

**Power Mechanical Incorporated**  
**Terms and Conditions for On-Site Contractors**  
**Effective July 27, 2016**

**1. Definitions**

Whenever used in this Contract:

- a) PMI: Power Mechanical, Inc., or its duly authorized officer.
- b) Project Representative: means the PMI employee or assignee who will serve as the point of contact at PMI for the Work.
- c) Safety Director: The PMI Safety Director or their assignee
- d) Contract or Contract Documents:
  - i. Contractor's proposal as accepted by PMI.
  - ii. General Terms and Conditions, located at [www.pmiterms.com](http://www.pmiterms.com).
  - iii. Specifications
  - iv. Plans (as listed in Specifications).
  - v. Amendments and/or addenda to any of the foregoing.
- e) Work: work, supplies, equipment, labor and materials specified and the obligations imposed upon the Contractor under this Contract.
- f) Contractor: shall mean the person, firm or corporation to whom the Contract is awarded; including his subcontractors who shall be subject to the approval of PMI.

**2. Examination of Contract Documents and Other Relative Material**

The Contractor shall fully acquaint and familiarize himself with the specifications provided by PMI's Contract documents and with conditions as they exist and the character of the operations to be carried on under the Contract, and make such investigations as he sees fit, so that he may fully understand the facilities, difficulties and restrictions attending the performance of the services required under this Contract.

**3. Interpretations**

Specific and exact terms govern over, or qualify the meaning of general terms. In the event of conflicts in Contract documents the more stringent requirement, as determined by PMI, shall apply. Contractor shall seek clarification of any ambiguities prior to signing of Contract.

**4. Unit Prices**

All unit prices accepted by PMI shall remain binding and irrevocable for the entire period of the Contract unless otherwise specifically stated in the Contract documents. Such accepted unit prices shall be the sum total compensation for such extra work, and the Contractor shall not be entitled to any additional compensation as an allowance for overhead and profit or for any other reason.

**5. Modifications**

No waiver, alteration, or modification of any of the provisions of this agreement shall be binding unless in writing and signed by the party to be bound.

**6. Change Orders**

PMI will issue a written change order if, in its opinion, any changes or extra work affecting the Contract are required. In addition, any change order involving changes to the work, the Contract sum or the time for completion require PMI's prior written approval.

**7. Payments**

Initial deposit/payments will be made in accordance with the Contract Documents. Final payment to the Contractor shall not become due until the Contractor has completed to the satisfaction of PMI all of the work required by the Contract. Contractors, consultants or suppliers are advised that they must submit monthly invoices within 30 days after the month services were performed. Invoices submitted 90 days or more after the month services were performed will not be paid by PMI.

**8. Indemnification**

In addition to the provisions of Section 9, the Contractor shall defend, indemnify and hold harmless PMI, its members, officers, agents and employees against all claims and from any liability, damages, losses and expenses, including attorney's fees, occasioned by injuries, illness, wrongful death, property damage, delays and interruption of operations. Neither Contractor nor PMI shall be liable for any punitive, exemplary, special, indirect, incidental, consequential or lost profits damages of any kind, whether based in contract, tort or otherwise, that may arise in connection with this agreement.

In addition to the aforementioned indemnification agreement the Contractor shall require that its subcontractor(s), agent(s) and/or vendor(s) which provide(s) services to the Contractor in connection with the performance of the Contract, agree(s) to indemnify and hold harmless PMI, its members, officers, agents and employees against all claims and from any liability, damages, losses and expenses, including attorney's fees, occasioned by injuries, illness, wrongful death, property damage, delays and interruption of operations, where Contractor is found solely negligent, arising out of the performance of the Contract, and/or the direct or indirect acts or omissions of the subcontractors, agents, employees, vendors or subcontractors whether sustained during the performance of the Contract or after the completion thereof.

## 9. Insurance

Statutory Workers' Compensation and Occupational Disease Insurance: Shall have limits in such amounts as are in full compliance with the applicable state Workers' Compensation Act and Occupational Disease Act, in which the work is to be performed. All Contractors shall carry a Workers' Compensation policy whether or not such Contractors have any employees.

Employers' Liability Insurance: Shall have limits no less than the following minimum requirements:

|                            |                         |
|----------------------------|-------------------------|
| Bodily Injury by Accident: | \$500,000 Each Accident |
| Bodily Injury by Disease:  | \$500,000 Each Employee |
| Bodily Injury by Disease:  | \$500,000 Policy Limit  |

Commercial General Liability Insurance (with bodily injury and property damage coverages) shall have limits no less than the following minimum requirements:

|  |             |
|--|-------------|
| Each Occurrence Limit:                         | \$1,000,000 |
| General Aggregate Limit:                       | \$2,000,000 |
| Products/Completed Operations Aggregate Limit: | \$2,000,000 |
| Personal & Advertising Injury Limit:           | \$1,000,000 |

The above referenced policy will also include contractual liability with limits of at least \$1,000,000. Ongoing & Completed Operations shall be provided using forms CG2010 & CG2037 07/04 (or its equivalent). A Per Project Aggregate Limit must be provided using CG2503 3/97 or its equivalent). Moreover, Customer/Insured shall be responsible for any deductible under the insurance policy.

