

Once the Project Team receives all quotes/bids from Subcontractors, they will define the price schedule.

A detailed price schedule is a key element to the overall success of the project. It is important to have a clear understanding between UCCo and the Subcontractor as to the performance criteria/deliverables for the material, equipment, and services for enforcing contractual compliance and to ensure proper and timely payments. A detailed price schedule will also aid with negotiating and issuing change orders. The information in the price schedule, more than any other element of the subcontract/purchase order, is used by multiple individuals/departments within UCCo. We have expended a significant amount of effort amending subcontracts/purchase orders to resolve missing, incorrect, and inconsistent information between the subcontract/purchase orders and invoices which also frustrates the Subcontractors/Vendors when payments are delayed, diminishing good working relationships with our Vendors. Attention to detail and consistency is important.

In most cases, how the price schedule is “broken down” should be based on the type of payment identified in each of the subcontracting tools. Paid when paid terms, as further defined below, allow for progress payments based on work in place, accepted and paid for by the Owner. Net 15/45/30-day payments, defined below, are based on delivery and acceptance of the product. Therefore, the price schedule should be based on how the work will be billed for and paid, in sufficient detail for ease of matching invoices to the subcontracting documents.

SECTION 2.5

Submit the Bid to the Client

After the Project Team receives quotes/bids from the Subcontractors, they gather the needed information and data to prepare their proposal for the project, then submits that proposal to the Client.

If UCCo is awarded the contract:

- The Project Controls team processes the Client’s project agreement, and
- The Subcontracting Process begins.

Learn More

- Refer to the *Project Controls Manual* for more information on how the Project Controls team processes Client contracts and monitors project success.
- See [“SECTION 3”](#) for detailed steps of the Subcontracting process.

SECTION 3

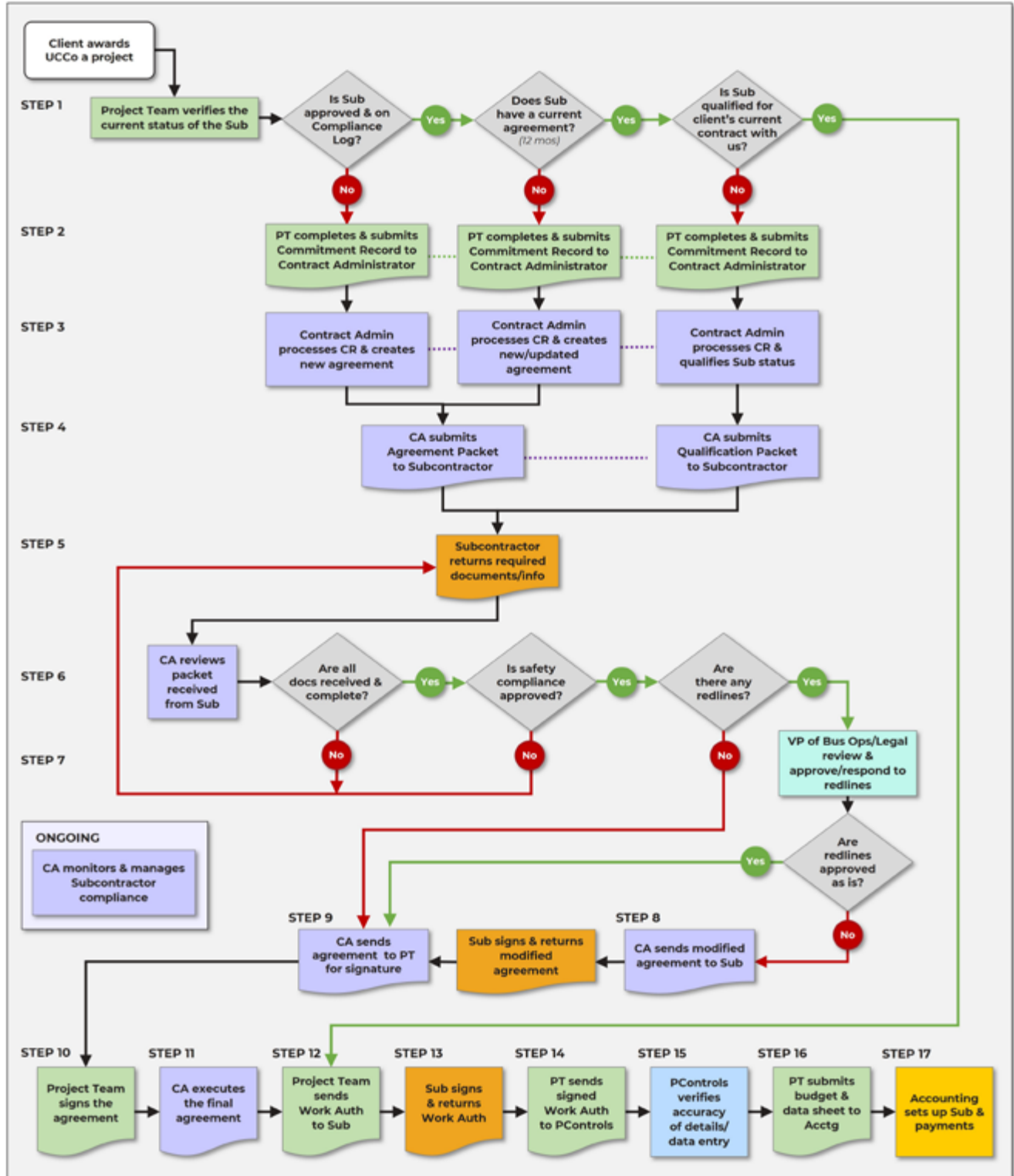
The Subcontracting Process

Once UCCo is awarded the project, the Project Team confirms the Subcontractors they want to use for the project. This begins the Subcontracting Process.

SECTION 3.1

Subcontracting Process Flowchart

This flowchart illustrates the subcontracting process. Details about each step can be found in Section 3.2.



SECTION 3.2

Subcontracting Process Step-by-Step

STEP 1: PROJECT TEAM VERIFIES THE CURRENT STATUS OF THE SUBCONTRACTOR

Once the Client awards UCCo the project, the Project Team determines if the Subcontractors they identified during the scoping and estimating process are still available for this project.

Ideally, the Subcontractor who bid on the job is available and has already been vetted to perform the work for this Client, but sometimes the Project Team may need to use different Subs that have not been completely vetted.

In this case, the Project Team should let the Contract Specialist (CS) know as soon as possible to allow the CS the time needed to bring the Subcontractor into compliance, so they are vetted and ready to perform work on our jobsite(s).

- To begin the vetting process, the Project Team...
 - Checks the Subcontractor Status Log on SharePoint.
 - Checks the Subcontractor Status Log on SharePoint.
 - This log is for Subs that are already in the process of being vetted.
 - Determines if the Subcontractor has a current contract with us (within the last 12 months).
 - Confirms the Subcontractor is qualified to do work for the Project Owner:
 - Confirm the Subcontractor is licensed in the state where the work is being performed.
 - If required by the Client, confirm the Subcontractor is ISNET Certified and graded by the Project Owner/Client.
 - If required by the Client, confirm the Subcontractor is Common Ground Alliance (formerly Gold Shovel) approved.
 - Depending on the company and state, confirm the Subcontractor is Union Signatory.
- If the Project Team has determined that...
 - The Subcontractor meets all the requirements above and is available to perform the scope of work needed, the team skips to **Step 12**.
 - The Subcontractor needed for this project is not completely, the team proceeds to **Step 2**.

STEP 2: PROJECT TEAM COMPLETES & SUBMITS THE SUBCONTRACTOR REQUEST FORM

If a specific source was not previously identified, or the circumstances change (Subcontractor is no longer available, prices change, etc., or additional price competition is determined to be necessary, or any other change that may affect the original plan is required), the Project Team should identify sources that meet the original, approved project plan.

Note: *The process of vetting our Subs can be lengthy depending on the Project Owner's requirements and the Sub's responsiveness. If a Subcontractor needs to be vetted, the Project Team should work with the Contract Specialist as soon as possible to get the Subcontractor through the vetting process.*

- The Project Team uses the Subcontractor Request Form (SRF) to provide the Contract Specialist with the relevant information required for the Subcontractor to be vetted and approved. It's important that the Project Team submits an SRF that is as detailed and complete as possible.

Learn More

- See ["APPENDIX A"](#) for more details about completing the Subcontractor Request Form.

STEP 3: CONTRACT SPECIALIST PROCESSES THE SUBCONTRACTOR REQUEST FORM

- ☑ The Contract Specialist reviews the SRF for completeness. If any required information is missing, the CS reaches out to the Project Team for the needed information.
- ☑ The CS then works closely with the Project Team to determine which agreement is applicable to the work being performed.
 - At minimum, insurance coverages will follow the prime contract. The Project Team and CS should be familiar with the specific requirements.

Note: *Agreement packets may differ depending on the status of the Subcontractor, the Company, and the Client. If the Safety Questionnaire is more than 12 months old, a new Safety Questionnaire will be sent along with the agreement. If the Safety Questionnaire is less than 12 months, only the agreement will be sent.*

Learn More

- A list of agreement types and their definitions can be found later [“SECTION 3.3”](#) along with a flowchart for selecting the correct agreement.
- See [“APPENDIX A”](#) for examples and more detailed explanations of each agreement.

STEP 4: CONTRACT SPECIALIST SENDS THE AGREEMENT PACKET TO THE SUB

- ☑ The Contract Specialist drafts the agreement document and emails it to the Project Manager for approval.
- ☑ The Project Manager reviews and approves the agreement.
- ☑ The Contract Specialist...
 - Confirms that all approvals and documents are in order.
 - Emails the agreement with the required forms to the Subcontractor for acceptance and completion of the supplemental forms.
 - Copies the Project Team on the email.
 - Records the agreement type and action in the Subcontractor Status Log.

Learn More

- See [“APPENDIX A”](#) for the email and documents included in the Agreement Packet.

STEP 5: SUBCONTRACTOR RETURNS THE AGREEMENT & SUPPORTING DOCUMENTATION

- ☑ The Subcontractor returns the signed agreement along with the Safety Compliance Questionnaire and other required documentation.

STEP 6: CONTRACT SPECIALIST REVIEWS & PROCESSES THE SIGNED PACKET

Note: *This can be a recursive process, meaning it may involve going back and forth with the Subcontractor, Project Team, Safety Director, and Contract Specialist multiple times.*

- ☑ The Contract Specialist receives the signed agreement packet and supporting documentation from the Subcontractor.
- ☑ The CS reviews and verifies all documents.
 - If there are any deficiencies in the submission, the CS reaches out to the Subcontractor for resolution.

- ☑ Once the agreement and supporting documents are complete, the CA collaborates with the Safety team to ensure the information on the Safety Compliance Request meets UCCo standards.
 - If the Safety team identifies any issues, the CA works with the Project Team to resolve.

Note: Safety compliance approval is required prior to fully executing any subcontract agreement.

- The Safety team ensures the Subcontractor has an acceptable Safety Rating. Unless a lower rating is identified in the prime contract (verify), our acceptable rating limits are as follows:

	<i>Unless otherwise stated in the prime contract</i>
Experience Modification Rate (EMR)	Below a 1.0 rating*
Total Recordable Incident Rate (TRIR)	Below a 4.0 rating
Days Away, Restricted Duty, Transfer Cases (DART)	Below a 2.0 rating
OSHA Recordable (3-year average)	Below 2.5

** if EMR is zero If the EMR rate is zero, please provide a letter from your insurance carrier providing an explanation (check if applicable). We are committed to our customers. All Subcontractors working on site will be evaluated to ensure only safe Subcontractors are employed onsite. Firms that do not meet the minimum scores must be approved by our Corporate Safety Manager and the Operations Manager before an offer or subcontract is awarded.*

- ☑ Once the safety compliance approval has been received, the CS identifies any redlines in the agreement.
 - If there are redlines, the CS determines how they need to be reviewed (**Step 7**).
 - If there are no redlines, the CS sends the Agreement to the Project Team for their signature (**Step 9**).

STEP 7: LEGAL, DIVISION DIRECTOR, & VP OF BUSINESS ADMIN REVIEW/RESPOND TO REDLINES

- ☑ If the Subcontractor has made any redlines/markups to our agreement, the Contract Specialist determines how they should be reviewed.
 - Some simple redlines can go back to the Project Team for review.
 - More complex redlines must be reviewed by Legal, the Division Director, and the VP of Business Administration — in that sequence.
- ☑ If the above reviewers...
 - Have additional markups, the agreement goes back to the Subcontractor for their response (**Step 5**), and the document review process (**Step 6**) repeats.
 - Approve the Subcontractor’s markups as is, the CS sends the agreement to the Project Team for signature (**Step 9**).

STEP 8: SUBCONTRACTOR SIGNS & RETURNS MODIFIED AGREEMENT

- ☑ When all redlines have been agreed upon, the Contract Specialist provides the Subcontractor with a new, “clean” PDF agreement for their signature.
- ☑ The Subcontractor signs the updated agreement and returns it to the CS.

STEP 9: CONTRACT SPECIALIST SENDS APPROVED AGREEMENT TO PROJECT TEAM

- ☑ Once the Sub’s signed agreement and all the required documents have been approved, the Contract Specialist does a final review, then routes the agreement to the Project Team for signature.

STEP 10: PROJECT TEAM SIGNS THE AGREEMENT

- ☑ The Project Team signs the agreement and returns it to the Contract Specialist.

Note: *The Project Manager should be the final signer of agreements. On rare occasions, the Division Director will sign an agreement.*

STEP 11: CONTRACT SPECIALIST PROCESSES THE AGREEMENT

The Contract Specialist...

- ☑ Provides a copy of the fully executed agreement to the Subcontractor, Project Team, and Accounts Payable.
 - All required documents must be on file, in good order before work can begin
 - The Project Team is responsible for ensuring a copy of the fully executed agreement is stored in the applicable job file on SharePoint.
- ☑ Distributes a Notice to Proceed (NTP) to the Project Team, Project Controls, Safety, and Accounting to indicate that the Subcontractor has been approved for work on the project.
- ☑ The Project Team, Safety, and Accounting then sign off on the Notice to Proceed and return it to the CS.
 - The Subcontractor is not allowed to begin work until the NTP has been executed.
- ☑ Adds the approved Subcontractor to the Subcontractor Status Log along with the specialties and clients they are approved to work for.

Learn More

- See "[APPENDIX A](#)" for an example of the Notice to Proceed.

STEP 12: PROJECT TEAM SENDS WORK AUTHORIZATION TO SUBCONTRACTOR

- ☑ Once the Project Team receives the Notice to Proceed, they send the Work Authorization to the Subcontractor for signature.

Note: *Work Authorizations are for any services that require labor to be performed on our projects. They are issued against Master Subcontractor Agreements (MSAs). The Work Authorization outlines the scope of work or deliverables against the terms set forth in the original agreement.*

When issuing a Work Authorization against a blanket subcontract, the Project Team...

- ☑ Completes the Work Authorization form, including...
 - Detailed scope of work and associated schedule of values.
 - Job number, subcontract number, and project location
 - Estimated start date and work duration
 - Insurance requirements from the contract (if different from the standard JSA/MSA insurance limits)
 - If certified payroll is required, notify Payroll and check the appropriate box on the data sheet.
- ☑ Submits the Work Authorization to the Subcontractor for signature.

Learn More

- See "[APPENDIX A](#)" for an example of the Work Authorization.

STEP 13: SUBCONTRACTOR SIGNS & RETURNS WORK AUTHORIZATION

- ☑ The Subcontractor signs the Work Authorization and returns it to the Project Team.

STEP 14: PROJECT TEAM SENDS EXECUTED WORK AUTHORIZATION TO PROJECT CONTROLS

- ☑ The Project Team countersigns the Work Authorization and sends the executed copy to Project Controls for review.
 - The Project Team is responsible for ensuring that a copy of the fully executed Work Authorization is stored in the applicable job file on SharePoint.

STEP 15: PCONTROLS VERIFIES DETAILS & COMPLETES DATA ENTRY FOR SUBCONTRACTOR

- ☑ Project Controls (PControls) reviews the details and data entry for the Subcontractor, agreement, and supporting information.
 - If there are any issues or missing information, PControls works with the Project Team to resolve them.
- ☑ Once everything is finalized, PControls notifies the Project Team.

Learn More

- Refer to the *Project Controls Manual* for more information about their review processes.

STEP 16: PROJECT TEAM SUBMITS BUDGET AND DATA SHEET TO ACCOUNTING

- ☑ Once the Project Team receives notice that Project Controls has reviewed and approved all the information for this Subcontractor, they submit the budget and data sheet to Accounting.

STEP 17: PCONTROLS & ACCOUNTING SET UP SUBCONTRACTORS & PAYMENTS

- ☑ PControls sets up the Subcontractor in the JDE system, including the payment information outlined in the Subcontractor agreement.
- ☑ Accounting pays the invoices based on the (PM & Sub) approved Pay Apps
 - Accounting determines if a Joint Check Agreement will be required. Joint checks should be considered when:
 - The Subcontractor is new and does not have an established working relationship with UCCo.
 - The Subcontractor does not have good financial standing.
 - The Subcontractor (Purchase Agreement) cannot provide a bond.
 - A small business Subcontractor plans to Subcontractor out a significant portion of the subcontract/purchase order.
 - UCCo has previously utilized/issued joint checks with the Subcontractor/Vendor.

SECTION 3.3

Subcontracting Agreements

There are several types of subcontracting agreements and forms:

- Consulting Agreement
- Environmental Service Agreement (ESA)
- Job-Specific Agreement (JSA)
- Master Subcontractor Agreement (MSA)
- Professional Services Agreement (PSA)
- Quanta-Affiliated Company Subcontract
- Trucking Agreement (TRK)

This table provides a high-level overview of all the agreements and can help you determine which one to use.

NAME	DESCRIPTION	LIMITS	USED FOR...
CONSULTING AGREEMENT	<ul style="list-style-type: none"> • Provide specified consulting services 	<ul style="list-style-type: none"> • No Limit 	<ul style="list-style-type: none"> • Agreement between UCCo and outside consultant
ENVIRONMENTAL SERVICE AGREEMENT (ESA) <i>Used for unique situations. See District or Site Environmental Coordinator, or Contracts for use.</i>	<ul style="list-style-type: none"> • Utilized for disposal or recycling of typical waste off-site by a third party • Requires additional insurance requirements 	<ul style="list-style-type: none"> • Must be from Approved Vendor List • No limit 	<ul style="list-style-type: none"> • Trash removal • Porta-johns • Hazardous waste • Used oil, oil filters, washer fluid, aerosol cans • Oil flushing and disposal
JOB-SPECIFIC AGREEMENT (JSA)	<ul style="list-style-type: none"> • For single projects (if we know we are only going to use a Subcontractor one time) • Used for Vendors who will be on a specific project with a defined scope of work • For Trades, IBEW, and Laborers & Operators • These subcontracts will have an initial value for the intended scope of work 	<ul style="list-style-type: none"> • No Limit • Legal review • Required if redlines are requested 	<ul style="list-style-type: none"> • Project-specific construction services • No renewal

NAME	DESCRIPTION	LIMITS	USED FOR...
MASTER SUBCONTRACTOR AGREEMENT (MSA)	<ul style="list-style-type: none"> • On-site project labor agreement utilized to hire a Subcontractor • Eliminates need to re-negotiate for each service by utilizing task orders • For Trades, IBEW, and Laborers & Operators • The Initial Value will be \$0.00. The contract further establishes the allowable markups for various work and/or services provided 	<ul style="list-style-type: none"> • No Limit • Legal review required if redlines are requested 	<ul style="list-style-type: none"> • Multiple Projects for work with a single Owner • Work Authorization(s) required
PROFESSIONAL SERVICES AGREEMENT (PSA)	<ul style="list-style-type: none"> • Project-specific agreement with defined scope of work • Contract expires once work is complete • Used for professional services • Requires additional insurance requirements • Used when professional liability is required 	<ul style="list-style-type: none"> • No Limit. • Legal review required if redlines are requested 	<ul style="list-style-type: none"> • Soils & Compaction Testing • Design Services • Engineering or Design Testing and Inspection • Witness Services • X-Ray Companies • Noise surveys • Start-Up Technicians • Consulting Work • Geotechnical Services • NDE and Surveying
QUANTA-AFFILIATED COMPANY SUBCONTRACT	<ul style="list-style-type: none"> • Provide services and/or goods for affiliate Subcontractor 	<ul style="list-style-type: none"> • No Limit 	<ul style="list-style-type: none"> • Agreement between UCCo and Parent Company affiliate
SECURITY SERVICES AGREEMENT	<ul style="list-style-type: none"> • Security Services 	<ul style="list-style-type: none"> • No Limit • Legal review required if redlines are requested 	<ul style="list-style-type: none"> • Unarmed Jobsite Security • Services
TRUCKING AGREEMENT	<ul style="list-style-type: none"> • Used when a trucking company furnishes all equipment, materials, supplies, labor, and supervision, and obtains all permits and licenses to perform the duties of trucking transportation either to the site or on the site • Direct hire • DOT certification required 	<ul style="list-style-type: none"> • No Limit • Legal review required if redlines are requested 	<ul style="list-style-type: none"> • Hauling on-site/off-site project sites • Transportation to and from offsite laydown yard - no labor involved • Trucker does not perform jobsite off-/on-loading

Learn More

- See [“APPENDIX A”](#) for examples of each agreement.

Note that the agreements and forms discussed in this Manual are specific to Underground Construction Co. The following Operating Units (OPUs) within Quanta use very similar documents. While they may be branded differently and have some differences - for example, insurance requirements – they are materially the same.

- Underground Construction Company, Inc. (UCCo)
- Underground Electric Construction Company, LLC (UECCo)
- Island Mechanical Corporation (IMC) – Hawaii

SECTION 4

Ongoing Project Processes

Once work has begun on a project, the project and its resources must be monitored and tracked.

This section contains information about the processes that are used during the course of the project.

SECTION 4.1

Monitoring & Managing Subcontractor Compliance

In addition to vetting Subcontractors, the Contract Specialist is also responsible for tracking the status of the vetting process, as well as monitoring the compliance of all of our Subcontractors.

Monitoring the Subcontractor Vetting Process

Depending on the Subcontractor's responsiveness and any variance discussions, it can often take weeks or months for a Subcontractor to be approved.

So, once the draft agreement has been sent to the Subcontractor, the Project Team and others will want to be able to track the status of the Subcontractor agreement.

- ☑ The Contract Specialist tracks the progress of the Safety Questionnaire and Agreement on the subcontract/PO Status log. Once all have been reviewed, approved, and fully executed, the Contract Specialist updates the Subcontractor Compliance Log with the status of Subcontractors and agreements.

Managing Subcontractor Compliance

- ☑ Once the agreement is in place, the Contract Specialist is responsible for ensuring the Subcontractor remains in compliance. The CS reviews the status of the Sub:
 - At a minimum of once a month for real-time updates (i.e., ISNET, etc.).
 - Annually to check safety compliance and insurance renewals.
- ☑ This review process involves managing and utilizing the following:
 - Subcontractor Compliance Log
 - Insurance Renewal Log
 - Contractor's license renewal
 - ISNET & Common Ground Alliance/DPI
 - Job-Specific Agreements (JSAs) and Master Subcontractor Agreements (MSAs)

Learn More

- *The Contract Specialist also works closely with the Project Controls team to vet and monitor Subcontractor compliance.*
- *Refer to the Project Controls Manual for more information about their review processes.*

SECTION 4.2

Post-Award Forms

Additionally, there may be situations when additional purchases may need to be made.

In these cases, a Purchase Order (PO) is used:

This table provides a high-level overview of the PO.

NAME	DESCRIPTION	LIMITS	USED FOR...
PURCHASE ORDER (PO)	<ul style="list-style-type: none">Used for purchasing materials, tools, and supplies.	<ul style="list-style-type: none">Permanent materials incorporated into the project	<ul style="list-style-type: none">Permanent materials such as, but not limited to, Pipe, Valves, Fittings, Conduit, Brick, Lumber, Concrete, Cement, Aggregates, Fuel, Oil, Rebar, Off-the-shelf, bulk materials, services tools and supplies, commodities, etc

Learn More

- See *"APPENDIX B"* for an example of a Purchase Order.
- See the *Project Controls Manual* for more information about scope changes and change orders.

SECTION 4.3

Payments to Subcontractors

While all Subcontractors and Vendors who have labor or equipment on the job have subcontracting agreements, different agreements may have different Subcontractor payment methods and terms.

Processing Invoices

In some cases, agreements allow for Subcontractors to simply submit invoices for payment. In other cases, they are also required to submit a Pay Application (Pay App – formerly known as a Pay Estimate).

Learn More

- Refer to the *Pay Application Quick Reference Guide* for details and examples of the Pay App.
- Refer to the *Project Controls Manual* for more information about processing invoices from Subcontractors.

SECTION 4.4

P-Cards

In some cases, it may be necessary to use a P-Card to make a purchase or pay an invoice.

P-Cards should only be used in emergency situations when a purchase or payment is needed immediately and there are no other modes of purchase available. Use should be avoided whenever possible, but if used, they must adhere to Purchase Requisition and Purchase Order policies.

Subcontracting Forms

This Appendix provides more details and images of the forms used during the Subcontracting Process.

- Subcontractor Request Form
- Subcontractor Agreement Packet
- Notice to Proceed
- Work Authorization
- Consulting Agreement
- Environmental Service Agreement (ESA)
- Job-Specific Agreement (JSA)
- Master Subcontractor Agreement (MSA)
- Professional Services Agreement (PSA)
- Quanta-Affiliated Company Subcontract
- Security Services Agreement
- Trucking Agreement (TRK)

Subcontractor Request Form

The Project Team completes and submits the Subcontractor Request Form, which the Contract Specialist uses to prepare the Agreement Packet.



SUBCONTRACTOR REQUEST FORM – INTERNAL USE ONLY

Requesting OpU: UCCo UECCo IMC

NOTE: To initiate a subcontract, complete blue sections. Forward completed form to Contract Specialist.

SECTION 1 | SUBCONTRACTOR DETAILS

Date of Request		Owner Prime Contract#	
Date Agreement Needed		Prime Contract Date	
Project No.		Current Value	
Project Manager		Amendment Value	
Subcontract No.		New Value	
Proposed Format	<input type="checkbox"/> Maximizing Connections Affiliated Company Agreement (Quanta OpU) <input type="checkbox"/> MSA <input type="checkbox"/> JSA <input type="checkbox"/> PSA <input type="checkbox"/> EOA <input type="checkbox"/> Trucking <input type="checkbox"/> Consulting Agreement <input type="checkbox"/> Security Agreement		
Subcontractor			
Contact Name			
Email			
Phone			
Address			
Additional contact(s): list first & last name(s) and email address(es)			

SECTION 2 | SAFETY DETAILS

Date last Safety Questionnaire approved. <i>(Update needed if over 12 months)</i>					
ISNET Compliant:	Grade:		Contractors License:	State:	
	PG&E: <input type="checkbox"/> Yes <input type="checkbox"/> No			Expiration:	
	SDG&E: <input type="checkbox"/> Yes <input type="checkbox"/> No		Union Affiliation(s):	Number:	
	SoCalGas: <input type="checkbox"/> Yes <input type="checkbox"/> No				
	CGA / DPI Compliant: <i>(Formerly Gold Shovel, if applicable)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No			
Comments:					

SECTION 3 | RISK

Additional Insurance: <input type="checkbox"/> Yes <i>(check below)</i> <input type="checkbox"/> No	Bond Required: <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> USL&H (Work over/near water) <input type="checkbox"/> Hazardous Material <input type="checkbox"/> Pollution Liability <input type="checkbox"/> Professional Liability <input type="checkbox"/> Cargo Insurance (Trucking)	LDs Required: <input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>Amount:</i>
	Any Lower Tier Subs: <input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>How Many:</i>
	Joint Check Required <input type="checkbox"/> Yes <input type="checkbox"/> No
Comments:	

SECTION 4 | NOTES / CONDITIONS

Notes or known exceptions to the terms and conditions: <i>(Internal use only - will not show on the subcontract)</i>

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SECTION 5 | SUBCONTRACT SCOPE

Brief Description:			
Start Work/Service Date:		End Work/Service Date:	
Specifications			
Specification Notes			

Delivery or Lead Times (for submittals, as-builts, etc.) should be specified in the scope

The Subcontractor shall perform the following work ("Work") and shall furnish all supervision, labor, materials, layout, tools, equipment, supplies, temporary utilities, shop drawings and all other things necessary (as defined herein) for the construction and completion of the Work and work incidental thereto in strict accordance and full compliance with the Contract as follows:

1. Scope | Provide (insert definable feature/element of work), including:
 - a.
2. Inclusions | Provide (insert definable feature/element of work), including:
 - a.
3. Exclusions | Provide (insert definable feature/element of work), including:
 - a.
4. General Inclusions (apply to all elements of work)
 - a.
5. General Exclusions (apply to all elements of work)
 - a.
6. Additional Submittal Requirements:
 - a.

SECTION 6 | SUBCONTRACT PRICE

List pricing or attach subcontractor's price sheet; if line-items are to be broken out for progress payments, include an Excel worksheet.

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SECTION 7 | DBE / SMALL BUSINESS

PUBLIC WORKS PROJECTS	
<input type="checkbox"/> LB (Large Business)	<input type="checkbox"/> SB (Small Business) <input type="checkbox"/> SB-PW Small Business-Public Works) <input type="checkbox"/> SB/MB (Small Micro Business) <input type="checkbox"/> DVBE (Disabled Veteran Business Enterprise) <input type="checkbox"/> MBE (Minority Small Business)
Comments:	

FEDERAL PROJECTS ONLY			
NAICS:		Size Standard:	
<input type="checkbox"/> Large Business Concern	<input type="checkbox"/> ≥\$1.5M - will require a SB Subcontracting Plan	<input type="checkbox"/> Small Business Concern	<input type="checkbox"/> Small Disadvantaged Business Concern <input type="checkbox"/> HUBZone Small Business Concern <input type="checkbox"/> Woman-Owned Small Business Concern <input type="checkbox"/> Veteran Owned Small Business Concern <input type="checkbox"/> Service-Disabled Veteran Owned Small Business Concern
<input type="checkbox"/> Executed as planned in Subcontracting Plan (by SB Category)		<input type="checkbox"/> No (Explain in comments below)	<input type="checkbox"/> Adjusted to meet other goals. <input type="checkbox"/> Work/source not previously identified. <input type="checkbox"/> Original source no longer available/withdrew. <input type="checkbox"/> No known/qualified Small Business (SDB, HUBZone, WOSB, VOSB, SDVOSB) source <input type="checkbox"/> No known/qualified Small Business source <input type="checkbox"/> SB Price is not competitive (see attached worksheet)
Comments:			

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Subcontractor Agreement Packet

This section contains examples of the email and Safety Compliance Questionnaire sent to the Subcontractor as part of the Agreement Packet.

eMail Sent with the Agreement Packet

Good afternoon,

Underground Construction Co., Inc. *[Job Title]*, *[Name]*, has requested that your company provide services for UCCo. As part of our subcontracting agreement process your company will need to complete our safety compliance process and meet our insurance requirements.

I have attached the compliance documentation that will need to be completed in order to fully execute the *[Agreement Name]*. All documents must be approved **before** jobsite performance.

Please provide the following for your company:

- **Safety Questionnaire** – Attached (Answer all questions leaving no blanks.)
- Safety Plan or IIPP
- **OSHA 300/300A Forms** – Fill out and submit for years 2020-2022
- **Written Drug & Alcohol Policy** – A pre-employment, cause, post-accident and random drug testing policy is required.
- Certificate of Insurance – Please submit the attached, Insurance Requirements and Exhibit A Insurance Addendum to your insurance agency. **Please list Underground Construction Co., Inc** as the certificate holder and *[Owner]* as additional insured under:
 - General liability
 - Excess Liability
 - Auto Liability
 - ADDL INSR Box as well as the Waiver of Subrogation box need to be noted.
 - All liability policies must contain a Waiver of Subrogation (this included Workers Comp) and Additional Insured status must include Cross Liability. Please include endorsements for each policy. Policy number must be reflected on each endorsement. Endorsement for 30-day cancellation is required.
 - Additional Insured verbiage needed:
 - Its parent, subsidiary, and affiliates, and with respect to each of the foregoing, its directors, officers, employees, consultants, insurers, sureties, and agents; and they need to name (Project Owner – Entity with whom we have the Prime Contract), its parent, subsidiary, and affiliates, and with respect to each of the foregoing, its directors, officers, employees, consultants, insurers, sureties, and agents
- **DBE Certification** – if applicable
- **Current ISNET Registered Certificate with ISN # and Grade** – Please attach a screenshot of your current ISNET grade with *[Owner]*.
- **Common Ground Alliance / DPI Certified** – If applicable
- **Union Affiliation** – If applicable, please list all unions your company is signatory to



SUBCONTRACTOR SAFETY QUESTIONNAIRE

Safety information must be completed and submitted by any Subcontractor interested in performing work for Underground Construction Company, Inc. Subcontractor safety programs are subject to review by management prior to final approval of contract agreements. Please answer the following questions (answers may be verified by audit).

Safety Questionnaire applies to: Subcontractor MSA Equipment-Owner Agreement

Company Name: _____

Address: _____ City: _____ State: _____ Zip Code: _____

Safety Contact: _____ Email Address: _____

Phone Number: _____ Fax Number: _____

Prepared by: _____ Date: _____

Check the types of work that your company performs:

- | | | |
|--|---|---|
| <input type="checkbox"/> Painting/Abrasive Blasting | <input type="checkbox"/> General Maintenance | <input type="checkbox"/> Construction |
| <input type="checkbox"/> Mechanical | <input type="checkbox"/> Pipeline Maintenance | <input type="checkbox"/> Special Services |
| <input type="checkbox"/> Welding | <input type="checkbox"/> NDT (X-Ray) | <input type="checkbox"/> Laborer |
| <input type="checkbox"/> Heavy Equipment (Crane, etc.) | <input type="checkbox"/> Electrical | |
| <input type="checkbox"/> Other (Describe) _____ | | |

1. Is your company registered with ISNET World? - Please include a screenshot of current grade. If yes, what is your ISNET World ID#? _____ Yes No
2. Is your company registered with Avetta? _____ Yes No
If yes, what is your Avetta ID #? _____
3. Is your company Common Ground Alliance / Damage Prevention Institute (DPI) certified? Yes No
 - a. To apply for Common Ground Alliance / DPI certification, follow the link to the application: <https://dpi.commongroundalliance.com/Participate>
4. Worker's Compensation Insurance Information:
 - a. Does your company carry Worker's Compensation Insurance? Yes No
 - b. List your insurance carriers for the last three years:
 2025 _____ 2024 _____ 2023 _____
 - c. List the Experience Modification Rate (EMR) for your firm for the last three years. (DO NOT INCLUDE THE CURRENT YEAR IN THESE NUMBERS)
 2025 _____ 2024 _____ 2023 _____
 - If the EMR rate is zero, please provide a letter from your insurance carrier providing an explanation (check if applicable).
 - If the EMR rate is greater than 1.25 in any of the previous three years, please address on a separate page the circumstance(s) that affected the rate and efforts to improve the firm's safety record (check if applicable).
 - d. What is the expiration date of your current policy? _____
5. List the OSHA Recordable Rate for your firm for the last three years:
 2025 _____ 2024 _____ 2023 _____
 - Please provide copy of OSHA 300A logs for the last three years (check to confirm logs have been supplied). **QUESTIONNAIRES WILL NOT BE PROCESSED WITHOUT THIS DOCUMENTATION.**
 - If the OSHA recordable rate is greater than **2.5** in any of the previous three years, please address the circumstance(s) that affected the rate and efforts to improve the firm's safety record on a separate (check if applicable).

6. Do you have a written safety program? (Please submit a copy of your written safety program.) Yes No
7. Does your company have a written Management Safety Policy Statement that establishes responsibility and accountability for safety within your company? Yes No
8. Does your company have one or more full-time:
- Physicians? Yes No
 - Safety Professionals? Yes No
 - Industrial Hygienists? Yes No
 - Other Care Providers? Yes No
9. Can you provide a list of employees hired within the last year? Yes No
10. Does your company provide new employee safety orientation training? Yes No
11. Does your company hold safety meetings? Yes No
12. Are these meetings documented? Yes No
13. Please check that apply:
- Daily JHA Bi-Weekly Tailgate/Toolbox
 Weekly Tailgate/Toolbox Incident Alert Meetings
14. Does your company have a written emergency response plan? Yes No
15. Does your company have an accident reporting and investigation procedure? Yes No
16. Employee Notification:
- a. How are employees notified of employee accidents and near misses?

- b. What methods are used to notify or follow up with employees?

- c. How soon after an event do employees receive this notification?

17. Inspections and Audits:
- a. Do you conduct regular jobsite safety and health inspections? Yes No
- b. Do you conduct audits for written safety and health training programs? Yes No
- c. Are audit results and upgrades to programs documented? Yes No
18. Equipment Inspections
Check one: This section is Applicable Not applicable
- a. Do you conduct inspections on operating equipment? Yes No
- b. Do you maintain operating equipment as required by safety regulations? Yes No
- c. Do you maintain appropriate inspection and maintenance records for equipment? Yes No
19. Drug and Alcohol Control:
- a. Does your company have a written anti-alcohol/drug program? (If yes, please forward a copy of the program) Yes No
- b. If yes, does your drug and alcohol program include the following tests?
- Pre-employment Yes No
 - Cause Yes No
 - Post-Accident Yes No
 - Random Yes No
- c. If requested, could you provide a list of employees covered by company's Drug and Alcohol Program? Yes No
20. Is safety used as performance criteria for evaluating?
- a. Foreman Yes No
- b. Supervisors Yes No
- c. Management Yes No

21. Employee Safety and Health Training:

- a. Does your company provide safety and health training? Yes No
- b. Does your training record include the following information?
- Employee Identification Yes No
 - Date of Training Yes No
 - Name of trainer/instructor Yes No
 - Method used to verify understanding Yes No
- c. How do you verify understanding? (check all that apply)
- Written Yes No
 - Oral Test Yes No
 - Performance Test Yes No
 - Other: _____
- d. Are your training records available for audit? Yes No

22. Complete the following summary table of Safety and Health Training provided to your employees as applicable. **Mark N/A if not applicable. Please answer each box.**

TRAINING SUBJECTS	PROVIDED	INDICATE - FREQUENCY	RECORDS AVAILABLE
	Yes / No / N/A	Daily/Weekly/Monthly/Yearly	Yes / No
Bloodborne Pathogens			
Confined Space Entry			
Crane Certification			
DOT Drug and Alcohol Policy			
DOT HazMat			
Driving Safety			
Electrical Safety Related Work Practices			
Emergency Response Procedures			
Excavation Safety (includes trenching/shoring)			
Fall Protection Walking/Working Surfaces			
Fire Safety (prevention/protection/property)			
First Aid/CPR			
Forklift Certification			
General Housekeeping			
Hand Tools			
Hazard Communication (HAZCOM)			
Hazard Recognition/Analysis and Near Miss Reporting			
Hazardous Waste Operations and Emergency Response (HAZWOPER)			
Hearing Conservation Program			
Hydrogen Sulfide Training (H2S)			
Incident Reporting (Illness/Injury)			
Lead Safety			
Lockout/Tagout			
Materials Handling (Rigging, for example)			
OSHA 10 Hour - Training			
OSHA 30 Hour - Training			
Personal Protective Equipment (Eye, Foot, Head, Hand)			
Power-Operated Hand Tools/Grinders			
Respiratory Protection			

23. Subcontractor's comments: (please describe details of work being performed)

24. Operator Qualification (OQ) Requirements:

- a. Does your company provide services for Natural Gas/Liquid pipeline construction? Yes No
 -If yes, please provide a copy of your current Operator Qualification (OQ) records.

25. Tax ID Number, License Number and Class:

- a. Tax ID Number: _____
- b. Contractors License/
Profession Service
License: _____
- c. Expiration Date: _____
- d. Class: _____

26. Background Check:

- a. Does your company currently perform background checks? Yes No
 -See attached exhibit 1A (For PG&E projects Only)

27. Union Affiliation (if any) **Mark N/A if not applicable:**

- a. Is your company union affiliated? Yes No
- b. List of Union Affiliations:

UCCO Office Only

Approved **Not Approved**

Date: _____

Print Name: _____

Signed by: _____



DRAFT

Internal Notice to Proceed

Project:		Date:	
Location:		Company:	
Subcontractor:		Subcontract No.:	
Work Begins:	Work Ends:	Subcontract Type	
Activity:			
Project Files:			

Contract Admin			
N/A	Received	N/A	Received
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Active Contractor's License		PSR Updated
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SmartBid Prequalification
	Signed Subcontract		Safety Data Saved to Project Safety Folder
<input checked="" type="checkbox"/>	Payment & Performance Bonds SF1413		<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Documents Saved to Project Folder
	Insurance Documents		Compliance Entered in Vista
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Lower-tier Subcontractors
	W-9		SF1413
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Insurance Documents
	Application for Payment		LCPtracker
<input checked="" type="checkbox"/>	Retention	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	LCPtracker		
<input checked="" type="checkbox"/>	Subcontracting Plan (Subcontracts >1.5M)		
	<input checked="" type="checkbox"/>		
	Joint Check - signed by all parties		
Signature			
Comments			

AP Specialist			
N/A	Reviewed	N/A	Reviewed
	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
	Application for Payment		Lower-tier subcontractors
	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
	Retention		Insurance documents
Signature			
Comments			

File Information:
 4. File Name:
 5. File Location:
 6. Form Revision: 8/29/23



Internal Notice to Proceed

Site Safety Health Officer

Safety Prequalification Reviewed OR No Data to Review

Safety ratings lower than, or equal to, ratings set forth in the Prime Contract:

- EMR
- TRIR
- DART
- OSHA 300A Logs (Most Recent 3-years)
- Current ISNET Screenshot
- Written Safety Program (IIPP)
- Written Drug & Alcohol Program

Signature

Comments

Superintendent

Signature

Comments

Project Manager

Signature

Comments

File Information:

1. File Name:
2. File Location:
3. Form Revision: 8/29/23

Work Authorization



Underground Construction Company, Inc.

WA #

WORK AUTHORIZATION

Date: _____

Subcontractor:

Street Address:

City, State, Zip:

Attention:

Reference:

Subject:

UCCo Job No.:

Master Subcontract No.:

Work Authorization No.:

This Work Authorization is issued in accordance with the above-identified Subcontract as amended to date, and shall be governed by the terms and conditions thereof and the provisions set forth herein below. Additional or different terms and conditions contained in any proposal or other document submitted by Subcontractor are hereby rejected by Contractor and withdrawn by Subcontractor.

Subcontractor shall furnish all labor, materials, equipment and other facilities required to perform the following work in accordance with plans and specifications, including but not limited to:

SCOPE OF WORK:

PRICING:	QTY	Unit Price	Cost	Total
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
Net Charge for this Authorization				\$ -

Total Amount This Work Authorization: \$ -

Amount of Contract and All Previous Work Authorizations and Changes: \$ -

Revised Total (T&M/LS/NTE) Contract Amount: \$ -

Notes
1
2
3
4
5
6
7
8
9
10

Underground Construction Co., Inc.

 Signature

 Print Name

 Date

Subcontractor

 Signature

 Print Name

 Date

Consulting Agreement

For non-craft services such as project management, estimating, quality control, specialty inspectors, etc., that are required to supplement UCCo's work force. Consultant services are independent contractors that are needed to supplement projects and are similar to "personal services" wherein the consultant is working under time and material terms rather than Services Agreement with definable features of work will be performed independently. Services may be performed on site or off site.

Consultant may be an individual, sole proprietorship, a partnership, an LLC, or a corporation. Typically, an hourly amount, billed monthly or bimonthly on a Not-to-Exceed basis. Lump sum work can be used if the scope of work has definable performance requirements that can be measured. As an independent contractor, the Consultant shall not use company equipment unless specifically allowed in this Agreement or Amendment (project specific) required for the performance of the services (such as separate computer equipment required to access client or company websites, etc.).

Each action should be reviewed carefully for inclusion/exclusions of the terms, Non-compete, Professional Liability Insurance, other Clients, etc. As such, prior approval from the VP of Business Operations is required.

Consulting Agreements will be established as a general agreement, on a yearly basis (ending the last day of the calendar year) to identify the rates and overall terms and conditions.

2026 CONSULTING AGREEMENT

This Consulting Agreement (this “Agreement”), is entered into this th day of , 2025 (the “Effective Date”), by and between XXX with an address of (“Consultant”), and **Underground Construction Co., Inc.** with an address of **5145 Industrial Way Benicia, CA 94510** including its associated companies, affiliates, offices and subsidiaries, shareholders, officers, directors, managers, employees, agents, attorneys, representatives and assigns (collectively referred to herein as the “Company”).

WHEREAS, the Company provides specialty contracting services delivering infrastructure solutions for the electric power, natural gas and pipeline, and renewable energy industries, including the design, installation, repair and maintenance of network infrastructure and related consulting, engineering and constructions services.