Commercial Automobile Liability Insurance: Shall have bodily injury and property damage coverages for all owned, hired and non-owned automobiles and other vehicles and equipment shall have no less than the following minimum requirements:

|                                  |                 |
|----------------------------------|-----------------|
| Liability Limit:                 | \$1,000,000 CSL |
| Uninsured Motorists Limit:       | \$1,000,000     |
| Hired Car & Non-Owned Liability: | \$1,000,000     |

Moreover, Customer/Insured shall be responsible for any deductible under the insurance policy.

Umbrella Liability Insurance: May not be used to satisfy the underlying limits and shall have limits no less than the following minimum requirements:

|                   |             |
|-------------------|-------------|
| Occurrence Limit: | \$1,000,000 |
| Aggregate Limit:  | \$1,000,000 |

Rented Equipment Coverage (if renting PMI equipment)

Customer shall provide evidence of property insurance showing coverage for the Customer's interest in personal property of others that sustains damage while that property is in the care, custody or control of the Customer/Insured. This additionally includes the Customer/Insured's liability to Power Mechanical, Inc., as the owner of such property for the amount of the damage to that property.

The Customer/Insured's payment for damage to such personal property of others will only be for the account of Power Mechanical, Inc.

Power Mechanical, Inc. shall be listed as loss payee and the policy limit shall be equal or greater to the Stipulated Loss Value of the rented equipment. Moreover, Customer/Insured shall be responsible for any deductible under the insurance policy.

Customer Owned Equipment: In no event shall Power Mechanical, Inc. be liable for consequential, incidental or special damages, including without limitation, any delay damages, lost opportunity damages or lost profits, incurred by Client and/or its affiliates, subcontractors, agents or employees in connection with this Contract.

Pollution Coverage: Contractors whose work, in the discretion of Power Mechanical, involves risk of hazardous materials waste, pollution or exposure, will be required to show proof of Contractor Pollution Liability that provides third-party coverage for bodily injury, property damage, defense, and cleanup as a result of pollution conditions (sudden/accidental and gradual) arising from contracting operations performed by or on behalf of the contractor. Such coverage shall have limits no less than the following minimum requirements:

|                          |             |
|--------------------------|-------------|
| Each Occurrence Limit:   | \$1,000,000 |
| General Aggregate Limit: | \$2,000,000 |

General Requirements: Contractors shall provide Power Mechanical, Inc. with one or more Certificates of Liability. These certificates will indicate coverage currently in force. Each certificate must contain the following:

- a) Policy Number, Insurance Carrier(s) with A- or better rating, Inception/Expiration Date(s)
- b) Power Mechanical, Inc. named as Additional Insured on Commercial General Liability and Commercial Automobile Liability policies.
- c) Commercial General Liability coverage is Primary & Non-Contributory and have a Hold Harmless agreement in place in favor of Power Mechanical, Inc.
- d) Commercial General Liability, Commercial Automobile Liability and Workers' Compensation shall include a Waiver of Subrogation in favor of Power Mechanical, Inc.
- e) Umbrella Liability must be written on a follows form basis.
- f) Must reference Project Name/Number
- g) 30 Days prior written notice in the event of cancellation or non-renewal of coverage must be provided to Power Mechanical, Inc. (with the exception of 10 days for non-payment of premium)

#### **10. Assignment and Subcontractors**

Any assignment or other transfer or conveyance by the Contractor of this Contract or any part hereof or of any of his rights hereunder or of any monies due or to become due hereunder or any delegation of any of his duties hereunder without the express consent of PMI shall be void and of no effect as to PMI provided, however, that the Contractor may subcontract portions of the work to such persons as PMI may, from time to time, expressly approve in writing. All further subcontracting shall also be subject to such approval of PMI. Approval of subcontractor may be conditioned on (among other things) the furnishing, without expense to the Corporation, of a surety bond guaranteeing payment by the subcontractor of claims of materialmen, subcontractors, workmen and other third party persons arising out of the subcontractor's performance of any part of the work. The names of proposed subcontractors shall be submitted promptly to permit acceptance or rejection of each by PMI without causing delay in the work of the project.