WHEREAS, the Consultant has certain **XXX** skills and expertise that may be useful to the Company; and

WHEREAS, the Company desires to secure from Consultant certain **XXX** and Consultant desires to provide the Company with such services pursuant to the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Consultant and the Company agree as follows:

1. Scope of Consulting Agreement and Services.

1.1. Engagement. Beginning on the Effective Date, the Company will engage Consultant as an independent contractor to perform for the Company certain services as described in Section 1.2 below, and Consultant hereby accepts such engagement. With respect to such engagement, Consultant shall report to a representative of the Company designated by the Company. Such representative shall (a) provide Consultant with the Company’s requests for Consultant’s services along with sufficient information for Consultant to properly perform those services hereunder and (b) examine and review the services performed by Consultant, and promptly notify Consultant in the event the performance of any such services is deemed unsatisfactory by the Company. Notwithstanding anything contained herein to the contrary, except as limited by the provisions of this Sections 1 and 6 hereof, this Agreement shall be considered to be non-exclusive relationship between the parties whereby Consultant shall be free to contract or subcontract directly or indirectly with other companies and individuals during the Term (as defined in Section 9.1 below) of this Agreement.

1.2. Nature and Performance of Services. For purposes of this Agreement, the term “services” shall include all obligations, duties, requirements and responsibilities of Consultant for the successful completion by Consultant of the work assigned to Consultant by the Company hereunder, including the furnishing of all supervision, labor, materials and other supplies, in accordance with the terms and conditions set forth herein.

- XXX. [specific services]
- XXX. [specific services]

The consultant shall report to: **Thiel Harryman, Vice President, Business Administration** or designee.

During the Term of this Agreement at such times as the Company may reasonably request, Consultant agrees to be available to the Company, as needed, to perform services for, consult with, advise and otherwise assist the Company as may be requested by the Company. Consultant shall only perform services that are authorized in writing by the Company prior to the performance of such services, including mutually agreed upon time schedules for completion of such services, if appropriate. Consultant has the right, in Consultant's sole discretion, to accept or refuse any assignment offered by the Company. Consultant will perform the requested services in a professional, workmanlike and expeditious manner under the direction of the Company's directors and/or representatives, and comply, to the best of Consultant's ability, with the rules, regulations and instructions of the Company. In consideration for such services, the Company will compensate Consultant as set forth in Section 2 below. All services of Consultant provided to Company under this Agreement shall be performed solely by Consultant, unless otherwise agreed to in writing by the Company.

1.3. Ability to Provide Services. Consultant represents and warrants that the role as a Consultant for the Company as contemplated herein does not violate any applicable law, and that Consultant will obtain and maintain any and all permissions, approvals, qualifications, licenses, registrations and authorizations required by any applicable law to serve in this capacity. Consultant agrees to make all notices to and filings with any governmental authority required for the due execution and performance of this Agreement. Consultant represents that this engagement by the Company and the services performed under this Agreement will not violate any obligations that Consultant may have to any other party. Consultant acknowledges and agrees that the Company shall be entitled in its discretion to disclose fully to any appropriate governmental authorities the role of Consultant and its relationship to the Company.

2. Compensation.

2.1. Fees. During the Term of this Agreement, the Company will pay the Consultant for services performed pursuant to Section 1 above as indicated on Exhibit A (the "Fee"). The Fee represents the total compensation to be paid to Consultant for such services, and Consultant will not be entitled to, and the Company shall have no obligation to provide to Consultant, any other form of remuneration or benefit of any kind whatsoever, except as may be explicitly provided herein.

2.2. Expenses. Consultant will be reimbursed by the Company for such reasonable direct travel expenses and other reasonable out-of-pocket costs actually incurred in the performance of Consultant's services hereunder; provided that such expenses and costs are approved by the Company in writing prior to their incurrence pursuant to internal operating procedures of the Company. Consultant agrees to supply the Company with receipts and other supporting documentation for any expenses or costs to be reimbursed.

2.3. Payment of Fees and Expenses. Consultant shall deliver to the Company no later than the 10th day of each month an invoice for Fees, expenses and costs of the preceding month that are payable under Section 2 and outlining the services performed, hours worked and expenses and costs incurred. Payment for each invoice shall be made by the Company within 30 days of its receipt. Such payment of Fees to Consultant will represent the full and final payment for such services rendered by Consultant to the Company.

2.4. **Taxes.** Consultant shall be responsible for any and all taxes, levies or other liabilities (including services taxes) that may result from the payment of the Fees, expenses and costs, and all payments to Consultant will be made via wire transfer to Consultant's bank account (pursuant to wire instructions provided by Consultant), except as otherwise mutually agreed by the parties hereto. Consultant further acknowledges that Consultant is responsible for filing, withholding, reporting and paying all applicable taxes that may be applicable to the payment of the Fee or reimbursement of the expenses and costs, including, without limitation, any social security and unemployment taxes.

3. **Independent Contractor.** Consultant acknowledges that Consultant is an independent contractor to the Company. During the Term (as defined below) of this Agreement, Consultant shall always act as an independent contractor, and nothing herein shall be construed to create any agency, partnership, joint venture or other cooperative relationship between the Company and Consultant or a relationship of employer and employee between the Company and Consultant. As an independent contractor, Consultant acknowledges that Consultant shall not be entitled to any of the benefits the Company affords its employees and that Consultant is not eligible to participate in any of the Company's employee benefit plans, including, without limitation, pension plans, vacation pay, sick leave, health or disability benefits, unemployment insurance benefits, retirement benefits, restricted stock grants or other employee benefits of any kind. In addition, Consultant shall not be treated as an employee of the Company for purposes of the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Act, income tax withholding and any applicable state or local laws, including without limitation, those pertaining to workers' compensation, unemployment compensation and income tax withholding, and Consultant shall be solely responsible for the withholding and payment of all insurance premiums, including, but not limited to, health insurance and workers' compensation insurance.

4. **Consultant's Authority.** The authority and powers of Consultant hereunder are strictly limited to those necessary for the performance of the services hereunder. Consultant shall not have the right, power or authority to bind, represent or commit the Company in any way, manner or thing whatsoever, or represent that it has any right to do so. In particular and notwithstanding anything to the contrary herein, without the approval of the Company, Consultant shall not: (a) make any representations or undertakings on behalf of the Company or its affiliates, (b) represent as having authority to bind the Company or its affiliates or to accept orders or conduct business on behalf of the Company or its affiliates, (c) enter into or create any binding liability or obligation on the Company or its affiliates or (d) represent that Consultant is or otherwise hold itself out as a joint venturer, member, manager, partner, shareholder, director, officer, employee, legal representative or commercial agent of the Company or its affiliates. Consultant shall be liable for, and indemnify and hold harmless the Company and its affiliates from, any and all claims and liabilities resulting from Consultant's failure to strictly comply with the provisions of this Section 4.

5. **Trade Names.** Consultant understands and agrees that the names Underground Construction Co., Inc., UCCo, and the names of any other entities that fall within the definition of "Company" are exclusively associated with and are the property of Underground Construction Co., Inc. and its affiliates, and Consultant shall not, whether before or after the date of termination, have any right to use such name or any derivatives or variations thereof for any purposes whatsoever.

6. **Confidential Information; Non-Disclosure.**

6.1. **Confidential Information.** Consultant acknowledges that, in the course of the services that will be performed pursuant to this Agreement, Consultant will have access to trade

secrets, intellectual property and proprietary or confidential information related to the Company's businesses, such information shall include, but not be limited, to information concerning the Company's customers or partners (including their identities), pricing, processes, suppliers, methods, operations, services, technologies, inventions, models, engineering data, maps, test results, diagrams, specifications, processes, drawings, contracts, marketing techniques and materials, marketing and development plans, short-term and long-term business plans, strategies, employee information, lists of prospects compiled by the Company, information received by the Company from third parties that is subject to obligations of confidentiality, other information regarding the Company's business or accounts that the Company informs Consultant (or that Consultant should know by virtue of the circumstances under which he learned this information) is to be kept confidential, and any other information that the Company designates as secret or confidential (collectively the "Confidential Information").

6.2. Nature of Confidential Information. Consultant acknowledges and recognizes this Confidential Information is not known to the Company's competitors or generally known within the specialized construction contracting, electric power, telecommunication, renewable energy, or pipeline industries, the Confidential Information was developed by the Company over a long period of time and/or at its substantial expense, that the Company undertakes reasonable efforts to protect this Confidential Information, and this Confidential Information is of great competitive value to the Company. The Company makes no express or implied representation or warranty as to the accuracy or completeness of any Confidential Information and shall have no liability as a result of the use of any Confidential Information.

6.3. Ownership and Control of Confidential Information. All Confidential Information shall be and remain the exclusive property of the Company, and no right or license is granted (expressly, by implication, estoppel or otherwise) to Consultant by virtue of this Agreement or any disclosure of Confidential Information hereunder. Nothing in this Agreement obligates the Company to disclose any Confidential Information to Consultant.

6.4. Use and Disclosure Restrictions. During and after the Term of this Agreement, Consultant will not (a) use any of the Confidential Information other than as authorized by the Company within the scope of the services performed for the Company hereunder or (b) disclose or transfer any Confidential Information to any person or entity other than to the Company or to persons or entities to whom disclosure has been authorized by the Company. Consultant understands that it is not allowed to sell, license or otherwise exploit any products (including software in any form) that embody or otherwise exploit in whole or in part any Confidential Information or materials. Consultant will take all reasonable precautions to prevent the inadvertent or accidental exposure of the Confidential Information. Consultant understands and agrees that all obligations of confidentiality set forth in this Section 6.4 that apply to Consultant, and all protections that apply to the Company herein, also hereby apply with regard to any and all affiliates, subsidiaries, parents, clients and contractors of the Company.

6.5. Publicity. No publicity releases (including news releases and advertising) relating to this Agreement and the services performed hereunder shall be issued by Consultant without the prior written approval of the Company. Any inquiry that Consultant may receive from news media concerning this Agreement will be referred to the Company's representative for response. Any technical paper, article, publication or announcement of advances generated in connection with the services performed under this Agreement, during the Term of this Agreement or in the future, shall require the Company's prior written approval.

6.6. Return and Destruction of All Confidential Information. Upon the request of the Company at any time and, in any event, without request, upon the end of the Term of this

Agreement, Consultant will (a) return to the Company all tangible originals and copies of the Confidential Information, including any and all notes, analyses, reports, summaries, compilations, studies or other documents, writings or materials prepared or developed by, for or on behalf of Consultant that contain, reflect or otherwise incorporate, use or rely on any Confidential Information and (b) destroy or delete, as applicable, all such information and materials stored in electronic, magnetic, optical or any other intangible form and certify to the Company such destruction and deletion. Consultant agrees not to retain any copies of any Confidential Information materials after the end of the Term of this Agreement for any reason.

6.7. **Compliance with U.S. Export Control Laws.** Consultant agrees not to, directly or indirectly, transfer, export or re-export any technical data, or any product, equipment or material embodying or made by use of any technical data, that is part of the Confidential Information of the Company in violation of any U.S. export control laws or regulations.

6.8. **Remedies.** Consultant acknowledges and agrees that monetary damages or other remedies at law would be inadequate to protect the Company against any actual or threatened breach of this Section 6 by Consultant, and that any such breach would cause irreparable harm, and, as such, agrees that the Company shall be entitled to injunctive or other preliminary or equitable relief without proof of actual damages or posting of any bond with respect to any such actual or threatened breach. Such remedies shall not be deemed exclusive remedies for any such breach but shall be in addition to and without prejudice to any other rights or remedies otherwise available to the Company.

7. **Works.** Consultant acknowledges that Consultant's work on and contributions to documents, models, programs, methodologies, protocols and other expressions and Confidential Information in any tangible medium that have been or will be prepared by Consultant, or to which Consultant has contributed or will contribute, in connection with Consultant's services to the Company (collectively, "**Works**"), are and will be within the scope of Consultant's services and part of Consultant's duties and responsibilities. Consultant's work on and contributions to the Works will be rendered and made by Consultant for, at the instigation of, and under the overall direction of, the Company, and are and at all times shall be regarded, together with the Works, as "work made for hire" as that term is used in federal copyright laws and the sole and exclusive property of the Company. Consultant represents and warrants that all Works produced by Consultant under this Agreement shall be of original development and will not infringe or violate any patent, copyright, trade secret, trademark or other third party intellectual property right.

8. **Inventions.** Consultant shall promptly disclose, and hereby assigns, to the Company any invention, idea, discovery, improvement, formula, device, process, method, design, concept, algorithm, machine, or trade secret that is made, conceived or developed, in whole or in part, by Consultant (alone or jointly with others) (a) for which any equipment, supplies, facilities, trade secrets, Confidential Information or other assets of the Company were used or relied on or (b) that were the result of or connected to any work performed by Consultant for the Company (each, an "**Invention**").

9. **Term and Termination.**

9.1. **Term and Rights to Terminate.** The term of this Agreement (the "**Term**") and Consultant's engagement shall commence on the Effective Date and continue on a month-to-month basis, subject to its earlier termination by either party hereto upon written notice of termination to the other party with or without cause.

9.2. **Effects of Termination.** Except as may otherwise be expressly provided herein, upon the termination of this Agreement for any reason pursuant to Section 9.1 above, (i) Consultant shall immediately discontinue the performance of services on the date and to the extent specified in the notice, (ii) Consultant will promptly return all property of the Company or its affiliates which may be held in Consultant's custody or trust, including but not limited to, equipment/and or documents of any nature whatsoever, and that Consultant will not duplicate or cause to have duplicated any documents relating to the services performed by Consultant under this Agreement, except as may be specifically authorized in writing by the Company, (iii) Consultant shall promptly return and destroy all Confidential Information as provided in Section 6.6, (iv) Consultant shall be paid the actual costs incurred during the performance of services hereunder up to the date of termination that have not been previously reimbursed by the Company, but only to the extent such costs are necessary, reasonable and verifiable and have been incurred by Consultant prior to or in connection with discontinuing the work hereunder, specifically excluding unabsorbed overhead or anticipatory profit and (iv) neither party hereto shall have any further obligations to the other under this Agreement beyond any other rights or obligations that have accrued hereunder prior to the date of termination.

9.3. **Survival.** Any provision of this Agreement which is expressly or by implication intended to survive the termination of this Agreement, including Sections 5 through 8, shall survive and remain in effect after the termination of this Agreement

10. **Insurance.** Prior to the performance by Consultant of any services hereunder, Consultant is required to obtain professional liability insurance against any and all claims sounding in professional liability for the services performed hereunder, if such insurance is available. The Company shall not be liable for, and will not indemnify Consultant for, any such professional liability claims.

11. **Indemnification.** Consultant shall indemnify, defend and hold harmless the Company from and against any and all claims and actions, and all expenses incidental to such claims or actions, based upon or arising out of damage to property or injuries to persons (including death) or other tortious acts caused or contributed to by Consultant or anyone acting under Consultant's direction or control or on Consultant's behalf in the course of the performance of services under this Agreement, provided the Consultant's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability to the extent arising from the negligence or willful misconduct of the Company. The Company shall indemnify, defend and hold harmless Consultant against any and all claims to the extent attributable to the negligence or willful conduct of the Company.

12. **Choice of Law.** The interpretation, validity, and effect of this Agreement shall be governed in all respects by the laws of California, without giving effect to its rules on choice of law. However, there shall be no presumption that the terms of this Agreement should be construed more favorably to one party over another for any reason. Any trade secrets or intellectual property of the Company shall also be entitled to all of the protections and benefits under any other applicable law.

13. **Disputes.** The Company and Consultant agree that any dispute arising as to the parties' rights and obligations hereunder, other than with respect to the Company's right to seek injunctive relief for breaches of Sections 6. Confidential Information: Non-Disclosure and, shall, at the election and upon written demand of either party, be submitted to arbitration before a single arbitrator in California.

14. **Notice.** All notices, requests, demands, declarations and other communications required hereunder or given pursuant hereto shall be in writing and shall become effective (a) if given by facsimile, when transmitted and receipt has been confirmed, (b) if given by courier or overnight delivery, when delivered by such courier or overnight delivery carrier or (c) if personally delivered, when so delivered in person, addressed as follows:

- | | |
|-----------------------|--|
| (i) If to Consultant: | (ii) If to the Company: |
| XXX
XXX
XXX | Underground Construction Co., Inc.
5145 Industrial Way
Benicia, CA 94510 |

or at such other address as either party may from time to time designate for itself by written notice to the other party.

15. **Assignment.** The Company has chosen Consultant on the basis of Consultant's experience and qualifications, including Consultant's reputation for ethical business conduct and compliance with applicable laws. As such, Consultant agrees not to assign any of its rights or obligations under this Agreement or delegate the performance of any of the duties hereunder, to any person or entity.

16. **Entire Agreement; No Third-Party Rights.** This Agreement sets forth the entire agreement between Consultant and the Company and fully supersedes and replaces any and all prior and contemporaneous agreements or understandings, written or oral, between the Company and Consultant pertaining to the subject matter of this Agreement. A person who is not a party to this Agreement has no rights to enforce or to enjoy any of the benefits of any term of this Agreement

17. **Heading and Captions.** The heading and captions used in this Agreement are for convenience of reference purposes only and are not intended to, and will in no way, define, describe, interpret, limit, expand or otherwise affect the extent of this Agreement or the meaning or construction of any provision of this Agreement.

18. **Partial Invalidity.** Should any provision of this Agreement be declared or be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, all remaining provisions of this Agreement shall otherwise remain in full force and effect and be construed as if such illegal, invalid or unenforceable provision had not been included herein.

19. **Waiver; Amendment.** No term, provision or condition of this Agreement can be waived, amended, supplemented or otherwise modified except in writing and signed by the Company and Consultant, and then such waiver, amendment, supplement or other modification shall only be effective in the specific instance and for the specific purpose for which given.

20. **No Waiver.** No failure or delay by either party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise or waiver thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege whatsoever hereunder. The waiver by either party hereto of a breach of any of the provisions of this Agreement shall not operate or be construed as a waiver of any subsequent or simultaneous breach of the same or different provisions.

21. **Acknowledgment.** The parties affirm that they have read this Agreement and have had adequate time to consider the terms of the Agreement. Consultant and the Company

represent and acknowledge that in executing this Agreement they do not rely upon and have not relied upon any representation or statement made by any of the parties or by any of the parties' agents, attorneys, employees or representatives with regard to the subject matter, basis or effect of this Agreement or otherwise, other than those specifically stated in this Agreement.

22. Counterparts; Signatures. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. It will not be necessary in making proof of this Agreement or the terms of this Agreement to produce or account for more than one such counterparts. Each party agrees that it will be bound by its own facsimile or scanned signature and that it accepts the facsimile or scanned signature of the other party to this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

UNDERGROUND CONSTRUCTION CO., INC.:

XXX:

By: _____

Thiel Harryman
Vice President, Business Administration

By: _____

XXX
XXX

EXHIBIT A

COMPENSATION SCHEDULE

Charging Rate for Fee:

- **\$XX.XX** per hour
- The price includes Not-to-Exceed (NTE) prices/work which will be reimbursed only as incurred. The Consultant agrees to notify the Contractor when 75% of the NTE amount has been or will be expended.
- There is no minimum guarantee.

Travel Time and Expenses: N/A

Consultant: _____

Date: _____

Company Representative: _____

Date: _____

Job-Specific Agreement (JSA)

JSAs are used when a Subcontractor is doing one specific job for an Owner.

Separate JSAs will be issued for each specific job. JSAs include a project beginning and end date. Insurance and safety compliance requirements are the same as an MSA. Typically a Work Authorization is not issued for a JSA.



Subcontract No.

Subcontractor Name
Address

Project:

SUBCONTRACT AGREEMENT

This Subcontract Agreement and all exhibit, schedules and addenda incorporated herein or attached hereto (the "Agreement") is made this _ day of _____, 20_ ("Effective Date"), by and between UNDERGROUND CONSTRUCTION CO., INC. (Contractor) and [Subcontractor's Legal Name] ("Subcontractor"), with respect to work to be performed pursuant to the contract dated Month, XX, 20XX by and between Legal Name of Customer ("Customer") and Contractor as the same may be amended from time to time, including without limitation all the plans, specifications, exhibits, schedules and other contract documents attached to or incorporated therein (collectively, "Prime Contract"). Contractor and Subcontractor are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

SECTION 1. SCOPE OF WORK

Unless specifically excluded by this Agreement, Subcontractor shall furnish and pay for all labor, materials, supplies, equipment, and facilities that are required to perform the following work, including all taxes, permits, royalties, and other fees, so that the work and any work incidental thereto (collectively, the "Work") will be complete and in strict compliance with this Agreement and the Prime Contract (the "Contract Documents"):

Description of scope of work.

All Work shall be performed and completed in a high quality professional manner, in strict compliance with the terms of this Agreement and the Prime Contract, and in accordance with all applicable laws, regulations, ordinances, industry codes and best practices.

SECTION 1.1 TERM AND COMPLETION DATE: Work under this Agreement shall begin on _____ and be completed by _____ ("Completion Date"). Failure to properly complete the Work by the Completion Date, to both Contractor's and Customer's satisfaction, may subject Subcontractor to liquidated damages if so provided in the Contract Documents. This Agreement shall, if not terminated sooner, be terminated six months after the Completion Date unless further extended by a written change order or amendment. All obligations of the Subcontractor under the Subcontract, including but not limited to warranties and indemnities, shall remain in effect after such termination.

SECTION 2. CONTRACT PRICE & PAYMENT SCHEDULE Subject to the terms and conditions set forth herein, Contractor agrees to pay the Subcontractor for satisfactory and timely performance and completion of the Work in accordance and compliance with the Contract Documents: the fixed, lump sum price of **XXXXXXXXX dollars and no cents (\$XXX,XXX.xx) [or at unit rates or as otherwise provided for in Exhibit A]** ("Subcontract Amount"). Retainage shall be **Ten (10%)** percent or an amount which is equal to the percentage retained from Contractor's payment by Customer. Progress payments to Subcontractor shall be made only with sums received by Contractor from Customer for Work performed by Subcontractor as reflected in Contractor's applications for payment which is a condition precedent for the payment of all moneys due Subcontractor hereunder. Final payment of the balance owed to Subcontractor

shall be due ten days after receipt by Contractor of final payment from Customer for Subcontractor's Work. Subcontractor agrees to furnish, if and when required by Contractor, for Subcontractor and Subcontractor's subcontractors and suppliers, of any tier, the following: payroll affidavits, the payroll records for Subcontractor and Subcontractor's subcontractors and suppliers, of any tier, receipts, vouchers, final as-built drawings and/or other documents required by Customer, releases of claims for labor, material and from its subcontractors, in form as required by law, satisfactory to Contractor, prior to receipt of any payment. Subcontractor shall require all of its subcontractors and suppliers, of any tier, to promptly pay all of its bills or other obligations for labor, materials, equipment, supplies, and other items in connection with the Subcontract Work and in connection with any other projects Subcontractor is working on with Contractor and warrants that such obligation shall be included, in writing, in the Subcontractor's subcontract agreements. Contractor may, at its option, make any payment or portion thereof by joint check payable to Subcontractor and any of its subcontractors, suppliers and/or material men. Contractor may deduct or withhold from any or all monies due to Subcontractor:

- a. for any indebtedness of the Subcontractor to the Contractor or others related to the project or other projects, or;
- b. for any default under this Agreement or for failure of the Subcontractor to perform any Work or for defective Work, or;
- c. for claims made by Subcontractor's subcontractors or suppliers, or others or reasonable evidence indicating probable filing of such claims, or;
- d. if there is a reasonable doubt in the opinion of the Contractor that the Agreement can be completed for the unpaid balance, or;
- e. for any potential liability for which the Contractor may be contingently liable.

If the Subcontractor becomes aware of a duplicate subcontract payment or that the Contractor has otherwise overpaid on a subcontract payment, the Subcontractor shall immediately notify the Contractor and request instructions for disposition of the overpayment.

SECTION 3. CONTRACT DOCUMENTS: ORDER OF PRECEDENCE

The Contract Documents constitute the entire agreement of the Parties. This Agreement may be modified only by written amendment signed by authorized representatives of both Parties. No terms, conditions, proposals, course of dealing, course of performance, usage or trade, understandings, purchase orders, or contract purporting to modify, vary, supplement or explain any provision of this Agreement shall be effective unless in writing and signed by authorized representatives of both parties. Any attempt by Subcontractor, through a job order, purchase order, proposal, invoice, or other document, to vary in any degree any of the terms of this Agreement shall be void and of no effect, unless this provision is expressly waived in an amendment executed as specified herein. If any incorporated provision of the Prime Contract is inconsistent with any provision of this Agreement or if the incorporated provisions of the Prime Contract are contradictory, then the provision which imposes the higher standard, or greater responsibility, upon Subcontractor shall be applied and when in doubt the provision most favorable to Contractor shall govern.

SECTION 4. TIME Time is of the essence in this Agreement. Subcontractor shall provide Contractor with scheduling information in a form acceptable to the Contractor and shall conform to the Contractor's progress schedules, including any changes made by the Contractor in the scheduling of the Work. Subcontractor shall coordinate its Work with that of all other contractors,

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shall be due ten days after receipt by Contractor of final payment from Customer for Subcontractor's Work. Subcontractor agrees to furnish, if and when required by Contractor, for Subcontractor and Subcontractor's subcontractors and suppliers, of any tier, the following: payroll affidavits, the payroll records for Subcontractor and Subcontractor's subcontractors and suppliers, of any tier, receipts, vouchers, final as-built drawings and/or other documents required by Customer, releases of claims for labor, material and from its subcontractors, in form as required by law, satisfactory to Contractor, prior to receipt of any payment. Subcontractor shall require all of its subcontractors and suppliers, of any tier, to promptly pay all of its bills or other obligations for labor, materials, equipment, supplies, and other items in connection with the Subcontract Work and in connection with any other projects Subcontractor is working on with Contractor and warrants that such obligation shall be included, in writing, in the Subcontractor's subcontract agreements. Contractor may, at its option, make any payment or portion thereof by joint check payable to Subcontractor and any of its subcontractors, suppliers and/or material men. Contractor may deduct or withhold from any or all monies due to Subcontractor:

- a. for any indebtedness of the Subcontractor to the Contractor or others related to the project or other projects, or;
- b. for any default under this Agreement or for failure of the Subcontractor to perform any Work or for defective Work, or;
- c. for claims made by Subcontractor's subcontractors or suppliers, or others or reasonable evidence indicating probable filing of such claims, or;
- d. if there is a reasonable doubt in the opinion of the Contractor that the Agreement can be completed for the unpaid balance, or;
- e. for any potential liability for which the Contractor may be contingently liable.

If the Subcontractor becomes aware of a duplicate subcontract payment or that the Contractor has otherwise overpaid on a subcontract payment, the Subcontractor shall immediately notify the Contractor and request instructions for disposition of the overpayment.

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SECTION 9. LABOR RELATIONS Subcontractor shall maintain labor relations policies in conformity with the directions given by the Contractor and shall comply with all the terms and conditions, including trust fund contributions, required by those labor agreements applicable to work performed under this Agreement to which the Contractor is bound. The specific agreements to which the Contractor is bound are listed in Section 16.

SECTION 10. TERMINATION The Subcontractor shall be in default if at any time it shall refuse or fail to supply adequate and competent supervision, or a sufficiency of properly skilled workforce or materials of the proper quality or quantity, or fail in any respect to prosecute the Work with promptness and diligence, or fail in the performance of any part of this Subcontract. In the event of a default, Contractor shall have the option, after 48 hours written notice to Subcontractor, to provide a period of time, determined in the sole discretion of Contractor and Customer, for Subcontractor to cure its default. If Subcontractor is given a specified amount of time to cure its default and fails to fully remedy the defective work, subject to the default, Contractor shall terminate Subcontractor, effectively immediately upon written notice. In the alternative and without prejudice to any other remedy, Contractor may, after 48 hours written notice to Subcontractor, terminate the Subcontractor for Default for all or part of the Work (“Termination for Default.”) In the event of a Termination for Default, the Contractor may contract with others or may itself complete the terminated portion of the Work.

In case of Termination for Default, Subcontractor shall not be entitled to receive any payment under the Agreement until the Work shall be finished and the Contractor receives final payment from the Customer. If the unpaid balance of the amount to be paid under this Agreement shall exceed the expenses and damages incurred by Contractor, such excess shall be paid by Contractor to Subcontractor. If such expenses and damages exceed the unpaid balance, Subcontractor shall pay the difference to the Contractor. Expenses of the Contractor include costs for attorneys and consultants, and 10% of all Contractor costs associated with the Termination, as reimbursement for general and administrative expense. In the event that a Termination for Default is determined to be unjustified, the termination shall be considered to be a Termination for Convenience.

Contractor reserves the right to terminate this Agreement for its convenience even though Subcontractor is not in default, (“Termination for Convenience.”) Termination of Work hereunder shall be effected by written notice to Subcontractor. Upon receipt of such notice, the Subcontractor shall, unless the notice otherwise directs: (1) immediately discontinue the Work and the placing of all orders, and subcontracts in connection with this Subcontract, and; (2) immediately cancel all existing orders and subcontracts made hereunder, and; (3) immediately transfer to Contractor all materials, supplies, Work in progress, appliances, activities, machinery and tools acquired by the Subcontractor in connection with performance of this Subcontract, and take such action as may be necessary or as the Contractor may direct for protection and preservation of the property and Work relating to this Agreement, and; (4) deliver all plans, drawings, specifications and other necessary information to the Contractor. In the event that Contractor terminates this Subcontract for convenience, Contractor shall compensate the Subcontractor, subject to deductions for previous payments, by: (a) reimbursing the Subcontractor for all actual expenditures and costs approved by Contractor as having been made or incurred in performing under this Subcontract, and; (b) reimbursing the Subcontractor for expenditures made and costs incurred with Contractor’s prior written approval in settling or discharging outstanding commitments entered into by the Subcontractor in performing under this subcontract. In no event, however, will the compensation to the Subcontractor exceed the Subcontract Price. All obligations of the Subcontractor under the Subcontract, including but not limited to warranties and indemnities, shall remain in effect.

SECTION 11. INDEMNIFICATION To the fullest extent permitted by law, the Subcontractor shall release, defend, indemnify and hold harmless the Customer and the Contractor, their parent, subsidiary, and affiliated companies, and with respect to each of the foregoing, their agents, contractors subcontractors, suppliers, and employees (collectively “Indemnitees”) from loss, damage, claims, demands, causes of actions and liabilities of any kind and nature whatsoever, including without limitation property damage, death, or bodily injury related thereto, arising out of or in connection with this (i) Agreement, (ii) Subcontractor's operations performed under this Agreement, (iii) the performance or non-performance of Subcontractor’s obligations under this Agreement, or the use of Equipment, by Subcontractor or its employees or by its direct or indirect subcontractors, agents or suppliers, of any tier, (iv) the nature or condition of the site where Subcontract Work is performed, or (v) Subcontractor’s or its direct or indirect subcontractors’, agents’, or suppliers’, of any tier, failure to provide adequate preventative and protective measures, safeguards or devices, or (vi) the non-payment, or alleged non-payment, of wages or benefits by the Subcontractor or its employees or by its direct or indirect subcontractors, agents or suppliers, of any tier (collectively, “Claims”). This indemnification shall extend to Claims occurring after this Agreement is terminated as well as while it is in force. The indemnity obligations shall apply regardless of any active and/or passive negligent act or omission of the Customer or the Contractor, or their agents or employees, but the Subcontractor shall not be obligated to indemnify any Indemnitee for Claims arising from the gross negligence or willful misconduct of Customersuch Indemnitee. The indemnity set forth in this Section shall not be limited by insurance requirements or by any other provision of this Agreement. All Work covered by this Agreement done at the site or in preparing or delivering materials or equipment to the site shall be at the sole risk of the Subcontractor until the completed Work is accepted by the Contractor.

Subcontractor’s duty to defend arising under this Section 11 shall be with counsel reasonably acceptable to Contractor, and Subcontractor shall cause such counsel to consult with Contractor on all major decisions relating to Claims. Contractor shall not, without the prior written consent of each applicable Indemnitee, settle or compromise, or permit a default judgment or a consent to entry of any judgment with respect to any Claim for which Subcontractor has indemnification obligations under this Agreement. Contractor reserves the right to defend itself at its own expense and, in the event that Subcontractor fails to timely assume or diligently conduct the defense of any Claim under this Section 11 or Contractor reasonably concludes that there may be legal defenses available to any Indemnitee which are different from or additional to, or inconsistent with, those available to Subcontractor, Contractor shall have the right to select up to one separate counsel to participate in such action or proceeding on its own behalf at Subcontractor’s expense.

SECTION 11.1 LIMITATIONS ON CONTRACTOR’S LIABILITY. Contractor shall not, under any circumstances, be liable to Subcontractor for any indirect, special, consequential, incidental, punitive or exemplary damages, losses, costs or expenses whatsoever, including, but not limited to, lost profits or business opportunities, or for attorney or expert witness fees, regardless of whether any of the foregoing were foreseeable.

SECTION 12. INSURANCE REQUIREMENTS Prior to commencing the Work Subcontractor shall, at its expense, procure and maintain the following minimum insurance coverages for a period of three (3) years after substantial completion of the Work or for such longer period as may be required by the Prime Contract. SUBCONTRACTOR may utilize any arrangement or combination of primary and Excess policies, following form, to meet the full limits required herein:

	<u>Coverage</u>		<u>Minimum Limits</u>
a.	Workers' Compensation Insurance;	Statutory	
b.	Employer’s Liability Insurance		\$1,000,000
c.	Commercial General Liability insurance covering all operations;		\$1,000,000/\$1,000,000

- d. Business Automobile Liability insurance, including coverage for all owned, hired and non-owned vehicles; \$1,000,000
- e. Excess Liability. \$5,000,000

Professional Liability. If the Work involves or includes engineering or design activities, the Subcontractor shall provide Professional Liability insurance with limits of \$3,000,000 each occurrence covering acts, errors, omissions committed or alleged to have been committed by Subcontractor, including coverage for loss of use, loss of income and loss of business.

Contractor Pollution Legal Liability. If the Work involves a waste disposal or treatment facility or waste hauling, or remedial action, Pollution Legal Liability in the amount of \$5,000,000 per loss, with an annual aggregate of \$5,000,000 and shall cover losses caused by pollution conditions that arise from the operations of Subcontractor included in the Work.

Riggers Liability. If the Work involves moving, lifting, lowering, rigging, or hoisting of property or equipment belonging to others, Riggers Liability with limits of \$2,000,000 per occurrence. Such insurance shall insure against physical loss or damage to the property or equipment.

Additional Insured Endorsements. To the fullest extent permitted by law, all liability insurance policies, with the exception of Workers' Compensation, Employer's Liability, and Professional Liability, shall name the CONTRACTOR and the Customer as additional insureds, and shall be primary to any other insurance carried by an additional insured, and shall contain standard cross-liability provisions. The foregoing requirements are in addition to and independent of the SUBCONTRACTOR'S indemnity obligations. A copy of each required additional insured endorsement shall be provided to CONTRACTOR prior to commencing the Work.

Waiver of Subrogation. SUBCONTRACTOR hereby grants to CONTRACTOR a waiver of subrogation which any insurer may acquire against Contractor, from Subcontractor by virtue of the payment of any loss. Subcontractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation but this provision applies regardless of whether or not Contractor has received a waiver of subrogation endorsement from the Subcontractor. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Contractor for all Work performed by the Subcontractor, its employees, agents, and subcontractors.

Other Requirements. The insurance required by the Insurance Requirements shall be primary to any other insurance carried by the Contractor and shall contain standard cross-liability provisions. Subcontractor agrees that coverage provided by its Excess or Umbrella Liability policies shall be exhausted before any coverage that is separately maintained by an additional insured may be applicable.

The additional insured shall not be responsible for premiums of primary and cross-liability.

Subcontractor shall provide certificates of insurance, required endorsements, and shall ensure that there will be no cancellation nor reduction of coverage without thirty (30) days prior written notice to the Contractor. The failure of the Contractor to enforce in a timely manner any of the provisions of this Section 12 shall not act as a waiver to enforcement of any of these provisions as a later date in the performance of this Agreement.

SECTION 13. CLAIMS RESOLUTION Any claims resolution procedure incorporated in the Prime Contract shall be deemed incorporated into this Agreement, and shall apply to any disputes arising hereunder. In the absence of a claims resolution procedure in the Prime Contract, the Parties hereto shall not be obligated to utilize arbitration or any other non-judicial method of dispute resolution. In any dispute resolution proceeding between the Parties in this subcontract, the

prevailing Party shall be entitled to recover its attorneys' fees and other costs. Any costs including but not limited to administrative, expert and legal fees, incurred by the Contractor to pursue monies or claims from the Customer, that are due to the Subcontractor, will be charged to the Subcontractor. These costs incurred by the Contractor include costs to pursue payments not made by the Customer due to the bankruptcy of the Customer.

SECTION 14. WARRANTY Subcontractor represents and covenants that Subcontractor and Subcontractor's employees, agents and representatives are experts in their field and possess sufficient technical knowledge, skill and expertise to perform the Work. Subcontractor warrants that it has thoroughly examined the requirements of the Agreement, the Prime Contract, and the site and surroundings of the Work, including applicable subsurface conditions; has studied all information provided or otherwise made available by Contractor; has familiarized itself with all applicable Laws; and is experienced, qualified, and licensed (to the extent required by applicable Laws) to perform the Work. Subcontractor unconditionally warrants, to Contractor and to Customer that all of Subcontractor's Work will be performed in strict compliance with the requirements of this Agreement and Prime Contract, and free of any defects and deficiencies. Subcontractor warrants its Work, including labor, material and equipment, to Contractor and Customer, to the extent that Contractor warrants Customer. To the extent not covered by the Prime Contract, Subcontractor warrants to Contractor that all materials and equipment furnished shall be new, free from faults and defects and of good quality. Subcontractor hereby warrants its Work to Contractor against all deficiencies and defects for the period required by the Prime Contract.

SECTION 15. FINANCIAL SECURITY If requested by Contractor in writing, Subcontractor agrees to obtain performance and payment bonds, a letter of credit, or a parent guarantee, in each case satisfactory to Contractor and conditioned upon and covering the faithful performance of and compliance with all of the provisions of this Agreement and the payment of all labor, materials, equipment, and other charges incurred by Subcontractor in connection with the Work. If bonds or a letter of credit are first requested by Contractor after Subcontractor signs this Agreement, the actual cost of the premium or bank charges shall be reimbursed to Subcontractor.

SECTION 16. LABOR AGREEMENTS The Contractor is signatory to the following labor agreements covering work on this project:

[Insert applicable Labor Agreements or note that none are applicable to this Agreement.]

SECTION 17. SUB-SUBCONTRACTING Subcontractor shall not delegate or subcontract any part or all of the Subcontract Work without the advance written consent of Contractor. No such consent shall release Subcontractor from its duties hereunder or alter this Agreement. Each agreement which Subcontractor makes with its subcontractors and suppliers shall incorporate this Agreement in its entirety, shall require its subcontractors and suppliers, of any tier, to provide their payroll records to Subcontractor on a weekly or monthly basis, shall require such subcontractor to be bound to the Customer and Contractor to the extent of the work to be performed by such subcontractor and shall permit Customer and Contractor to enforce the provisions of Subcontractor's agreement with such subcontractor. In any such agreement, such subcontractor shall agree to assume the obligations and responsibilities that Subcontractor has to Contractor under the terms of this Agreement. Each such subcontractor shall preserve and protect the rights of the Customer and Contractor under this Agreement and under the Prime Contract so that sub-subcontracting any portion of the Subcontract Work will not prejudice Customer's or Contractor's rights under the Prime Contract or this Subcontract. Subcontractor shall be fully responsible for all acts and omissions of its subcontractors of any tier as if they were their own.

SECTION 18. Governing Law and Other Provisions. The interpretation, validity, and effect of this Agreement shall be governed in all respects by the law of the state in which work is performed, without giving effect to its rules governing the choice of law, and any Pass Through Disputes shall be governed by the choice of law provisions of the Prime Contract. However, there shall be no presumption that the terms of the Prime Contract or this Agreement should be construed more favorably to one party over another for any reason. Any failure by Contractor to assert a right or enforce a requirement under this Agreement shall not be deemed a waiver of that or any other right or requirement. In the event that any provision of this Agreement is adjudged void, unenforceable, or invalid, the remaining provisions shall survive and remain effective and binding.

SECTION 19. SPECIAL PROVISIONS

- a. Safety – Before commencing in the Work under this Agreement, Subcontractor and any of its approved sub-tier subcontractors shall at a minimum complete registration satisfactory to the CONTRACTOR in its risk management, compliance, and health safety qualification program, and SUBCONTRACTOR shall comply with all Federal, State and local laws and regulations and the Customers and the Contractor's Safety Program and Policies. Subcontractor and any sub-tier subcontractors shall submit the attached Safety Questionnaire as part of this Agreement.
- b. Substance Abuse - Subcontractor and any approved sub-tier subcontractors shall comply with the Contractor's Drug Policy and Testing Program, and to the extent made applicable by the Prime Contract, the Customer's drug policy and drug testing.
- c. Schedule - Subcontractor is to provide a proposal schedule for all Work within ten (10) days of award. Subcontractor shall provide a three (3) week schedule no later than one (1) week prior to the start of Subcontractor Work and weekly thereafter. Schedule shall show major milestones, general activities by job and location.
- d. Project Meetings - Subcontractor shall attend Project meetings as required.
- e. Submittals - Submit eight (8) copies of all submittal data within ten (10) days. If requested by Subcontractor and approved by Contractor, submittals may be submitted electronically.
- f. Progress Payments - Progress billings are to be submitted by the 25th of the month or five (5) days prior to the Customer's cutoff date, whichever is earlier. Billings received after the 25th will be included in the following month's progress billing to the Customer. Subcontractor shall use the Subcontractor's Progress Pay Application, Attachment No. 1, for all progress billings. Prior to submitting the first progress bill, Subcontractor shall submit a Schedule of Values for approval by the Contractor.
- g. Clean-up - Each Subcontractor shall promptly remove its own excess materials from the site. UNDERGROUND CONSTRUCTION CO., INC. will charge and subcontractor agrees it will pay or have withheld for all cleanup expenses incurred as a result of the Subcontractor's Work.
- h. Final Inspection Report - Subcontractor is required to obtain final inspection report for items performed under the Agreement. These include, but are not limited to, electrical, mechanical, fire-protection, structural steel, pre-fab buildings, etc.
- i. Notices. All notices required or permitted under this Agreement shall be in writing and shall be delivered in person, or by national courier service, registered mail, or certified mail with return receipt requested. Notices to Contractor shall be effective when delivered to Contractor at the address appearing below.

Notices to Subcontractor shall be effective when delivered to Subcontractor at Subcontractor's address set forth below.

IN WITNESS WHEREOF, CONTRACTOR and SUBCONTRACTOR do hereby execute this Agreement by their duly authorized representatives as of the Effective Date.

CONTRACTOR

SUBCONTRACTOR

Date: _____ Date: _____

By: _____ By: _____

Name: _____ Name: _____

Address: _____ **Address:** _____

5145 Industrial Way

Benicia, CA 94510

Contractor's License No. 760750

Contractor's License No. _____

Master Subcontract Agreement (MSA)

The MSA is used when a Subcontractor is authorized to do multiple projects under one Owner/Client prime contract.

If the projects are under one prime contract number, a Subcontractor can do multiple projects under that contract, provided there is a fully-executed work authorization on file for each project.



Subcontract No.

To: SUBCONTRACTOR
Address
City, State, Zip

Attn: Contact

MASTER SUBCONTRACT AGREEMENT

This Master Subcontract Agreement (the "Agreement") is made this XX day of _____, 20__ ("Effective Date"), by and between UNDERGROUND CONSTRUCTION CO., INC. ("CONTRACTOR") and INSERT SUBCONTRACTOR NAME ("SUBCONTRACTOR") with respect to work to be performed pursuant to the Prime Contract dated Month, XX, 20XX by and between INSERT OWNER NAME ("Owner") and CONTRACTOR as the same may be amended from time to time, including without limitation all the plans, specifications and other contract documents attached to or incorporated therein (collectively, "Prime Contract"). CONTRACTOR and SUBCONTRACTOR are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

WHEREAS, SUBCONTRACTOR, by signing each work authorization which is issued by Contractor on a project-to-project basis, to describe and authorize specific work pursuant to this Agreement (each a "Work Authorization"), represents that it has the skills, abilities, knowledge, experience, credentials, licenses, equipment, resources and time needed to perform all of the work and other obligations described or included therein in a timely, diligent, workmanlike, professional and satisfactory manner;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

SECTION 1. SCOPE OF WORK Unless specifically excluded by this Agreement, SUBCONTRACTOR shall furnish and pay for all supervision, labor, materials, supplies, equipment, facilities, services, licenses, permits, taxes, royalties, fees, consents and all else required to perform the scope of work described in each Work Authorization issued pursuant to this Agreement (the "Work"). All Work shall be performed and completed in a high quality professional manner, in strict compliance with the terms of this Agreement and the Prime Contract, and in accordance with all applicable laws, regulations, ordinances, industry codes and best practices. Nothing in this Agreement is intended to commit CONTRACTOR to issue any Work Authorization's to SUBCONTRACTOR whatsoever or to prevent CONTRACTOR from subcontracting work to others in its sole discretion.