No consent to any assignment or other transfer and no approval of any subcontractor shall under any circumstances operate to relieve the Contractor of any of his obligations under the Contract. No subcontract, no approval of any subcontract and no act or omission of PMI shall create any rights in favor of such subcontractor and against PMI and, as subcontractors, and other transferees shall for all purposes be deemed to be agents of the Contractor. Moreover, all subcontracts and all approvals of subcontractors, regardless of their form, shall be deemed to be conditioned upon performance by the subcontractor in accordance with this Contract. If any subcontractor shall fail to perform the Contract to the satisfaction of PMI, PMI shall have the absolute right to rescind his approval forthwith and to require the performance of the Contract by the Contractor personally or through other approved subcontractors. Each Contractor shall control and coordinate the work of his subcontractors, if any.

#### **11. Default**

In the case of default by the Contractor, PMI may adopt all subcontracts made by such Contractor and all such subcontractors shall be bound by such adoption if made, and PMI may relet, with or without public advertisement, the work specified in this Contract,

exclusive of so much thereof as shall be provided in any subcontracts so adopted. Contractor shall incorporate the terms of this section in all subcontracts entered into on this project.

## 12. Safety

- a) All Contractors must adhere in detail to these Safety, Health and Security rules. Contractor will promptly remove and replace any contract employee who fails to comply with these rules. All interpretations will be made by the PMI Safety Director or their assignee ("Safety Director")
- b) General
  - i. The Contractor and his employees shall comply with all federal, state and local safety regulations.
  - ii. The use of or the possession of alcoholic beverages or nonprescription drugs is not permitted on PMI premises.
  - iii. All unusual incidents (accidents, damage to property, etc.) should be reported immediately to the PMI Project Representative and to the Safety Director.
  - iv. A 24-hour phone number will be left with the PMI Project Representative while the Contractor has workers or material on PMI Premises. Likewise, a 24-hour PMI number will be supplied to the Contractor.
  - v. Before starting any excavations, it is the Contractor's responsibility to contact Miss Utility to mark off any underground utilities or other pipelines or tanks. The PMI Project Representative will notify the Contractor of any such known underground utilities or other pipelines or tanks, but ultimately, the responsibility will rest on the Contractor to verify that the excavation can safely proceed.
  - vi. All hazardous openings or excavations must be barricaded at all times unless the work requires their temporary removal. The area will be lighted one hour before sunset till one hour after sunrise.
  - vii. While overhead work is being performed, signs must be posted in a conspicuous manner "Danger – Work Overhead". If sparks from cutting, etc., or other materials are falling, the area below must be roped off completely.
  - viii. Work shall not be performed under or immediately adjacent to loads being hoisted and all loose items of equipment or material shall be secured from falling.
  - ix. No riders are permitted on moving equipment, rigging or loads.
    - x. Guylines must be clearly marked where they cross the travel space of paths, walkways or roadways.
    - xi. Fire doors must not be blocked or fastened open. Wires, cables or hoses, etc. shall not pass through a doorway and prevent the fire door from closing completely.
    - xii. Acetylene, oxygen, nitrogen and other compressed gas cylinders must be securely fastened in an upright position.
    - xiii. Jumping from docks, trucks or other platforms is prohibited.
    - xiv. Do not use packages, drums or other items in place of ladders.
    - xv. Do not run.
    - xvi. Contractor shall report any malfunction or potential safety hazard to the PMI Project Representative and the Safety Director.
    - xvii. Contractor is responsible for noting the clearance under pipe racks, conduit racks, doors, ramps and other such overhead obstructions and reconciling any possible interference with equipment.
    - xviii. Contractor shall observe the facility speed limits when moving any type of vehicle.
    - xix. Contractor personnel shall not connect to, adjust or otherwise tamper with PMI equipment.
    - xx. The possession of any type of weapon on PMI property is prohibited
    - xxi. Under no circumstances should a Contractor employee enter a tank or confined space without first having obtained a Confined Space Entry permit. This permit is available through the Safety Director.
- c) Contractor's Access to PMI Premises. Where possible, a separate entrance will be designated and marked for Contractor's use; and if so, other entrances will not be used unless by special permission. SPECIAL ARRANGEMENT must be made with the PMI Project Representative for access to PMI facilities beyond the normal workday (M-F 7:00 AM to 5:00 PM), on weekends or holidays. Contractor's employees will be permitted access only to those areas necessary for the performance of contractual work. Under no circumstances are the Contractor's employees allowed to tour or roam around the facility or to enter areas not necessary for the performance of their work. No personal vehicles are allowed outside of the designated parking areas unless cleared by the PMI Project Representative. All closed type vans, car trunks, tool boxes and other Contractor vehicles and equipment are subject to inspection by a duly authorized PMI representative while on Company premises. PMI Project Representative will inform the Contractor where employees must park their personal vehicles while working at this facility.
- d) Housekeeping. Housekeeping is the Contractor's responsibility. The job site must be as clean and orderly as possible while the work is being performed. Flammable and combustible wastes must be removed from the premises at the end of each working day if the Safety Director of the PMI Project Representative so requires. Sewers, ditches, trenches and

waterways are not to be used for disposal of waste. Dumpsters and other normal rubbish receptacles may be used only with the permission of the PMI Project Representative. Should the Contractor fail to remove rubbish, etc., such removal will be done by PMI at the Contractor's expense. At the end of the work, the job site must be left in an acceptable condition. The PMI Project Representative will make a final inspection to determine the adequacy of the final cleanup.