SECTION 2. CONTRACT PRICE AND PAYMENT TO SUBCONTRACTOR. As compensation in full for the satisfactory performance and completion of the Work described in each Work Authorization, CONTRACTOR shall pay SUBCONTRACTOR as specified in said Work Authorization and in accordance with the terms and conditions of this Agreement (the "Contract Price"). Payment shall be made in monthly progress payments of **ninety percent (90%)** of labor and material which have been incorporated into the Work. Progress payments to SUBCONTRACTOR shall be made only with sums received by CONTRACTOR from Owner for Work performed by SUBCONTRACTOR as reflected in CONTRACTOR's applications for payment which is a condition precedent for the payment of all moneys due SUBCONTRACTOR hereunder. Progress billings are to be submitted by the 25th of the month or five (5) days prior to the Owner's cutoff date, whichever is earlier. Billings received after the 25th will be included in

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the following month's progress billing to the Owner. SUBCONTRACTOR shall use the SUBCONTRACTOR'S **Progress Pay Application, Attachment No. 1,** for all progress billings. Prior to submitting the first progress bill, SUBCONTRACTOR shall submit a Schedule of Values for approval by the CONTRACTOR. Final payment of the balance owed to SUBCONTRACTOR shall be due ten (10) days after receipt by CONTRACTOR of final payment from Owner for SUBCONTRACTOR'S Work. SUBCONTRACTOR agrees to furnish, if and when required by CONTRACTOR, for SUBCONTRACTOR and SUBCONTRACTOR'S subcontractors and suppliers, of any tier, the following: payroll affidavits, the payroll records for SUBCONTRACTOR and SUBCONTRACTOR'S subcontractors and suppliers, of any tier, receipts, vouchers, final as-built drawings and/or other documents required by Owner, a duly executed lien release in the form as may be required by the governing law of the jurisdiction in which the project is located, satisfactory to CONTRACTOR, prior to receipt of any payment. SUBCONTRACTOR shall require all of its subcontractors and suppliers, of any tier, to promptly pay all of its bills or other obligations for labor, materials, equipment, supplies, and other items in connection with the Subcontract Work and in connection with any other projects SUBCONTRACTOR is working on with CONTRACTOR and warrants that such obligation shall be included, in writing, in the SUBCONTRACTOR'S subcontract agreements. CONTRACTOR may, at its option, make any payment or portion thereof by joint check payable to SUBCONTRACTOR and any of its subcontractors, suppliers and/or material men. CONTRACTOR may deduct or withhold from any or all monies due to SUBCONTRACTOR:

- a. for any indebtedness of the SUBCONTRACTOR to the CONTRACTOR or others related to the project or other projects, or;
- b. for any default under this Agreement or for failure of the SUBCONTRACTOR to perform any Work or for defective Work, or;
- c. for claims made by SUBCONTRACTOR'S subcontractors or suppliers, or others or reasonable evidence indicating probable filing of such claims, or;
- d. if there is a reasonable doubt in the opinion of the CONTRACTOR that the Agreement can be completed for the unpaid balance, or;
- e. for any potential liability for which the CONTRACTOR may be contingently liable.

2.1 SUBCONTRACTOR'S PAYMENT OBLIGATIONS. Subcontractor shall promptly pay all debts and other obligations owed to wage claimants (and to third parties on behalf of wage claimants) for wages, fringe benefits, other benefit payments and contributions, together with all interest, penalties, and damages related thereto, and all of its other bills and obligations for labor, materials, equipment, supplies, and other items in connection with the Project and in connection with any other projects Subcontractor is working on for Contractor. Without limiting Subcontractor's other obligations under this Agreement, Subcontractor shall defend, indemnify, and hold Contractor harmless from and against all claims, losses, liability, damages, interest, fines, and penalties arising from the failure or alleged failure of Subcontractor or its subcontractors or sub-subcontractors of any tier to pay wages, fringe benefits, other benefit payments and contributions owed to employees or other wage claimants. With respect to private projects to which California law applies, or in which some part or all of the services are to be performed in California, or when required by the Prime Contract, Subcontractor shall provide Contractor, and shall cause each of its lower tier subcontractors and sub-subcontractors to provide Contractor, legible copies of all payroll records, including but not limited to those contemplated by Section 1174 of the California Labor Code and shall, at a minimum, provide the information set forth in subdivision (a) of Section 226 of said Code, with respect to its employees who are providing labor. Such payroll records shall be complete, except that only the last four digits of an individual's social security

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number shall be shown. In addition, the payroll records must contain information sufficient to apprise Contractor of the payment status of the Subcontractor and the lower tier subcontractors and sub-subcontractors in paying wages and in making fringe or other benefit payments and contributions to a third party on each respective employee's behalf.

SECTION 3. CONTRACT DOCUMENTS; ORDER OF PRECEDENCE This Agreement includes and is governed by the terms and conditions herein, applicable Work Authorization and its attachments, the Prime Contract, exhibits, schedules and addenda explicitly incorporated herein (collectively, "Contract Documents"), and constitutes the entire agreement of the Parties. This Agreement may be modified only by written amendment signed by authorized representatives of both Parties. No terms, conditions, proposals, course of dealing, course of performance, usage or trade, understandings, purchase orders, or contract purporting to modify, vary, supplement or explain any provision of this Agreement shall be effective unless in writing and signed by authorized representatives of both parties. Any attempt by Subcontractor, through a job order, purchase order, proposal, invoice, or other document, to vary in any degree any of the terms of this Agreement shall be void and of no effect, unless this provision is expressly waived in an amendment executed as specified herein. In no event does a change made in a Work Authorization affect other Work Authorizations. If any incorporated provision of the Prime Contract is inconsistent with any provision of this Agreement or a Work Authorization or if the incorporated provisions of the Prime Contract are contradictory, then the provision which imposes the higher standard, or greater responsibility, upon Subcontractor shall be applied and when in doubt the provision most favorable to Contractor shall govern. This Agreement and the Prime Contract shall take precedence over a Work Authorization. The Prime Contract is available upon request. It is SUBCONTRACTOR's responsibility to be thoroughly familiar with the Prime Contract, including future amendments thereto, as it applies to the Work or this Agreement.

SECTION 4. TERM OF AGREEMENT, This Agreement shall continue in full force and effect beginning on the date set forth above and continuing for a period of three (3) years unless the Agreement is sooner terminated as permitted by the Agreement; provided, however, that this Agreement shall continue in full force and effect as to any and all Work Authorizations which were issued and accepted before such notice of termination.

SECTION 5. TIME Time is of the essence in this Agreement. SUBCONTRACTOR shall provide CONTRACTOR with scheduling information in a form acceptable to the CONTRACTOR and shall conform to the CONTRACTOR's progress schedules, including any changes made by the CONTRACTOR in the scheduling of the work. SUBCONTRACTOR shall coordinate its work with that of all other contractors, subcontractors and suppliers so as not to delay or damage their performance. SUBCONTRACTOR agrees to commence and perform the Work when and where directed by CONTRACTOR. SUBCONTRACTOR shall provide all scheduling information requested by the CONTRACTOR. SUBCONTRACTOR agrees to diligently and continuously prosecute the Work and to coordinate the Work with other work being done on the Project. SUBCONTRACTOR will follow all directions and schedules issued by CONTRACTOR including changes to schedules. SUBCONTRACTOR shall work overtime and/or increase its workforce as directed to meet scheduling needs. In determining the Subcontract Price, SUBCONTRACTOR has taken into consideration the effects of these provisions and potential delays.

SECTION 6. DELAYS, ACCELERATIONS, AND EXTENSIONS OF TIME. CONTRACTOR'S liability to SUBCONTRACTOR for delays or suspensions is limited solely to an extension of time for the Work, even if Contractor is partially or wholly at fault. If Owner grants Contractor an extension on account of a delay or suspension in the Work, the length of Subcontractor's extension shall be measured by Owner's extension to CONTRACTOR. CONTRACTOR shall have no liability to pay damages to SUBCONTRACTOR for alleged delays, suspensions, or accelerations, unless Owner or another party actually pays CONTRACTOR for

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SUBCONTRACTOR'S claimed damages. SUBCONTRACTOR accepts the risk that it may suffer delays or suspensions for which there will be no extension and which will result in uncompensated damages. SUBCONTRACTOR shall be barred from any remedy available under this Section 5 unless CONTRACTOR receives a written claim from SUBCONTRACTOR within five (5) days, or such shorter period as would allow CONTRACTOR not less than two (2) Business Days to make such claim under the Prime Contract, from the beginning of a delay, suspension, or acceleration.

SECTION 7. CHANGES IN WORK SUBCONTRACTOR shall make no changes in the work covered by this Agreement without prior written direction from the CONTRACTOR. SUBCONTRACTOR shall not be compensated for any change which is made without such written direction. No changes in the work covered by this Agreement shall exonerate any surety or any bond given in connection with this Work. CONTRACTOR may make changes to the SUBCONTRACTOR's Work at any time. If the CONTRACTOR and SUBCONTRACTOR are unable to agree on the price for the changed Work, the SUBCONTRACTOR shall proceed with the changed Work and the dispute over compensation shall be resolved according to Section 8 of this Agreement. CONTRACTOR shall not be liable for any back charge from SUBCONTRACTOR unless the subject and amount of the back charge was first authorized in writing by CONTRACTOR.

SECTION 8. CLAIMS If any dispute shall arise between CONTRACTOR and SUBCONTRACTOR regarding performance of the Work, or any alleged changes in the Work, SUBCONTRACTOR shall timely perform the disputed Work and shall give written notice of a claim for additional compensation for the Work within ten (10) days after commencement of the disputed Work. SUBCONTRACTOR's failure to give written notice within the ten (10) day period constitutes an agreement by the SUBCONTRACTOR that it will receive no extra compensation for the disputed Work.

SECTION 9. INSPECTION AND PROTECTION OF THE WORK SUBCONTRACTOR shall make the Work accessible at all reasonable times for inspection by the CONTRACTOR. SUBCONTRACTOR shall, at the first opportunity, inspect all materials and equipment delivered to the jobsite by others or by SUBCONTRACTOR to be used or incorporated in the SUBCONTRACTOR's Work and give prompt notice of any defect therein. SUBCONTRACTOR assumes full responsibility to protect the Work done hereunder until final acceptance by the Owner and CONTRACTOR.

SECTION 10. LABOR RELATIONS SUBCONTRACTOR shall maintain labor relations policies in conformity with the directions given by the CONTRACTOR and shall comply with all the terms and conditions, including trust fund contributions, required by those labor agreements applicable to work performed under this Agreement to which the CONTRACTOR is bound. The specific agreements to which the CONTRACTOR is bound are listed in Section 18.

SECTION 11. TERMINATION The SUBCONTRACTOR shall be in default if at any time it shall refuse or fail to supply adequate and competent supervision, or a sufficiency of properly skilled workforce or materials of the proper quality or quantity, or fail in any respect to prosecute the Work with promptness and diligence, or fail in the performance of any part of this Agreement. In the event of a default, CONTRACTOR shall have the option, after 48 hours written notice to SUBCONTRACTOR, to provide a period of time, determined in the sole discretion of CONTRACTOR and Owner, for SUBCONTRACTOR to cure its default. If SUBCONTRACTOR is given a specified amount of time to cure its default and fails to fully remedy the defective work, subject to the default, CONTRACTOR shall terminate SUBCONTRACTOR, effectively immediately upon written notice. In the alternative, without prejudice to any other remedy, CONTRACTOR may, after 48 hours written notice to SUBCONTRACTOR, terminate the SUBCONTRACTOR for Default for all or part of the Work ("Termination for Default.") In the

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event of a Termination for Default, the CONTRACTOR may contract with others or may itself complete the terminated portion of the Work.

In case of Termination for Default, SUBCONTRACTOR shall not be entitled to receive any payment under the Agreement until the Work shall be finished and the CONTRACTOR receives final payment from the Owner. If the unpaid balance of the amount to be paid under this Agreement shall exceed the expenses and damages incurred by CONTRACTOR, such excess shall be paid by CONTRACTOR to SUBCONTRACTOR. If such expenses and damages exceed the unpaid balance, SUBCONTRACTOR shall pay the difference to the CONTRACTOR. Expenses of the CONTRACTOR include costs for attorneys and consultants, and 10% of all CONTRACTOR costs associated with the Termination, as reimbursement for general and administrative expense. In the event that a Termination for Default is determined to be unjustified, the termination shall be considered to be a Termination for Convenience.

CONTRACTOR reserves the right to terminate this Agreement for its convenience even though SUBCONTRACTOR is not in default (“Termination for Convenience.”) Termination of Work hereunder shall be effected by written notice to SUBCONTRACTOR. Upon receipt of such notice, the SUBCONTRACTOR shall, unless the notice otherwise directs: (1) immediately discontinue the Work and the placing of all orders, and subcontracts in connection with this Agreement, and; (2) immediately cancel all existing orders and subcontracts made hereunder, and; (3) immediately transfer to CONTRACTOR all materials, supplies, work in progress, appliances, activities, machinery and tools acquired by the SUBCONTRACTOR in connection with performance of this Agreement, and take such action as may be necessary or as the CONTRACTOR may direct for protection and preservation of the property and work relating to this Agreement, and; (4) deliver all plans, drawings, specifications and other necessary information to the CONTRACTOR. In the event that CONTRACTOR terminates this Agreement for convenience, CONTRACTOR shall compensate the SUBCONTRACTOR, subject to deductions for previous payments, by; (a) reimbursing the SUBCONTRACTOR for all actual expenditures and costs approved by CONTRACTOR as having been made or incurred in performing under this Agreement, and; (b) reimbursing the SUBCONTRACTOR for expenditures made and costs incurred with CONTRACTOR’s prior written approval in settling or discharging outstanding commitments entered into by the SUBCONTRACTOR in performing under this Agreement. In no event, however, will the compensation to the SUBCONTRACTOR exceed the Subcontract Price. All obligations of the SUBCONTRACTOR under the Subcontract, including but not limited to warranties and indemnities, shall be in effect.

SECTION 12. INDEMNIFICATION To the fullest extent permitted by the law, the SUBCONTRACTOR shall release, defend, indemnify and hold harmless the Owner and the CONTRACTOR, their parent, subsidiary, and affiliated companies, and with respect to each of the foregoing, their agents, contractors, subcontractors, suppliers, and employees (collectively “Indemnitees”) from loss, damage, claims, demands, causes of actions and liabilities of any kind and nature whatsoever, including without limitation property damage, death, or bodily injury related thereto, arising out of or in connection with (i) this Agreement, (ii) the SUBCONTRACTOR’S operations performed under this Agreement, (iii) the performance or non-performance of SUBCONTRACTOR’S obligations under this Agreement, or the use of Equipment, by SUBCONTRACTOR or its employees or by its direct or indirect subcontractors, agents or suppliers, of any tier, (iv) the nature or condition of the site where Subcontract Work is performed, or (v) SUBCONTRACTOR’S or its direct or indirect subcontractors’, agents’, or suppliers’, of any tier, failure to provide adequate preventative and protective measures, safeguards or devices, or (vi) the non-payment, or alleged non-payment, of wages or benefits by the SUBCONTRACTOR or its employees or by its direct or indirect subcontractors, agents or suppliers, of any tier (collectively, “Claims”). This indemnification shall extend to Claims occurring after this Agreement is terminated as well as while it is in force. The indemnity shall

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apply regardless of any active and/or passive negligent act or omission of the Owner or the CONTRACTOR, or their agents or employees, but the SUBCONTRACTOR shall not be obligated to indemnify any person for Claims arising from the negligence or willful misconduct of the Owner or the CONTRACTOR, or their agents, contractors or employees, or caused by the designs provided by Owner or CONTRACTOR. The indemnity set forth in this Section shall not be limited by insurance requirements or by any other provision of this Agreement. All work covered by this Agreement done at the site or in preparing or delivering materials or equipment to the site shall be at the sole risk of the SUBCONTRACTOR until the completed work is accepted by the CONTRACTOR.

SUBCONTRACTOR’s duty to defend arising under this Section 11 shall be with counsel reasonably acceptable to CONTRACTOR, and SUBCONTRACTOR shall cause such counsel to consult with CONTRACTOR on all major decisions relating to Claims. CONTRACTOR shall not, without the prior written consent of each applicable Indemnitee, settle or compromise, or permit a default judgment or a consent to entry of any judgment with respect to, any Claim for which SUBCONTRACTOR has indemnification obligations under this Agreement, unless such settlement or compromise or judgment is solely for the payment of money and includes a full, unconditional release of each applicable indemnitee with respect to all liability related to such Claim. CONTRACTOR reserves the right to defend itself at its own expense and, in the event that SUBCONTRACTOR fails to timely assume or diligently conduct the defense of any Claim under this Section 11 or CONTRACTOR reasonably concludes that there may be legal defenses available to any Indemnitee which are different from or additional to, or inconsistent with, those available to SUBCONTRACTOR, CONTRACTOR shall have the right to select up to one separate counsel to participate in such action or proceeding on its own behalf at SUBCONTRACTOR’s expense.

SECTION 13. INSURANCE Before commencing in the Work SUBCONTRACTOR shall, at its expense, procure and maintain the following minimum insurance coverages for a period of three (3) years after substantial completion of the Work or for such longer period as may be required by the Prime Contract. SUBCONTRACTOR may utilize any arrangement or combination of primary and Excess or Umbrella policies, following form, to meet the full limits required herein:

<u>Coverage</u>	<u>Minimum Limits</u>
a. Workers' Compensation and Employer's Liability insurance;	Statutory
b. Commercial General Liability Liability insurance covering all operations;	\$1,000,000/\$1,000,000
c. Automobile Liability insurance, including coverage for all owned, hired and non-owned vehicles;	\$1,000,000
d. Excess Liability.	\$5,000,000
e. Professional Liability. If the Work involves or includes engineering or design activities, the Subcontractor shall provide Professional Liability insurance with limits of \$3,000,000 each occurrence covering acts, errors, omissions committed or alleged to have been committed by Subcontractor, including coverage for loss of use, loss of income and loss of business. If the Work involves professional environmental consultants who design and/or supervise remediation projects, Contractor shall require the following additional insurance: Environmental Professional Liability insurance in the amount of \$3,000,000 per loss appropriate to the Subcontractor’s profession. Coverage shall apply to liability for a professional error, act, or omission arising out of the Work. Environmental Professional Liability Insurance required by this paragraph may not exclude: 1) bodily injury; 2) property damage; 3) pollution conditions arising out of environmental work; 4) asbestos-related claims; 5) testing, monitoring, measuring operations, or laboratory analyses; and 6) liability arising out of the operation of a treatment facility if such operation is included in the Work.	

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f. **Contractor Pollution Legal Liability.** If the Work involves a waste disposal or treatment facility or waste hauling, or remedial action, Pollution Legal Liability in the amount of \$5,000,000 per loss, with an annual aggregate of \$5,000,000 and shall cover losses caused by pollution conditions that arise from the operations of Subcontractor included in the Work. Coverage shall apply to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. If the Work involve the disposal of any hazardous or non-hazardous materials from the job site, the Subcontractor must furnish to Contractor evidence of Pollution Legal Liability insurance maintained by the disposal site operator for losses arising from the insured facility accepting waste under this Agreement. Coverage certified to Contractor under this paragraph must be maintained in minimum amounts of \$5,000,000 per loss, with an annual aggregate of at least \$10,000,000.

g. **Riggers Liability.** If the Work involves moving, lifting, lowering, rigging, or hoisting of property or equipment belonging to others, Riggers Liability with limits of \$2,000,000 per occurrence. Such insurance shall insure against physical loss or damage to the property or equipment.

h. **Railroad Protective Liability.** If the Work will be performed within the proximity of a railroad or railroad property, Subcontractor shall procure and maintain a Railroad Protective Liability policy in the amount required by the applicable Railroad authority.

Additional Insured Endorsements. To the full extent permitted by law, all liability insurance policies, with the exception of Workers' Compensation, Employer's Liability, and Professional Liability, shall name the CONTRACTOR and the Owner as additional insureds, and shall be primary to any other insurance carried by an additional insured, and shall contain standard cross-liability provisions. The foregoing requirements are in addition to and independent of the SUBCONTRACTOR'S indemnity obligations. A copy of each required additional insured endorsement shall be provided to CONTRACTOR prior to commencing the Work.

Waiver of Subrogation. SUBCONTRACTOR hereby grants to CONTRACTOR a waiver of subrogation which any insurer may acquire against Contractor, from Subcontractor by virtue of the payment of any loss. Subcontractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation but this provision applies regardless of whether or not Contractor has received a waiver of subrogation endorsement from the Subcontractor. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Contractor for all Work performed by the Subcontractor, its employees, agents, and subcontractors.

Other Requirements. The insurance required by the Insurance Requirements shall be primary to any other insurance carried by the Contractor Group and shall contain standard cross-liability provisions. Subcontractor agrees that coverage provided by its Excess or Umbrella Liability policies shall be exhausted before any coverage that is separately maintained by an additional insured may be applicable.

The additional insured shall not be responsible for premiums of primary and cross-liability.

SUBCONTRACTOR shall provide certificates of insurance and shall ensure that there will be no cancellation nor reduction of coverage without thirty (30) days prior written notice to the CONTRACTOR. The failure of the CONTRACTOR to enforce in a timely manner any of the provisions of this Section 12 shall not act as a waiver to enforcement of any of these provisions as a later date in the performance of this Agreement.

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SECTION 14. CLAIMS RESOLUTION Any claims resolution procedure incorporated in the Prime Contract shall be deemed incorporated into this Agreement, and shall apply to any disputes arising hereunder. In the absence of a claims resolution procedure in the Prime Contract, the Parties hereto shall not be obligated to utilize arbitration or any other non-judicial method of dispute resolution. In any dispute resolution proceeding between the Parties in this subcontract, the prevailing Party shall be entitled to recover its attorneys' fees and other costs.

Any costs including but not limited to administrative, expert and legal fees, incurred by the CONTRACTOR to pursue monies / claims from the Owner, that are due to the SUBCONTRACTOR, will be charged to the SUBCONTRACTOR. These costs incurred by the CONTRACTOR include costs to pursue payments not made by the Owner due to the bankruptcy of the Owner.

SECTION 15. LIMITATIONS ON CONTRACTOR'S LIABILITY. Contractor shall not, under any circumstances, be liable to Subcontractor for any indirect, special, consequential, incidental, punitive or exemplary damages, losses, costs or expenses whatsoever, including, but not limited to, lost profits or business opportunities, or for attorney or expert witness fees, regardless of whether any of the foregoing were foreseeable.