- e) Contractor Employee Conduct. Contractor is responsible for the conduct of his employees and shall enforce good order and conduct at all times. Horseplay is not permitted.
- f) Smoking and the use of Spark Producing Equipment. SMOKING is prohibited in any of the buildings. "Strike anywhere," i.e., kitchen matches, are not permitted in the facility. A Hot Work permit will be issued for each specific job requiring the use of open flames or spark producing equipment. It is the responsibility of the Contractor to inform the PMI Project Representative of the need for a Hot Work permit. The permit is good for the time period established by the Safety Director. If further work is required after this time period, an additional permit must be issued. The permit must be conspicuously displayed at the job location. This permit is not permission to smoke.
- g) Personal Protective Equipment. Contractor's employees must wear steel-toed footwear while on the site. It is the responsibility of the Contractor to provide for and enforce the use of personal protective equipment by its employees, as required by the Work. Safety Director will inform the Contractor of any hazardous chemicals that workers may be exposed to while performing work at PMI. Suggested or required personal protection equipment will be identified at that time. Material Safety Data Sheets will be provided upon request. It is the responsibility of the Contractor to enforce the use of Safety Glasses at all times. Contractor will supply his employees with personal protective equipment. All Contractor personnel must wear shirts with sleeves that cover the shoulders and pants that cover the entire leg to the ankle.
- h) Accidents and Injuries. The treatment of injuries sustained by the Contractor's employees shall be the responsibility of the Contractor. All OSHA recordable injuries sustained on PMI premises must be reported, in writing, to the PMI representative.
- i) In Case of Fire. Safety Director will inform the Contractor of the proper procedures for employees to follow if a fire alarm is heard or what procedures they should initiate to alert others if they observe a fire. If the Contractor or one of his employees sees a fire, a fire extinguisher should be used. DO NOT REPLACE used extinguishers on the hooks. They must be reported as empty to the PMI Representative. Fire-fighting tools, extinguishers, hydrants, etc., must not be used for anything except fighting a fire. IF IT BECOMES NECESSARY TO TURN OFF A SPRINKLER SYSTEM OR USE A HYDRANT OR OTHER FIRE FIGHTING EQUIPMENT FOR ANYTHING EXCEPT FIGHTING A FIRE, THE SAFETY DIRECTOR MUST BE INFORMED BEFORE THIS OCCURS. Any work requiring the disconnection of an active fire protection system must be planned and scheduled so as to limit the actual downtime to the absolute minimum.
- j) Contractor's Tools and Equipment. All equipment must be in first class condition. All electrical or spark producing equipment or internal combustion engines must be approved for use in any area. Use of tools not properly rated is strictly prohibited. Scaffold planks, ladders, ropes, ground wires, etc., shall be inspected by the Contractor and replaced if they prove to be defective. Aluminum ladders are not permitted. Regardless of the type of fuel used, all fuel-driven machines must be shut down for refueling. Safety guards or other devices shall not be removed from tools or equipment except for repairs and must be replaced upon completion of repair. Safety guards or other devices shall not be removed from tools or equipment except for repairs and must be replaced upon completion of repair.
- k) Photo, Video, and Audio Recording. The use of any photographic or video or audio recording equipment within the PMI facilities must be approved by the PMI Project Representative.

### **13. Termination**

PMI may terminate this Contract at any time upon thirty (30) days written notice to Contractor. Upon such termination, Contractor shall return to PMI all supplies, tools and equipment that are owned by PMI and shall remove all materials, equipment or supplies owned by Contractor, within such thirty (30) day period. This Contract may be terminated, immediately, by PMI for cause and in such event the Contractor will not be entitled to termination expenses. Upon termination Contractor will be paid for all work which has been accepted to date or which is accepted after termination by PMI.

### **14. Notice**

All notices, demands or other communications under this Contract, shall be deemed sufficiently given when mailed via registered or certified mail, return receipt requested, to the other party at the address hereinabove set forth or such other address as may hereafter be furnished in writing in like manner.

### **15. Severability**

If any term or provision of this agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this agreement shall be valid and be enforced to the fullest extent permitted by law.

**16. Choice of Law and Compliance with Law**

This Contract shall be governed in accordance with the laws of the Commonwealth of Virginia applicable to transactions to be performed therein. Contractor will comply with all City, State and Federal Laws.