SECTION 16. WARRANTY Subcontractor represents and covenants that Subcontractor and Subcontractor's employees, agents and representatives possess sufficient technical knowledge, skill and expertise to perform the Work. SUBCONTRACTOR warrants that it has thoroughly examined the requirements of this Agreement and the Prime Contract, the site and surroundings of the Work, including applicable subsurface conditions; has studied all information provided or otherwise made available by CONTRACTOR; and has familiarized itself with all applicable Laws. Subcontractor unconditionally warrants, to Contractor and to Owner that all of Subcontractor's Work will be performed in strict compliance with the requirements of this Agreement and Prime Contract, and free of any defects and deficiencies. SUBCONTRACTOR warrants its Work, including labor, material and equipment, to CONTRACTOR and Owner, to the extent that CONTRACTOR warrants owner. To the extent not covered by the Prime Contract, SUBCONTRACTOR warrants to CONTRACTOR that all materials and equipment furnished shall be new, free from faults and defects and of good quality. SUBCONTRACTOR hereby warrants its work to CONTRACTOR against all deficiencies and defects for the period required by the Prime Contract.

SECTION 17. FINANCIAL SECURITY If requested by Contractor in writing, Subcontractor agrees to obtain performance and payment bonds, a letter of credit, or a parent guarantee, in each case satisfactory to Contractor and conditioned upon and covering the faithful performance of and compliance with all of the provisions of this Agreement and the payment of all labor, materials, equipment, and other charges incurred by Subcontractor in connection with the Work. If bonds or a letter of credit are first requested by Contractor after Subcontractor signs this Agreement, the actual cost of the premium or bank charges shall be reimbursed to Subcontractor.

SECTION 18. LABOR AGREEMENTS The CONTRACTOR is signatory to the following labor agreements covering work on this project:

- Operators
- Laborers

SECTION 19. SUB-SUBCONTRACTING SUBCONTRACTOR shall not delegate or subcontract any part or all of the Subcontract Work without the advance written consent of CONTRACTOR. No such consent shall release SUBCONTRACTOR from its duties hereunder or alter this Agreement. Each agreement which SUBCONTRACTOR makes with its subcontractors

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and suppliers, of any tier, shall incorporate this Agreement in its entirety, shall require its subcontractors and suppliers, of any tier, to provide their payroll records to SUBCONTRACTOR on a weekly or monthly basis, shall require such subcontractor to be bound to the Owner and CONTRACTOR to the extent of the work to be performed by such subcontractor and shall permit Owner and CONTRACTOR to enforce the provisions of SUBCONTRACTOR'S agreement with such subcontractor. In any such agreement, such subcontractor shall agree to assume the obligations and responsibilities that SUBCONTRACTOR has to CONTRACTOR under the terms of this Agreement. Each such subcontractor shall preserve and protect the rights of the Owner and CONTRACTOR under this Agreement and under the Prime Contract so that sub-subcontracting any portion of the Subcontract Work will not prejudice Owner's or CONTRACTOR'S rights under the Prime Contract or this Agreement.

SECTION 20. SPECIAL PROVISIONS

- a. **Safety** – Before commencing the Work under this Agreement, SUBCONTRACTOR and any of its sub-tier subcontractors shall at a minimum complete registration satisfactory to the CONTRACTOR in its risk management, compliance, and health safety qualification program, and SUBCONTRACTOR shall comply with all Federal, State and local laws and regulations and the Owners and the CONTRACTOR's Safety Program and Policies. Attached Safety Questionnaire to be submitted as part of this Agreement.
- b. **Substance Abuse** - SUBCONTRACTOR and any approved sub-tier subcontractors shall comply with the CONTRACTOR's Drug Policy and Testing Program, and to the extent made applicable by the Prime Contract, the Owner's drug policy and drug testing.
- c. **Schedule** - SUBCONTRACTOR is to provide a proposal schedule for all Work within ten (10) days of award. SUBCONTRACTOR shall provide a three (3) week schedule no later than one (1) week prior to the start of subcontractor Work and weekly thereafter. Schedule shall show major milestones, general activities by job and location and be similar to Attachment 3.
- d. **Project Meetings** - SUBCONTRACTOR shall attend Project meetings as required by the Contractor.
- e. **Submittals** - Submit eight (8) copies of all submittal data within ten (10) days. If requested by SUBCONTRACTOR and approved by CONTRACTOR, submittals may be submitted electronically.

Clean-up - Each SUBCONTRACTOR shall promptly remove its own excess materials from the site. CONTRACTOR will charge and SUBCONTRACTOR agrees it will pay or have withheld for all cleanup expenses incurred as a result of the SUBCONTRACTOR's work.

- f. **Final Inspection Report** - SUBCONTRACTOR is required to obtain final inspection reports for items performed under the Agreement. These include, but are not limited to, electrical, mechanical, fire-protection, structural steel, pre-fab buildings, etc.
- g. **Notices.** All notices required or permitted under this Agreement shall be in writing and shall be delivered in person, or by national courier service, registered mail, or certified mail with return receipt requested. Notices to Contractor shall be effective when delivered to Contractor at the address appearing below. Notices to Subcontractor shall be effective when delivered to Subcontractor at Subcontractor's address set forth below.

IN WITNESS WHEREOF, CONTRACTOR and SUBCONTRACTOR do hereby execute this Agreement by their duly authorized representatives as of the date first above written.

CONTRACTOR

Underground Construction Co., Inc

Date: _____

By: _____

Name: _____

Address:

5145 Industrial Way

Benicia, CA 94510

CONTRACTOR's License No. 760750

SUBCONTRACTOR

Contractors Name

Date: _____

By: _____

Name: _____

Address:

Address

Address

CONTRACTOR's License No. _____

Professional Services Agreement (PSA)

For professional services performed on site. In most cases, the Subcontractor must be a professional individual(s) (under the supervision of a licensed or certified professional). This format includes Professional services of an Architectural or Engineering (A/E) nature for research, planning, development, design, construction, alteration, or repair of real property or other professional services of an architectural or engineering nature; or incidental services including studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operating and maintenance manuals, and other related services.

The work is generally performed off site (business office) but may include limited on-site work such as site inspection, soil borings, record research, etc. Subcontractor may be an individual, sole proprietorship, a partnership, an LLC, or a corporation. Typically, work is performed on an hourly amount, billed monthly or bimonthly on a Not-to-Exceed basis. Lump sum work can be used if the scope of work has definable performance requirements that can be measured.

Services performed under this subcontracting tool is subject to Service Contract Act and does NOT require reporting labor for Davis-Bacon Act compliance. "White collar" employees such as superintendents, project managers, engineers, office staff, timekeepers, messengers, etc., are not laborers or mechanics and meet these criteria. Other professional services (labor) can include inspection and testing where the employee performing the work is not performing construction work. The subcontract is intended primarily for labor and should not include material or equipment that is installed in the project.

Each action should be reviewed carefully for inclusion/exclusions of the terms, Professional Liability Insurance, other Clients, etc. Service Agreements for A/E Services should include a very detailed scope of work to detail the design elements, submittals, delivery timeframes, liability, insurances, etc.



MASTER AGREEMENT FOR THE PROVISION OF LIMITED PROFESSIONAL SERVICES

This MASTER AGREEMENT FOR THE PROVISION OF LIMITED PROFESSIONAL SERVICES (the "Agreement") is entered into this ___ day of _____ 20___, between Underground Construction Co., Inc., 5145 Industrial Way, Benicia, CA 94510 ("Contractor"), and _____ ("Subcontractor").

Project Owner: The owner of the project that is the subject of this agreement is _____ (hereinafter "**OWNER**") with respect to work performed pursuant to the prime contract # _____, dated _____.

Work Orders: From time to time, Contractor and Subcontractor may jointly execute one or more Work Orders, in the form attached hereto and incorporated herein, specifying the services and other things of value to be provided to Contractor by Subcontractor ("Services"), the compensation for such Services ("Contract Price"), and such other terms and conditions consistent with this Agreement as the parties may deem appropriate. Unless otherwise expressly provided in a given Work Order, the Contract Price is an all-inclusive lump sum price for completion of the Services to the satisfaction of Company. Subcontractor agrees to perform the Services in connection with the design and construction set forth in the agreement between Contractor and Contractor's customer (the "Owner") under which the work to be provided by Contractor includes the Services to be provided by Subcontractor pursuant to this Agreement (the "Prime Contract"). If Contractor's customer is not the ultimate project owner, the Prime Contract also includes any contract provisions which flow down to Contractor from an antecedent contract.

1. Services to be performed by Subcontractor. Subcontractor shall furnish and pay for all labor, materials, supplies, equipment, and facilities which are required for the work described in the Work Order (the "Subcontract Work"), including all taxes, permits, royalties, and other fees, so that the work and any incidental work thereto will be complete and in strict compliance with the terms of the applicable Prime Contract and this Agreement. Subcontractor will perform work in a high quality manner that is in accordance with applicable laws, regulations, ordinances, and industry codes and practice. The price Contractor will pay Subcontractor for Subcontractor's services under this Agreement is stated in the applicable Work Order.

2. Access to Site. Unless otherwise stated, Subcontractor will have access to the site for activities necessary for the performance of Subcontractor's services.

3. Site Observation. If required within the scope of the Subcontractor's work, Subcontractor shall make visits to the site at intervals appropriate to the various stages of construction as Subcontractor deems necessary in order to observe the progress of Contractor's work. Subcontractor shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct or have control over Contractor's work nor shall Subcontractor have authority over the means, methods, techniques, sequences, or safety protocols utilized by Contractor in the course of Contractor's work. Subcontractor shall cooperate with Contractor, Contractor's other subcontractors, Owner, and Owner's other contractors so that all work on the Project will proceed as smoothly and efficiently as possible.

4. Prime Contract. Subcontractor shall be bound to the Contractor by the terms of this Agreement and the applicable Prime Contract. Subcontractor assumes toward Contractor and agrees to all obligations, responsibilities, liabilities, and limitations on rights that Contractor, by the applicable Prime Contract, has assumed toward or agreed to with Owner. In the event of a conflict among the documents, the terms in the applicable Prime Contract shall prevail.

5. Billings/Payments. Subcontractor shall prepare and submit to Contractor a monthly request for payment indicating the progress achieved by Subcontractor and any payroll records for Subcontractor and Subcontractor's subcontractors and suppliers, of any tier. Subcontractor shall submit, along with each payment request, a lien waiver from Subcontractor for all work performed prior to the payment request and lien waivers from all of Subcontractor's sub-subcontractors and equipment and material suppliers for all work performed and paid for in the previous month's payment request. Said lien waivers shall be in the form of the attached Subcontractor's Affidavit and Partial Release, incorporated herein as Exhibit B, and Subcontractor's Affidavit and Final Release, incorporated herein as Exhibit C, and in compliance with all requirements for lien waivers in the state in which Subcontractor's services are performed. Subcontractor shall be paid promptly after Contractor receives payment from Owner for the



Underground Construction Co., Inc.

Subcontractor's services. Contractor's receipt of payment from Owner for the Subcontractor's services is an express condition precedent to Contractor's obligation to pay Subcontractor. Retainage in the amount of the greater of (i) ten percent (10%) or (ii) the amount retained by Owner in its payments to Contractor shall be deducted from all payments otherwise due. Retainage will be held until Contractor receives final payment from Owner for the Subcontractor's services.

Subcontractor shall promptly pay all of its bills or other obligations for labor, materials, equipment, supplies, and other items in connection with the Project and in connection with any other projects Subcontractor is working on with Contractor. Subcontractor agrees that all payments it receives from Owner or Contractor shall be applied first to Project bills and obligations until they are fully paid. Subcontractor shall require all of its subcontractors and suppliers, of any tier, to promptly pay all of its bills or other obligations for labor, materials, equipment, supplies, and other items in connection with the Project and in connection with any other projects Subcontractor is working on with Contractor and warrants that such obligation shall be included, in writing, in the Subcontractor's subcontract agreements. Upon notice of unpaid bills on any project on which Subcontractor is working with Contractor, Contractor, in its sole discretion and in addition to other remedies, may make joint payments to Subcontractor and Subcontractor's vendors or other obligees and back charge the amount of the payments, together with a fifteen percent (15%) surcharge, to Subcontractor.

Contractor may deduct from any amounts due Subcontractor any sum owed by Subcontractor to Contractor; and in the event of any breach by Subcontractor of any provisions of this Agreement, or in the event of the assertion by other parties of any claim or lien against the Contractor or the premises or Work arising out of the Subcontractor's performance of this Agreement, the Contractor shall have the right to retain out of any payments due or that become due to Subcontractor an amount sufficient to completely protect the Contractor from any and all loss, expense or damage therefore. Disputed amounts will be addressed as stated in Section 14, titled Arbitration.

6. Insurance. Subcontractor agrees to obtain, maintain, and pay for policies providing insurance in full compliance with the attached "Insurance Requirements", which are incorporated herein and the applicable Prime Contract. All insurance required under this Agreement shall be issued by insurance companies and contain terms that are acceptable to Contractor. The insurance policies shall designate the Owner, Contractor, their respective directors, officers, employees and agents, and any other parties required under the applicable Prime Contract as additional insureds, and shall be primary insurance. Subcontractor shall provide Contractor, at the time it signs this Agreement and prior to each policy renewal period, with a certificate and endorsements from Subcontractor's insurance companies verifying that all of the insurance required by this Agreement is in place, and that none of the policies will be canceled without thirty (30) days written notice to Contractor. In no event shall Contractor's failure to demand delivery of the required certificates of insurance hereunder or Contractor's acceptance of an insurance certificate that does not comply with this Agreement constitute a waiver of any requirement of this Agreement. Subcontractor's liability under this Agreement is in no way conditioned upon or limited by the insurance requirements contained herein or Subcontractor's compliance therewith. All deductibles and self-insured retentions, including defense costs, applicable to the insurance shall be paid by Subcontractor. Subcontractor's failure to strictly comply with all applicable insurance requirements shall constitute a material breach of this Agreement.

7. Indemnification. Subcontractor agrees, to the fullest extent permitted by law, to indemnify and hold the Contractor, its surety (if any), Owner, and any of Contractor's, the surety's, or Owner's agents or employees harmless from any damage, liability or cost (including reasonable attorney's fees and costs of defense) arising out of or caused by Subcontractor's acts, errors or omissions in the performance of professional services under this Agreement, any such acts, errors or omissions of Subcontractor's sub-consultants or anyone for whom Subcontractor is legally liable, and/or the non-payment, or alleged non-payment, of wages or benefits by the Subcontractor or its employees or by its direct or indirect subcontractors, agents or suppliers, of any tier. Subcontractor is not obligated to indemnify Contractor for the Contractor's sole negligence.

8. Standard of Care. Subcontractor represents that it will perform its services in accordance with generally accepted professional practices existing at the time of performance for the locality where the services are performed.

9. Assignment and Subcontracting. The Subcontractor shall not, in whole or in part, assign or sublet this Agreement or the proceeds thereof without the written consent of the Contractor. Subcontractor shall not delegate or subcontract any part or all of the Subcontract Work without the advance written consent of Contractor. No such consent shall release Subcontractor from its duties hereunder or alter this Agreement. Each agreement which Subcontractor makes with its subcontractors and suppliers shall incorporate this Agreement in its entirety, shall require its subcontractors and suppliers, of any tier, to provide their payroll records to Subcontractor on a weekly or



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monthly basis, shall require such subcontractor to be bound to the Owner and Contractor to the extent of the work to be performed by such subcontractor and shall permit Owner and Contractor to enforce the provisions of Subcontractor's agreement with such subcontractor. In any such agreement, such subcontractor shall agree to assume the obligations and responsibilities that Subcontractor has to Contractor under the terms of this Agreement. Each such subcontractor shall preserve and protect the rights of the Owner and Contractor under this Agreement and under the applicable Prime Contract so that sub-subcontracting any portion of the Work will not prejudice Owner's or Contractor's rights under the applicable Prime Contract or this Subcontract.

10. **Termination for Default.** The Contractor may, after seven (7) days written notice of default to the Subcontractor, terminate, in whole or in any part, this Agreement in any one of the following circumstances: (a) if the Subcontractor fails to complete the work by the completion date according to the mutually agreed-upon schedule; (b) if the Subcontractor fails to prosecute the work in a timely manner and with such diligence as in the opinion of the Contractor will ensure its timely interim or final completion; (c) if the Subcontractor fails to comply or becomes unable to comply with any requirement of the Subcontract, (d) if a petition in bankruptcy is filed by or against Subcontractor, or a petition for the appointment of a receiver is filed against the Subcontractor. The rights and remedies of the Contractor provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Subcontract.

11. **Ownership and Reuse of Documents.** Except as otherwise provided herein, engineering documents, drawings and specifications prepared by Subcontractor as part of the Services shall become the property of Owner upon completion of work and payment in full of all monies due to Subcontractor provided, however, that Subcontractor shall retain the unrestricted rights to their use and shall retain all common law, statutory, copyright, and other reserved rights. The Contractor shall not reuse or make any modifications to any and all documents prepared by Subcontractor, including, but not limited to, engineering documents, drawings, and specifications (the "Documents") without the prior written authorization of Subcontractor. Submission or distribution of Documents to meet official regulatory requirements or for similar purposes in connection with the project is not to be construed as publication in derogation of Subcontractor's reserved rights.

12. **Successors and Assigns.** Contractor and Subcontractor each binds itself and its partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement. This Agreement shall not be assigned by either party without the other party's express written consent. Provided, Subcontractor shall be entitled to subcontract portions of its work to other companies in which Subcontractor has an ownership interest without first obtaining the written consent provided for under this Article.

13. **EEO Compliance.** Subcontractor shall not discriminate in hiring, referrals, discharge, employment conditions, or otherwise in regard to employment based on age, race, creed, color, sex, national origin, religion, or disability unless permitted by law.

14. **Arbitration.** Unless stated otherwise in the applicable Prime Contract, all claims, disputes or controversies arising out of, or in relation to the interpretation, application or enforcement of this Agreement, which cannot be first settled through direct discussions, shall be submitted to mediation under the Commercial Mediation Rules of the American Arbitration Association. Contractor and Subcontractor agree to share the costs for such mediation services on an equal basis. Nothing contained in this paragraph shall preclude the parties of this Agreement from pursuing other means of dispute resolution either concurrently or subsequent to the mediation process. In the event any dispute is resolved by arbitration or court order, then the prevailing party shall be entitled to its attorney's fees and all related costs, as ordered by the arbitrator or the court, including costs and attorney's fees incurred on appeal.

15. **Grammatical Usage.** In construing this Agreement, plural terms shall be constituted for singular and singular for plural in any place where the context so requires.

16. **Limits of Liability.** Contractor shall not, under any circumstances, be liable to Subcontractor for any indirect, special, consequential, incidental, punitive or exemplary damages, losses, costs or expenses whatsoever, including but not limited to, lost profits or business opportunities, or for attorney or expert witness fees, regardless of whether any of the foregoing were foreseeable.

17. **Information to be Provided to Contractor.** At Contractor's request, Subcontractor shall provide information and documentation with regard to the identity of sub-subcontractors and suppliers, progress of the Subcontractor Work,



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or with regard to the status of Subcontractor's accounts with vendors or other obligees. On request, Subcontractor shall provide all documentation, for Subcontractor and its subcontractors and suppliers, required by the Prime Contract and any other documentation reasonably required by Contractor, including without limitation: certified payroll reports; certified labor reports; financial information if Subcontractor's ability to complete and pay for the Subcontract Work is reasonably questioned; lien waivers; and releases.

18. Severability. In the event that any provision of this Agreement is void, unenforceable, or invalid, the remaining provisions shall survive and remain effective and binding.

IN WITNESS WHEREOF, the parties hereto have executed this Subcontract by their proper officers or duly authorized agents.

CONTRACTOR

SUBCONTRACTOR

Underground Construction Co., Inc.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Quanta-Affiliated Company Subcontract

When another Quanta Operating Unit performs work as a Subcontractor, while the flow-down requirements of the prime contract normally provided in a Subcontract Agreement apply, the business relationship (insurance, indemnity, termination, etc.) does not apply and UCCo will generate a separate agreement for each situation.

AFFILIATED COMPANY SUBCONTRACT

This Affiliated Company Subcontract ("**Subcontract**") is made as of the ___ day of _____, 202__ ("**Effective Date**") by and between _____, a _____ with offices located at _____ ("**Contractor**"), and _____, a _____ with offices located at _____ ("**Subcontractor**"). Contractor and Subcontractor may be referred to individually as a "**Party**" or together as the "**Parties**".

WHEREAS, Contractor has entered into that certain contract titled _____, dated _____ (the "**Prime Contract**") with _____ (the "**Customer**"), to provide those services and goods specified in the Prime Contract for the _____ (the "**Project**") in accordance with the Prime Contract, including all applicable plans, specifications, drawings, conditions, special provisions, supplementary conditions, schedules, exhibits, contract documents, and addenda thereof or thereto;

WHEREAS, Contractor desires to have Subcontractor provide Work, as defined below, to Contractor in furtherance of the Prime Contract between Contractor and its Customer; and

WHEREAS, Subcontractor desires to provide such Work in furtherance of the Prime Contract.

NOW, THEREFORE, in consideration of the promises and undertakings herein contained, Contractor and Subcontractor, intending to be legally bound, enter into this Subcontract and mutually agree as follows:

1. **Subcontractor's Work**. This Subcontract contains the terms and conditions under which Subcontractor is to provide certain services when and as requested by Contractor for the Project (a "**Covered Project**") pursuant to a mutually executed work order in the form attached hereto as Exhibit A (the "**Work Order**"), setting forth the scope of work, term, pricing and schedule of such services and work to be performed by Subcontractor (the "**Work**" or "**Scope of Work**"). All Work Orders issued and executed by Contractor and Subcontractor will be construed to include, and will be subject to, all of the terms of this Subcontract. This Subcontract is only applicable to Work as and when Contractor requests it and the Parties execute a Work Order reflecting such Work.

2. **Work Orders**. The terms and conditions of all Work Orders are incorporated herein and made a part hereof by this reference. This Subcontract shall control and govern all Work performed and goods supplied by Subcontractor under any Work Order. Any term or provision contained in any Work Order that does not conform with the terms and provisions of this Subcontract or the Prime Contract, as applicable to Subcontractor's Work, or that purports to add to the rights of Subcontractor or to restrict the rights of Contractor will be void and of no effect. By signing this Subcontract, the Parties explicitly agree that the terms of this Subcontract apply to, and are incorporated into, each Work Order regardless of whether such Work order includes language to incorporate this Subcontract by reference. In the event of any conflict between or among any of the documents related to the Work, they shall govern and control in the order stated (from most to least controlling): this Subcontract; the Work Order; and the Prime Contract.

3. **Incorporation of Prime Contract.**

- 3.1. Except as otherwise provided for herein, including Articles 8, 9 and 10, (a) each of the provisions of the Prime Contract are incorporated into this Subcontract and any Work Order by reference to the extent applicable to the Work; (b) Subcontractor agrees to be bound by any and all amendments to each Prime Contract, upon written notification of the amendment, unless Subcontractor notifies Contractor of its objections within 3 business days after the date of receipt of such notification. For clarity, Subcontractor hereby assumes all obligations set out in the Prime Contract with respect to the performance of the Work.
- 3.2. With respect to any provision of the Prime Contract that is applicable to the Work, as the context requires to accomplish the intent of this Subcontract, references to the Customer shall be deemed to be references

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to Contractor and references to the service provider in the Prime Contract shall be deemed to be references to Subcontractor.

3.3. Except as otherwise requested or directed by Contractor, Subcontractor will deal directly and exclusively with Contractor with respect to all matters relating to a Covered Project, the Work, and any Work Order and will not communicate with any Customer other than through Contractor regarding any such matters.

4. **Invoicing.** Notwithstanding any sections of the Prime Contract to the contrary, for each Covered Project, unless instructed otherwise by Contractor, Subcontractor shall submit an invoice in U.S. Dollars on or prior to the 26th day of the current calendar month for amounts payable for Work performed which Subcontractor wishes to be incorporated into Contractor's invoices to Customer. All invoices must include supporting documentation reasonably satisfactory to Contractor, including but not limited to receipts, purchase orders, delivery tickets, and field service tickets. Invoices shall be submitted in PDF file format to the following email address: _____@_____. Only one invoice shall be included in each email. Each invoice shall also include Contractor's invoicing and accounts payable contact provided to Subcontractor for the Project, the Project Number and Agreement Number, and any other information reasonably requested by Contractor

5. **Payment for Services.** Notwithstanding any sections of the Prime Contract to the contrary, Contractor shall pay Subcontractor according to the applicable Work Order. Subcontractor may not increase the pricing specified in any Work Order without the prior written consent of Contractor. Contractor agrees to pay to Subcontractor all undisputed invoiced amounts due to Subcontractor for Work performed by the earlier of (a) 45 days from Contractor's receipt of an acceptable invoice from Subcontractor or (b) 7 days from receipt of payment by Contractor from the Customer in respect of such Work under the Prime Contract.

5.1. Payment will not be construed as and will not constitute an acceptance of improper, non-conforming or unsuitable Work, nor will any payment be construed as or constitute a waiver of any of Contractor's or Customer's legal rights or remedies. Subcontractor agrees to indemnify, hold harmless, and reimburse Contractor for all payments made to Subcontractor by Contractor that are later determined to have been made (i) erroneously; or (ii) in respect to Work which failed to materially comply with the requirements of the Prime Contract or this Subcontract.

5.2. Amounts owed to Contractor due to rejections of Subcontractor's Work or corrections or adjustments on already paid invoices may, at Contractor's option, be set off against any amounts subsequently payable to Subcontractor. Any amounts still owing by Subcontractor after such set-off, or any amounts not recovered through set-off, will be paid by Subcontractor to Contractor within 5 business days of receipt of written request for payment by Contractor.

5.3. If Customer or Contractor disputes any amount submitted on Subcontractor's invoice, Contractor will promptly notify Subcontractor. Subcontractor shall provide all documentation and support necessary for Contractor to respond to such dispute of any amount owed. The Parties will cooperate to respond to Customer's dispute as provided in the Prime Contract.

6. **Assignment or Subcontracting.** No part of this Subcontract or the obligations or rights of either Party contained herein shall be assigned or subcontracted without the prior consent of the other Party; which consent shall not be unreasonably withheld; provided, however, that Contractor may assign this Subcontract or any part hereof to Customer. For purposes of this Section, Subcontractor's use of 1099s or independent contractors shall constitute subcontracting. Any assignment except as provided in this Section 6 shall be void for all purposes.

7. **Independent Contractor Relationship.** Neither Subcontractor nor its agents and employees shall be considered agents, representatives or employees of Customer or of Contractor. This Subcontract does not create, and shall not be construed by the Parties or any third person as creating, any agency, partnership, joint venture, or employment relationship between the Parties. Subcontractor will be an independent contractor at all times, and Contractor does not intend to control the manner and means of Subcontractor's performance of the Work, so long as it is in accordance with the Prime Contract and any Work Orders. Subcontractor will not be entitled to receive any benefits provided by Contractor to its own employees. Contractor will have no, and

does not seek any, power or authority to direct, supervise, or control Subcontractor's employees, servants, agents or representatives, nor those of its subcontractor(s), with respect to the means, manner or method of performance of Work, Contractor being solely interested in the attainment of the desired results.

8. **Indemnification.** Subcontractor hereby releases and shall indemnify, defend and hold harmless Contractor from and be liable for any and all Claims (as defined below) to the extent arising out of or in connection with Subcontractor's negligent performance of the applicable Work. Further, Subcontractor shall be bound by such indemnity obligations as the Prime Contract expressly requires Contractor to obtain from Subcontractor, provided, however, (a) Subcontractor's indemnity obligations under any Prime Contract shall not exceed those assumed by Contractor thereunder and shall in all cases only be to the extent arising out of or in connection with Subcontractor's negligent performance of the applicable Work and (b) Subcontractor shall not otherwise be bound by, and does not hereby otherwise assume, the indemnity obligations required from Contractor under the Prime Contract. Except to the extent expressly set forth in the Prime Contract, and subject to the limitations in this Subcontract, the Parties shall be bound by the following indemnity obligations.

- 8.1. "**Claims**" shall include, without limitation, any and all claims, losses, damages, causes of action, fines, penalties, enforcement proceedings, suits, obligations, and liabilities of every kind (including interest and all expenses of litigation, court costs, and reasonable attorneys' fees), whether arising in tort, contract, strict liability, under statute, or of any other character whatsoever.
- 8.2. **Indemnification by Contractor.** Contractor shall indemnify, defend, and hold Subcontractor, its employees, officers, directors, and affiliates harmless from any Claims by third parties for property damage and/or bodily injury, including death, to the proportionate extent such loss, cost, expense, or damage arises from the negligence or willful misconduct of Contractor, its employees, officers, or directors in connection with the Work.
- 8.3. **Indemnification by Subcontractor.** Subcontractor shall indemnify, defend, and hold Contractor, its employees, officers, directors, and affiliates harmless from any Claims by third parties for property damage and/or bodily injury, including death, to the proportionate extent such loss, cost, expense, or damage arises from the negligence or willful misconduct of Subcontractor, its employees, officers, or directors in connection with the Work.

Notification. Contractor and Subcontractor shall promptly notify each other, as appropriate under the above Sections, of any Claims that may be presented to either by any Party.

9. **Limitations on Liability.** **NOTWITHSTANDING ANYTHING CONTAINED IN THIS SUBCONTRACT, ANY WORK ORDER, ANY PRIME CONTRACT (INCLUDING ANY AMENDMENTS TO SUCH PRIME CONTRACT), OR OTHERWISE TO THE CONTRARY:**

- 9.1. **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY, AND EACH PARTY HEREBY RELEASES THE OTHER PARTY FROM, ANY OF THE RELEASING PARTY'S INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OR LOSSES INCLUDING, BUT NOT LIMITED TO, DAMAGES OR LOSSES FOR LOST PRODUCTION, LOST REVENUE, LOST PRODUCT, LOST PROFITS, LOST BUSINESS OR BUSINESS INTERRUPTIONS, IN ALL CASES WITHOUT REGARD TO THE CAUSE(S), FORESEEABILITY, OR HAVING BEEN ADVISED OF THE POSSIBILITY THEREOF.**
- 9.2. **IN ADDITION TO, CUMULATIVE OF AND NOT IN LIMITATION OF ANY OTHER LIMITS ON LIABILITY HEREIN, SUBCONTRACTOR'S MAXIMUM AGGREGATE LIABILITY HEREUNDER OR WITH RESPECT TO ANY WORK, REGARDLESS OF CAUSE (WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE), SHALL NOT EXCEED IN THE AGGREGATE AN AMOUNT EQUAL TO THE GREATER OF (A) 1.5 TIMES THE TOTAL AMOUNT OF COMPENSATION PAID TO SUBCONTRACTOR HEREUNDER FOR THE WORK; OR (B) FIVE MILLION DOLLARS (\$5,000,000).**

10. **Insurance.** Subcontractor agrees to maintain such insurance coverages required of Contractor under the Prime Contract to the extent applicable to the Work, provided, however, and notwithstanding anything to the contrary in this Subcontract or any Prime Contract (including any amendments to such Prime Contract) the following shall control in all circumstances.

- 10.1. Additional insured status required by a Prime Contract (a) shall not extend to worker's compensation, professional liability or employer's liability coverages (or for work in Canada, to automobile liability coverage), and (b) shall not be greater than necessary to provide insurance coverage for indemnity obligations expressly assumed by Subcontractor pursuant to this Subcontract.
- 10.2. To the extent required, additional insured status shall be pursuant and subject to ISO Forms CG 20 10 12 19 and 20 37 12 19, as applicable.
- 10.3. Any waiver(s) of subrogation required by a Prime Contract shall be limited to the extent to which Subcontractor has expressly assumed an indemnity obligation under or pursuant to this Subcontract, and excepting the negligence, gross negligence or willful misconduct of Contractor and any party for whom the waiver(s) of subrogation is provided by Subcontractor.
- 10.4. Insurance coverage amounts or limits set forth in a Prime Contract shall, as to Subcontractor, be construed as exact amounts (i.e.; "\$1M per Occurrence and Aggregate), as opposed to "minimums", "not less than" levels, or levels of "at least" a stated amount.

11. **Term of Subcontract.** This Subcontract shall continue in effect until terminated as provided in Article 12 below (the "**Term**").

12. **Termination.** This Subcontract or a Work Order may be terminated as follows:

- (a) By mutual written agreement of the Parties;
- (b) By either Party upon breach by the other Party of a material provision of this Subcontract or a Work Order, provided the breaching Party has received written notice of such breach and failed to cure within 10 business days of receipt thereof;
- (c) By either Party upon the insolvency of the other Party, or upon the filing of a voluntary petition in bankruptcy by the other Party or to have the other Party declared a bankrupt, or upon the appointment of a receiver or trustee for the other Party, or upon the execution by the other Party of an assignment for the benefit of creditors; or
- (d) By Contractor, for convenience, upon written notice to Subcontractor.

The term of each Work Order will be specified in each Work Order. The termination of any Work Order will not impact this Subcontract. Except as otherwise elected by Contractor in its sole discretion, the termination of this Subcontract will not impact any outstanding Work Order (or the Parties' obligations thereunder) and the Subcontract shall remain in effect with respect to any such Work Order. Subcontractor shall be compensated for Work satisfactorily performed through the date of termination.

13. **Confidential Information.** The sections of the Prime Contract relating to confidential information shall apply to the exchange of all confidential information of the Parties. Contractor's confidential information shall include all confidential information directly or indirectly disclosed by Customer or any of its representatives.

14. **Severability.** If any term or provision of this Subcontract is held, by a court of competent jurisdiction, to be void, illegal, unenforceable or in conflict with any law of a federal, state or local government having jurisdiction over this Subcontract, that term will be severed and the validity of the remaining portions or provisions shall not be affected and shall remain valid, legal, and enforceable.

15. **Notices.** Except as otherwise provided herein, all notices and communications made pursuant to this Subcontract shall be made as specified below, in writing.

If to Contractor:

Name:
Address:
Attn:
Telephone:
Email:

If to Subcontractor:

Name:
Address:
Attn:
Telephone:
Email:

16. **Waiver.** Any waiver must be in writing and duly executed by the Party granting any such waiver. No waiver of a breach of any provision in this Subcontract shall constitute a waiver of any other breach, or of such provision. Failure of either Party to enforce at any time, or from time to time, any provision of this Subcontract shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies at law or in equity.

17. **Execution.** This Subcontract may be executed in counterparts and a Party's facsimile or electronic transmittal of an executed signature page of this Subcontract shall constitute execution of this Subcontract by such Party.

18. **Interpretation.** The Parties agree that this Subcontract should not be construed in favor of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation or drafting of the Subcontract.

19. **Survival.** Articles 8, 9 and 10 of the Subcontract shall survive termination, expiration, or cancellation of the Subcontract.

20. **Entire Agreement.** This Subcontract, the Prime Contract (as applicable), and the Work Orders constitute the entire agreement between the Parties with respect to the subject matter hereof, supersede all prior and contemporaneous agreements and understandings, and no other understanding which modifies the terms hereof shall be binding unless made in writing and executed by authorized representatives of the Parties hereto. No waiver, alteration, amendment or modification of this Subcontract may be done through the execution or amendment of a Work Order and shall not otherwise be binding unless in writing and signed by duly authorized representatives of the Parties.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties hereto have executed this Subcontract to be effective as of the Effective Date.

Contractor:

Printed Name: _____

Title: _____

Subcontractor:

Printed Name: _____

Title: _____

Exhibit A
Form of Work Order¹

WORK ORDER No.: _____ **Job #**
Phase **Cost Code**

This Work Order is a part of, and subject to, the Affiliated Company Subcontract between _____ (“Contractor”) and _____ (“Subcontractor”), dated _____.

PROJECT DESCRIPTION: _____

PROJECT MANAGERS: Contact information for this Project:

SUBCONTRACTOR Project Manager: _____ Address: _____ City, State, Zip: _____ Email: _____	CONTRACTOR Project Manager: _____ Address: _____ City, State, Zip: _____ Email: _____
--	---

SCOPE OF SERVICES: (Insert detailed description of the Work/Services to be provided, the technical specifications to be applied and any other requirements specific to the Project): _____

(Attach additional documentation, as necessary)

TERM AND COMPLETION DATE: Work on this Project is to be initiated upon _____, and completed by _____.

CONTRACT RATES: (insert detailed description of compensation - e.g., unit rates, lump sum, etc.): _____

[NAME OF SUBCONTRACTOR] Signature: _____ Printed Name: _____ Title: _____	[NAME OF CONTRACTOR] Signature: _____ Printed Name: _____ Title: _____
--	---

¹ Exhibit A is a Form of Work Order that includes the minimum information that is anticipated as needed for subcontracted Work. Operating Units may expand on what is included in a particular Work Order as may be needed. For example, where the Prime Contract is a “master” agreement, the parties should consider adding a reference to a specific order under the master agreement and adding that order as an attachment to the Work Order.

Security Services Agreement

Used for unarmed jobsite security and other security services.

MASTER AGREEMENT FOR SECURITY SERVICES

THIS AGREEMENT (“Agreement”) is made effective as of the _____ day of _____, 2023 by and between Underground Construction Company, Inc., with offices at 5145 Industrial Way, Benicia, CA 94510 (“Company”) and _____ with offices at _____ (“Contractor”).

IT IS MUTUALLY AGREED AS FOLLOWS:

Scope of Work. Unless specifically excluded by this Agreement, Contractor shall furnish and pay for all supervision, labor, materials, supplies, equipment, facilities, services, licenses, permits, taxes, royalties, fees, consents and all else required to perform the scope of work described in each work order issued pursuant to this Agreement, to the satisfaction of Company (the “Services”). All Services shall be performed and completed in a high quality professional manner and in accordance with all applicable laws, regulations, ordinances, industry codes and best practices. Nothing in this Agreement is intended to commit Company to issue any work orders to Contractor whatsoever or to prevent Company from contracting work to others in its sole discretion. Except as specifically provided in writing to the contrary, all work performed by Contractor for Company while this Agreement is in effect shall be governed by this Agreement, whether or not any related documentation refers to this Agreement.

Contract Price. As compensation in full for the satisfactory performance and completion of the Services described in each work order, Company shall pay Contractor as provided in said work order and in accordance with the terms and conditions of this Agreement.

Insurance. Contractor agrees to obtain, maintain, and pay for policies providing insurance in full compliance with the following *Standard Terms and Conditions* and the attached “Insurance Requirements”, which are incorporated herein. All insurance required under this Agreement shall be issued by insurance companies and contain terms that are acceptable to Company. The insurance policies shall designate “Company and its directors, officers, employees and agents” as additional insureds, and shall be primary insurance. Contractor shall provide Company, at the time it signs this Agreement and prior to each policy renewal period, with a certificate and endorsements from Contractor’s insurance companies verifying that all of the insurance required by this Agreement is in place, and that none of the policies will be canceled without thirty (30) days written notice to Company. In no event shall Company’s failure to demand delivery of the required certificates of insurance hereunder or Company’s acceptance of an insurance certificate that does not comply with this Agreement constitute a waiver of any requirement of this Agreement. Contractor’s liability under this Agreement is in no way conditioned upon or limited by the insurance requirements contained herein or Contractor’s compliance therewith. All deductibles and self-insured retentions, including defense costs, applicable to the insurance shall be paid by Contractor. Contractor’s failure to strictly comply with all applicable insurance requirements shall constitute a material breach of this Agreement.

Contract Documents. This Agreement includes and is governed by the terms and conditions herein, the following *Standard Terms and Conditions*, the specific provisions of attached exhibits, schedules and addenda (if any) which are explicitly incorporated herein, and the attached *Insurance Requirements* (collectively, “Contract Documents”), and constitutes the entire agreement of the parties. This Agreement supersedes any previous agreement of the parties with respect to the Services, and may be modified only by written amendment signed by authorized representatives of both parties. No terms, conditions, course of dealing, course of performance, usage or trade, understandings, purchase orders, or contract purporting to modify, vary, supplement or explain any provision of this Agreement shall be effective unless in writing and signed by authorized representatives of both parties. Any attempt by Contractor, through a job order, purchase order, invoice, or other document, to vary in any degree any of the terms of this Agreement shall be deemed immaterial and shall be void, unless this provision is expressly waived in an amendment executed as specified hereinabove.

IN WITNESS WHEREOF, Company and Contractor do hereby execute this Agreement by their duly authorized representatives as of the date first above written.

UNDERGROUND CONSTRUCTION CO., INC.

Company

Contractor

Signed: _____

Signed: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

[This Agreement contains indemnity, waiver, and release provisions. Please read it carefully.]

STANDARD TERMS AND CONDITIONS

Payment of Contractor. No more often than once a month, Contractor shall submit to Company an invoice requesting payment of amounts due and owing under this Agreement, if any, accompanied by such supporting documentation as may be required by the Project documents or reasonably requested by Company. Such documentation shall include, but not by way of limitation, evidence of the progress achieved on the Services and the payroll records for Contractor and Contractor's subcontractors and suppliers, of any tier. Contractor shall be paid within thirty (30) days after Company's receipt of all required supporting documentation. Company shall be entitled to withhold or offset payment to Contractor at any time for (i) defective work not remedied; (ii) third party claims filed or reasonable evidence indicating the probable filing of such claims; (iii) failure of the Contractor to make payments properly to any of its Contractors or suppliers for labor, materials or equipment; (iv) failure of the Contractor to supply Company with the payroll records of Contractor and its subcontractors and suppliers, of any tier; (v) reasonable evidence that the Services cannot be completed on time or for the balance then remaining unpaid under this Agreement; (vi) damage to Company or another Contractor; (vii) persistent failure to comply with any provision of this Agreement; (viii) Contractor's breach of this Agreement or of any of Contractor's warranties or obligations arising under this Agreement including failure to comply with audit requirements; or (ix) amounts due and owing from Contractor to Company involving work performed by Contractor under this Agreement, or any other agreement with Company. Contractor shall submit all invoices no later than one hundred and eighty (180) days after the completion of the Services. Contractor's failure to submit invoices within this time period shall be an intentional waiver of any and all rights to payment and Contractor shall have no further liability to Contractor therefor. Approval and payment of invoices does not indicate acceptance of the Services or waiver of any right under this Agreement.

Default and Termination for Cause. Contractor agrees that any of the following events, without limitation, shall constitute a material default under this Agreement and entitle Company to terminate this Agreement for cause: (i) Contractor breaches or fails to comply with this Agreement in any regard; (ii) any of Contractor's representations and warranties in connection with this Agreement are false; (iii) Contractor provides any false information or document to Company; (iv) Contractor performs work which is untimely or deficient; (v) the Services is not proceeding because of a strike, work stoppage, or other labor dispute; (vi) any adverse claim or a mechanic's lien is filed or payment bond claim is made on account of the Services; or (vii) any other type of claim is made against Company on account of Contractor or the Services. Upon the occurrence of any event of default, Company may terminate this Agreement and bar the Contractor from the Project and pay others or itself to complete the Services, together with a fifteen percent (15%) administrative surcharge. The above rights and remedies of Company are in addition to any and all rights and remedies afforded under this Agreement or by statute or common law.

Termination for Convenience. Company shall have the right in its sole discretion to terminate this Agreement for convenience at any time and for any or no reason. The termination shall be effective as soon as notice is given to Contractor. If this Agreement is terminated for convenience, Company's sole liability to Contractor shall be to pay Contractor (insofar as not previously paid) the lesser of (i) the actual direct cost of all on-site non-supervisory field labor and material expended by Contractor on the Services before the termination, plus a sum of fifteen percent (15%) of that cost to cover overhead and profit; or (ii) if this Agreement specifies a fixed lump sum price for the Services, a percentage of the total price which is equal to the percentage of the Services which has been satisfactorily completed. Company's obligation to pay Contractor under this section is subject to the payment provisions and limitations on Company's liability stated elsewhere in this Agreement. A termination for cause shall, if wrongfully made, be treated as a termination for convenience under this section.

Legal Expenses. Contractor shall be liable to Company for all attorneys' fees, experts' fees, and other expenses which Company incurs as a result of Contractor's breach of this Agreement, or to enforce any provision of this Agreement including, without limitation, Contractor's indemnity obligations.

Independent Contractor. Contractor represents and warrants that it is an independent contractor as defined by applicable law, and that Contractor is not an employee, partner, or joint venturer of Company. Contractor agrees that neither Contractor nor its employees are to be considered employees of Company at any time, under any circumstances, or for any purpose. Contractor assumes full and complete responsibility for all employees employed by it. Contractor acknowledges that it is responsible for filing, withholding, reporting, and paying all federal, state, and local taxes and levies, statutory withholdings and deductions, social security or self-employment taxes, unemployment taxes, union dues and benefits, medical, dental, life, or disability insurance premiums, pension and profit sharing contributions, and all other benefits and any other expenses with regard to Contractor's employees.

Subcontracting. Contractor shall not delegate or subcontract any part or all of the Services without the advance written consent of Company. No such consent shall release Contractor from its duties hereunder or alter this Agreement. Each agreement which Contractor makes with its subcontractors and suppliers shall incorporate this Agreement in its entirety, shall require its subcontractors and suppliers, of any tier, to provide their payroll records to Subcontractor on a weekly or monthly basis, shall require such subcontractor to be bound to Company to the extent of the work to be performed by such subcontractor and shall permit Company to enforce the provisions of Contractor's agreement with such subcontractor. In

any such agreement, such subcontractor shall agree to assume the obligations and responsibilities that Contractor has to Company under the terms of this Agreement.

Indemnity. (A). To the fullest extent permitted by law, Contractor covenants and agrees to assume entire responsibility and liability for, and to defend, indemnify and hold harmless each Indemnitee from and against (and to pay or reimburse each Indemnitee on an after-tax basis for), any and every Loss imposed on, asserted against, or incurred by any Indemnitee (whether or not also indemnified by another person), which Loss (a) in whole or in part arises out of, relates to, results from, or is connected with (i) the performance or non-performance of the Services, or the use of Equipment, by Contractor or its employees or by its direct or indirect subcontractors or agents, (ii) the nature or condition of the site where Services is performed, (iii) Contractor's or its direct or indirect subcontractors' or agents' failure to provide adequate preventative and protective measures, safeguards or devices, or (iv) the non-payment, or alleged non-payment, of wages or benefits by the Subcontractor or its employees or by its direct or indirect subcontractors, agents or suppliers, of any tier, or (b) otherwise results from acts or omissions of Contractor, its officers, employees, agents, servants or representatives; provided, however, that Contractor shall not be required to indemnify any person with respect to a Loss resulting exclusively from an Indemnitee's sole negligence, and provided further that in the event that any of the foregoing requirements of this Section is unenforceable as a matter of law, this Section shall be deemed to be modified to the minimum extent necessary to render it enforceable and to give it effect to the fullest extent permitted by law.

(B). Whenever used in this Agreement, (1) "Loss" means all criminal and civil liabilities, penalties, fines, judgments, settlement payments, obligations, and damages, together with all costs and expenses, including reasonable attorneys' fees, incurred in connection with any Claim; (2) "Claim" means any criminal, civil, administrative or alternative dispute resolution proceeding, claim, suit, action, or litigation (including any of the foregoing by any employee of the Contractor or by any of its direct or indirect subcontractors or agents) which alleges, claims, or results in liability or loss, including but not limited to liability or loss in connection with personal injury (including death, mental suffering, and occupational disease), damage to or loss of property, or environmental damage or liability; and (3) "Indemnitee" means, individually and collectively, Company, Company's parent corporation, subsidiaries and affiliated entities, and with respect to each of the foregoing, their directors, officers, employees, agents, engineers, consultants, representatives, insurers and sureties, and all others to whom Company owes a duty of defense or indemnification with respect to a Claim.

(C). Without in any way limiting Contractor's obligations under this Section, Company reserves the right to select the attorney whom Contractor shall retain to defend the Indemnitees, and to control and direct the defense of any one or more or all of the Indemnitees. Contractor agrees to obtain, maintain, and pay for such general liability insurance coverage and endorsements as will insure the provisions of this Section, all of which obligations shall survive the termination of this Agreement for any reason and the completion of the Services. Contractor's obligations under this Section are not limited by Contractor's restricted liability under any Workers' Compensation law.

Compliance with Law. Contractor represents and covenants that it is now, and will at all relevant times be, in compliance with all applicable federal, state and local laws, regulations and ordinances (collectively, "Laws") that relate to its business or the Services, including but not limited to all Laws related to (i) business permits and licenses that may be required to carry out the Services; (ii) the Occupational Safety and Health Act of 1970, as amended ("OSHA"), and all other applicable health and safety Laws; (iii) applicable worker's compensation laws; (iv) wage and hour laws; (v) equal employment opportunity and anti-discrimination Laws; and (vi) the Immigration Reform and Control Act of 1986 and other immigration laws. Contractor shall provide such evidence of compliance with this Section as Company may request from time to time, including but not limited to copies of Contractor's completed Form I-9s, licenses, permits and certificates of compliance.

Information to be Provided to Company. At Company's request, Contractor shall provide information and documentation with regard to the identity of subcontractors and suppliers, progress of the Services, or with regard to the status of Contractor's accounts with vendors or other obligees. On request, Contractor shall provide all documentation, for Contractor and its subcontractors and suppliers, reasonably required by Company, including without limitation, certified payroll reports, certified labor reports, and financial information if Contractor's ability to complete and pay for the Services is reasonably questioned.

Governing Law. The interpretation, validity, and effect of this Agreement shall be governed in all respects by the law of the state in which work is performed, without giving effect to its rules governing the choice of law. There shall be no presumption that the terms of this Agreement should be construed more favorably to one party over another for any reason.

Limits of Liability. Notwithstanding anything in this Contract to the contrary, Company shall not be liable for punitive, exemplary, incidental, special, indirect, or consequential loss, cost, or damage, or for any loss of use, profits, reputation, opportunity, financing, bonding capacity, production, or business interruption, without respect to whether any of the foregoing were foreseeable or in the contemplation of the parties. Notwithstanding anything in this Contract to the contrary, the maximum aggregate liability of Company, its sureties and insurers under or in connection with this Contract, whether in contract, warranty, tort, equity or otherwise, shall not in any circumstances exceed the compensation paid by Company to Contractor under this Contract.

[END OF STANDARD TERMS AND CONDITIONS.]

Trucking Agreement (TRK)

For trucking or delivering of materials, supplies, or equipment to the project site, performed by a licensed, registered trucking company. This includes, but is not limited to, equipment transport, material transport, dump truck services, etc., that does not include any physical, on-site work.

Whenever possible, a Trucking Agreement will be initiated with the trucking firm to establish unit rates and terms (payment, notice, licenses, etc.). In some cases, use of the Vendor's form may not be appropriate and additional edits or revised forms may be required.

Rates and insurance are updated annually.

2023 TRUCKING AGREEMENT (“Agreement”)

Date:

Between **Underground Construction Co., Inc. (UNDERGROUND)** with an address of _____, and _____ (**TRUCKER/BROKER**) with an address of _____. The Owner of this project, subject to this Agreement is _____ Prime Contract # _____ dated _____.

Owner:

Project:

Job Number:

US DOT#:

Motor Carrier #:

Term:

SERVICE

The **TRUCKER/BROKER** will provide trucking service. The trucks and accompanying equipment shall be provided by the **TRUCKER/BROKER** and shall be maintained and kept in a safe operating condition. This service requires that every driver is properly licensed, and every truck is properly licensed. **TRUCKER/BROKER** agrees to provide only drivers and trucks which are properly licensed.

SCHEDULE

The **TRUCKER/BROKER** may start work or cease work at will as long as the contract is performed and accomplished satisfactorily and coordinated with the work of others at the jobsite; no supervision of **TRUCKER/BROKER** will be made by **UNDERGROUND** in the details of the work to be performed after the initial period of introduction to the jobsite.

INDEPENDENT CONTRACTOR

The **TRUCKER/BROKER** states and affirms that he is acting as an independent contractor, holding himself out to the General Public as available for other work or contracts as he sees fit; that he runs ads in the newspapers offering services to the General Public when necessary; that he maintains his office and principle place of business at his address stated below, and carries business cards; and that this Contract is not exclusive. **UNDERGROUND** possesses no right hereunder to discourage or inhibit the **TRUCKER/BROKERS** rights to enter any other contracts as he sees fit.

TAXES

TRUCKER/BROKER agrees to accept full responsibility for any and all taxes that may be lawfully due to any governmental unit and to hold **UNDERGROUND** harmless from any liability for the non-payment of taxes due from **TRUCKER/BROKER** to any governmental unit.

EMPLOYER INSURANCE

TRUCKER/BROKER waives any and all claims against **UNDERGROUND** to any form of Workers Compensation Insurance coverage or compensation provided under Federal, State or local Compulsory Legislation which affects Employees and Employers, and **TRUCKER/BROKER** agrees to carry and provide his own insurance for injury or sickness or retirement, whether in the form of Social Security or otherwise, as and for a consideration for entering into this agreement.

LABOR RELATIONS

TRUCKER/BROKER shall maintain labor relations policies in conformity with the directions of **UNDERGROUND** and shall comply with all of the terms and conditions, including trust fund contributions, required by those labor agreements applicable to work performed under this agreement to which **UNDERGROUND** is bound. The specific agreements to which **UNDERGROUND** is bound covering work on this project are: _____.

INDEMNIFICATION

To the fullest extent permitted by law, **TRUCKER/BROKER** shall indemnify and hold harmless the project **OWNER** and **UNDERGROUND** and their agents and employees from claims, demands, causes of actions and liabilities of every kind and nature whatsoever arising out of or in connection with **TRUCKER/BROKER** operations performed under this **AGREEMENT**. This indemnification shall extend to claims occurring after this **AGREEMENT** is terminated as well as while it is in force. The indemnity shall apply regardless of any active and/or passive negligent act or omission of the **OWNER** or **UNDERGROUND**, or their agents or employees, but **TRUCKER/BROKER** shall not be obligated to indemnify any party for claims arising from the sole negligence or willful misconduct of the **OWNER** or **UNDERGROUND** or their agents or employees. The indemnity set forth in this Section shall not be limited by insurance requirements or by any other provision of this **AGREEMENT**.

INSURANCE REQUIREMENTS

TRUCKER/BROKER shall, at its expense, procure and maintain insurance on all of its operations, with carriers acceptable to **UNDERGROUND**, and in amounts acceptable to **UNDERGROUND**, including the following coverage with minimum limits as shown:

Coverage	Minimum Limits
A. Workers' Compensation and Employers Liability Insurance	Statutory
B. Commercial General Liability Insurance covering all operations	\$1,000,000/1,000,000
C. Automobile Liability Insurance Including coverage for all owned, hired, and non-owned automobiles	\$1,000,000
D. Excess Liability	\$2,000,000
E. Cargo Insurance ("CI"). The limit of such insurance shall be	

the replacement cost of such item(s) being transported. UNDERGROUND shall be included as an additional insured/loss payee.

Replace cost of item(s) being transported.

TRUCKER/BROKER shall name **UNDERGROUND** as an additional insured under the General Liability and Auto Liability policies. Additional insured status must include a primary endorsement. It is agreed that this insurance shall be primary insurance and if the additional insured shall have other insurance against a loss covered by this policy that the other insurance shall be excess insurance only.

The additional insured shall not be responsible for premiums of the primary endorsement.

TRUCKER/BROKER shall provide certificates of insurance to **UNDERGROUND**. The certificates of insurance shall provide that there will be no cancellation nor reduction of coverage without thirty (30) days prior written notice to **UNDERGROUND**. The failure of **UNDERGROUND** to enforce in a timely manner any of the provisions of this Section shall not act as a waiver to enforcement of any of these provisions at a later date in the performance of this **AGREEMENT**. **No payment shall be due under this Agreement until an appropriate insurance certificate has been issued to UNDERGROUND.**

SAFETY

TRUCKER/BROKER shall comply with all Federal/State regulations and **UNDERGROUNDS'** and the **OWNERS'** Safety Programs and Policies. **TRUCKER/BROKER** Shall provide copy of their **Motor Carrier Permit** and last **B.I.T. Inspection** to **UNDERGROUND**.

SUBSTANCE ABUSE

TRUCKER/BROKER shall comply with **UNDERGROUNDS'** and the **OWNERS'** Drug Policies and Testing Programs.

PROJECT MEETINGS

TRUCKER/BROKER shall attend project meetings as required.

PRICE

UNDERGROUND agrees to pay **TRUCKER/BROKER** at the agreed upon rate of _____ / Hour or _____ Material/Ton-Mile

Unless **TRUCKER/BROKER** is incorporated, **UNDERGROUND** will report payment made to **TRUCKER/BROKER** on Federal form 1099. **TRUCKER/BROKER** Employer Identification or Social Security number is: _____.

PAYMENT TERMS

TRUCKER/BROKER shall invoice **UNDERGROUND** monthly within ten (10) days of the end of the month. Non-discountable invoices will be paid on the 25th of the month following the month of service. A conditional lien release shall be presented with each invoice.

OTHER TERMS

UNDERGROUND CONSTRUCTION CO., INC.

TRUCKER/BROKER

Address: 5145 Industrial Way
Benicia, CA 94510

Name: _____
Address: _____

By: _____
Signature

By: _____
Signature

Print Name

Print Name

Date: _____

Date: _____

Post-Award Forms

This appendix contains examples of forms used during the course of the project.

- Purchase Order (PO)

Purchase Order (PO)

For material/equipment purchases and services for commodity items, or Commercially Off the Shelf (COTS) products that DO NOT include labor (including installation) on site. COTS material/equipment are standard, commercially available products that can be returned as standard stock items, carrying minimal risk to the parties.

Typically, material/equipment ordered under this order will be unit priced, either as a Not-to-Exceed (ordered when needed) or a Firm-Fixed price (all units purchased). The unit price should include all costs (including direct and indirect costs) except for taxes. Identify a breakdown of each unit and the unit prices to aid in inspection and acceptance and for ease of negotiating future change orders. Unless otherwise stipulated, payment terms will be NET 30 days as the work does not require Government acceptance.

Note: *As a commercially available product being purchased with federal dollars, the Government has established the policy that the offeror's best price (the best price given to the most favored customer) should be given and is generally the most frequent question during negotiations.*



UNDERGROUND CONSTRUCTION COMPANY
 5145 INDUSTRIAL WAY
 BENICIA, CA 94510
 707 746 8800

JOB #:

PO #:

PO DATE:

VENDOR NAME		VENDOR CONTACT(S)		VENDOR #		TERMS	
See terms and conditions on last page							
PO INITIATED BY		PROJECT		DELIVERY ADDRESS		TAX RATE	
Item No	Description	Quote Ref	QTY	UM	UNIT COST	TOTAL COST	

SUBTOTAL:	\$0.00
FREIGHT:	\$0.00
TAX:	\$0.00
TOTAL:	\$0.00

Notes

1	Purchase order authorizes the process to begin pulling materials. Fabrication may begin after submittals are approved and released.
2	Freight is not included in unit pricing.
3	MTRS to be approved prior to shipping.
4	All materials to meet standards in specifications. Any exceptions to the specifications must be approved in submittals.
5	Coordinate with XXXXXXXXXXXX at XXX-XXX-XXXX email: XXXXXXXXXXXXXXXX prior to delivery for exact address.
6	
7	

 Approved by

 Vendor Approval

Terms and Conditions

The Vendor agrees to the following terms and conditions by the acceptance of the order. The word "Vendor" refers to the entity receiving this Purchase Order. The word "Purchaser" refers to Underground Construction Company.

- A) Following receipt of material, invoices received by the 1st of the month will be paid net 30. Invoices received after the 1st of the month will be paid the following month. Invoices with discount options will be paid by the 10th of the month if the discount is taken.
- B) Sales tax is included for the State of California unless noted otherwise.
- C) All prices shall include full freight to the jobsite unless noted otherwise.
- D) Should the Vendor fail to deliver the material by the quoted date(s), or fail to deliver all materials in new condition, the Purchaser may, upon written notification, buy said item from another source and charge the Vendor any additional incurred costs. The Vendor can also be assessed liquidated damages for failing to meet these two requirements.
- E) All labor, material, and fabrication is to conform to this project's plans and specifications. Prior to manufacturing and/or shipping this order, the Vendor is to send the engineer any required drawings and/or data submittals.
- F) The Vendor is to sign the Purchase Order and return to the Purchaser.
- G) The Vendor shall include the Purchase Order number on all invoices. The Purchaser shall return all invoices without a Purchase Order number.
- H) The Vendor is to send the Purchaser an electronic copy of the complete submittal data in accordance with the specifications. Anticipate thirty (30) days to review the submittals for approval. No shipping will commence until a release is obtained from the Purchaser.
- I) Fourteen (14) days after the approval of submittals, the Vendor shall provide the Purchaser a copy of the Operating and Maintenance Instructions Manual, as well as any other data submittals, in accordance with the plans and specifications. Fourteen (14) days following the approval of the preliminary copy of the manual, the Vendor shall provide the Purchaser with an additional copy complete with any corrections.
- J) As an express condition of the issuance of this purchase order by the Purchaser, the Vendor specifically agrees to incorporate these terms and conditions into any purchase order or subcontract it issues to fulfill this Purchase Order.

Glossary of Terms

TERM	ACRONYM	DEFINITION
Authority Matrix		A structured table that defines decision-making boundaries, approval levels, and specific roles, and maps responsibilities to individuals or departments.
Client		Also called the Project Owner or Prime Contractor.
Commercial Item		Any item that is used by the public for purposes and has been sold (or leased) or has been offered for sale (lease) to the public.
Commercial off the Shelf	COTS	A commercial item sold in substantial quantities in the commercial marketplace and is offered without modification.
Davis-Bacon Act	DBA	The Davis–Bacon Act of 1931 is a United States federal law that establishes the requirement for paying the local prevailing wages on public works projects for laborers and mechanics. It applies to contractors and Subcontractors performing on federally funded or assisted contracts more than \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. The terms “building or work” refer to any construction activity as distinguished from manufacturing, furnishing of materials, or servicing and maintenance work. The terms include, without limitation, buildings, structures, and other facilities on which construction type improvements are performed.
Firm Fixed Price	FFP	A fixed-price contract is a type of contract where the payment amount does not depend on resources used or time expended. The total price is awarded and will be paid for work delivered. This is opposed to a cost-plus contract, which is intended to cover the costs with additional profit made.
FORCE		Quanta FORCE Guidelines include: <ul style="list-style-type: none"> • Finance - Cash flow and financial security (bonds, letter of credit, personal guaranty) • Operations – job setup, execution, closeout • Risk Management – Insurance • Contracts – terms that impact Operating Unit’s exposure • Estimating – bid preparation
FORCE Waiver		Bids and contracts that do not comply with Quanta’s FORCE guidelines require Quanta West and Quanta corporate approval. This is referred to as a FORCE Waiver.
Lump Sum	LS	Amount of money that is paid at one time: a single sum of money.
North American Industry Classification System	NAICS	A NAICS (pronounced NAKES) Code is a classification within the North American Industry Classification System. The NAICS System was developed for use by Federal Statistical Agencies for the collection, analysis and publication of statistical data related to the US Economy. NAICS is a self- assigned system, companies select the code that best depicts their primary business activity. Used here, Nova is responsible for identifying the type of work being subcontracted or purchased for purposes of defining large and small businesses for reporting purposes. Generally, the Subcontractor has already identified NAICS that match their provided services and if the work we have identified is not included, they simply review the size standards and certify as to whether they are a Large Business or Small Business.
Not-to-Exceed	NTE	An estimate of the units and/or cost of an order or service to be provided without guarantee. An order issued with an NTE units or costs allows the services or products to be ordered when required. Only the units provided are paid for. NTE orders cap the number of units or cost and must be renegotiated. It is important to negotiate/establish unit prices that include all necessary markups so there is a clear understanding and prevent negotiations/discussions after delivery.
PMO West		The PMO West unifies and scales project management across California Operating Units to drive growth and operational excellence. Its mission is to align processes, strengthen workforce capabilities, and build a transparent, performance-driven culture for sustainable success.

TERM	ACRONYM	DEFINITION
Primary Site of Work		The physical place or places where the construction called for in the contract will remain when work on it is completed.
Sales Tax		Sales tax is an amount of money, calculated as a percentage, that is added to the cost of a product or service when purchased by a consumer at a retail location. Forty-five states have state sales tax rates that range from 1.76% (Alaska) to 9.45% (Tennessee). On top of these state sales taxes, there are 38 states that have a local sales tax that is added on top of the state sales tax. Consumers (Nova) then pay the combined state and local tax rate every time they make a purchase
Secondary Site of Work		Any other site where a significant portion of the building or work is constructed, provided that such site is in the United States; and established specifically for the performance of the contract or project. It does not include; any fabrication plants, mobile factories, batch plants, borrow pits, job headquarters, tool yards, etc.
Service Contract Act	SCA	The McNamara-O'Hara Service Contract Act requires contractors and Subcontractors performing services on prime contracts more than \$2,500 to pay service employees in various classes no less than the wage rates and fringe benefits found prevailing in the locality, or the rates (including prospective increases) contained in a predecessor contractor's collective bargaining agreement. The Department of Labor issues wage determinations on a contract-by-contract basis in response to specific requests from contracting agencies. These determinations are incorporated into the contract.
Small Business Size Standards		A size standard, which is usually stated in number of employees or average annual receipts, represents the largest size that a business (including its subsidiaries and affiliates) may be to remain classified as a small business for SBA and federal contracting programs. Size standards are established for each NAICS. A copy of the table can be found at https://www.sba.gov/document/support--table-size-standards or : S:\ACTIVE\zNON PROJECT DATA\NAICS Size Standards
Small Business Subcontracting Plan		Federal large business contractors are required to maintain an acceptable subcontracting plan for all contracts that exceeds, or is expected to exceed, \$750,000 (\$1.5 million for construction) performed in the United States. Prior to award, contractors that meet this criterion must establish a subcontracting plan with specific dollar and percent goals for subcontracting to Small Business (SB), HUBZone, Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), Veteran-Owned Small Business (VOSB), and Service-Disabled Veteran-Owned Small Business (SDVOSB) firms. Once approved, all subcontracting actions are tracked and reported, biannually with an ISR. Failure to meet the approved goals could result in Liquidated Damages. The amount of probable damages attributable to the Contractor's failure to comply shall be an amount equal to the actual dollar amount by which the Contractor failed to achieve each subcontract goal. Subcontracts, that exceed \$1.5M issued to Large Businesses must also submit a Small Business Subcontracting Plan to the Prime Contractor.
Subcontract		Subcontract means any contract, as defined in FAR Subpart 2.1, entered into by a Subcontractor to furnish supplies or services for performance of the prime contractor or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders. The Federal Government does not distinguish between subcontracts and purchase orders.
Unit Price		A price for a service or commodity that includes all extra costs incidental to the item. Generally, it does not include taxes, but should include all other markups and profit.

TERM	ACRONYM	DEFINITION
U.S. Longshore & Harbor Workers' Compensation Act	USL&H	USL&H coverage refers to a form of workers' compensation coverage that all businesses working adjacent to or near the navigable waters of the United States are required to carry for their employees. This coverage is mandated by the Federal Government under the Longshore and Harbor Workers' Compensation Act of 1927. Generally, anyone working within a shipyard is covered. The insurance carrier will determine which coverage applies.
Use Tax		<p>Use tax is a sales tax on purchases made outside one's state of residence for taxable items that will be used, stored, or consumed in one's state of residence and on which no tax was collected in the state of purchase. If the purchase would have been taxed if it was made in the purchaser's state of residence, then use tax is due.</p> <p>The use tax, like the sales tax, is assessed upon the end consumer (i.e., Nova) of the tangible good or service, but the difference is who is responsible for paying the tax. Sales tax is collected by the seller, who is acting as an agent of the state and thus remits the tax to the state on behalf of the end consumer and is ultimately the party liable for the tax. On the other hand, the use tax is self-assessed and remitted by the end consumer who is ultimately the party liable for the tax. It is important to identify whether a given supplier who does not have a business location in the state where the project is located is registered in that state to collect sales tax so that if they are not, use tax can be accrued and paid directly. Accounting should be consulted if there is ever a question about the taxable status of a supplier.</p>



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A QUANTA SERVICES COMPANY

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