

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF NEW YORK**

-----X
In the Matter of the Petition of Local 175 of the United)
Plant and Production Workers Union to Institute a)
Prudence Proceeding to Review Certain Practices of)
the Construction Programs of Consolidated Edison) Case No. 14-_____
Company of New York, or in the alternative, to request)
that the Commission issue a Declaratory Ruling)
pursuant to section 204 of the State Administrative)
Procedure Act.)
-----X

**PETITION
EXHIBIT 1**

**Peter Henner, Esq.
Attorney for Petitioner
Local 175 United Plant and
Production Workers Union
P.O. Box 326
Clarksville, NY 12041
Tel. No. (518) 423-7799
Fax. No. (518) 768-8235
e-mail peter@peterhenner.com**

Dated: December 2, 2014

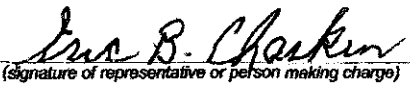
INTERNET
FORM NLRB-501
(2-08)

UNITED STATES OF AMERICA
NATIONAL LABOR RELATIONS BOARD
CHARGE AGAINST EMPLOYER

DO NOT WRITE IN THIS SPACE	
Case	Date Filed

INSTRUCTIONS:

File an original with NLRB Regional Director for the region in which the alleged unfair labor practice occurred or is occurring.

1. EMPLOYER AGAINST WHOM CHARGE IS BROUGHT	
a. Name of Employer CONSOLIDATED EDISON, a/k/a CON ED	b. Tel. No. 2124604089 c. Cell No. f. Fax No. 2123872109 g. e-Mail McAvoyt@coned.com h. Number of workers employed multiple contractor employees
d. Address (Street, city, state, and ZIP code) 4 IRVING PLACE, ROOM 1875-S NEW YORK, NY 10003	e. Employer Representative JOHN McAVOY, PRESIDENT RICHARD A. LEVIN, ESQ. Assistant General Counsel
i. Type of Establishment (factory, mine, wholesaler, etc.) Utility Company	j. Identify principal product or service Utility company
k. The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8(a), subsections (1) and (first subsections) (2) & (3) of the National Labor Relations Act, and these unfair labor practices are practices affecting commerce within the meaning of the Act, or these unfair labor practices are unfair practices affecting commerce within the meaning of the Act and the Postal Reorganization Act.	
2. Basis of the Charge (set forth a clear and concise statement of the facts constituting the alleged unfair labor practices) See Attached.	
3. Full name of party filing charge (if labor organization, give full name, including local name and number) LOCAL 175, UNITED PLANT & PRODUCTION WORKERS, IUJAT	
4a. Address (Street and number, city, state, and ZIP code) 99 MINEOLA AVENUE, ROSLYN HEIGHTS, NEW YORK 11577	4b. Tel. No. 5164873110 4c. Cell No. 4d. Fax No. 5164873144 4e. e-Mail unitedplantlocal175@verizon.net
5. Full name of national or international labor organization of which it is an affiliate or constituent unit (to be filled in when charge is filed by a labor organization) INTERNATIONAL UNION OF JOURNEYMEN & ALLIED TRADES	
6. DECLARATION	
I declare that I have read the above charge and that the statements are true to the best of my knowledge and belief.	
By  ERIC B. CHAIKIN, ESQ. (signature of representative or person making charge) (Print/type name and title or office, if any)	Tel. No. 2126880888 Office, if any, Cell No. 5168169526 Fax No. 2125945064 e-Mail chaikinlaw@aol.com
Address 375 PARK AVENUE, SUITE 2607, NEW YORK, NY 10152	11/5/2014 (date)

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WILLFUL FALSE STATEMENTS ON THIS CHARGE CAN BE PUNISHED BY FINE AND IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001)

PRIVACY ACT STATEMENT

Solicitation of the information on this form is authorized by the National Labor Relations Act (NLRA), 29 U.S.C. § 151 et seq. The principal use of the information is to assist the National Labor Relations Board (NLRB) in processing unfair labor practice and related proceedings or litigation. The routine uses for the information are fully set forth in the Federal Register, 71 Fed. Reg. 74942-43 (Dec. 13, 2006). The NLRB will further explain these uses upon request. Disclosure of this information to the NLRB is voluntary; however, failure to supply the information will cause the NLRB to decline to invoke its processes.

NLRB charge

Consolidated Edison ("Con Ed"), a statutory employer under the Act, has hired construction contractors to perform services for many years. On September 24, 2014, Con Ed, by letter from Assistant General Counsel Richard Levin, advised Steve Elliott, the President of the International Union of Journeymen & Allied Trades ("IUJAT") that all contractors performing work for Con Ed must utilize union labor from unions that are associated with the Building and Construction Trades Council of Greater New York ("BCTC"). United Plant and Production Workers Local 175 ("Local 175"), a member union of IUJAT, which has not been permitted to join the BCTC, represents a majority of the employees in the City of New York who work as asphalt pavers, and the overwhelming majority of asphalt pavers employed by contractors that have been hired by Con Ed for at least the last 10 years to perform asphalt paving. Local 175 files this charge, alleging that: 1) Con Ed's new policy violates sections 8 (a) (1), (2), and (3) of the Act, because it requires the employees of contractors performing services for Con Ed to join a union mandated by Con Ed, rather than a union of their own choosing.

Facts

Con Ed has promulgated "Standard Terms and Conditions for Construction Contracts", which have been in effect for at least 10 years. Paragraph 14 of these terms and conditions provides: "With respect to Work ordered for Con Edison, unless otherwise agreed to by Con Edison, Contractor shall employ on Work at the construction site only union labor from building trades locals having jurisdiction over the Work to the extent such labor is available." Prior to 2014, Con Ed had always interpreted this language to permit any contractors that had recognized unions from any building trade local, and, as a matter of practice had permitted contractors that had recognized unions that were apparently not building trades unions, to bid on and be awarded contracts. In particular, contractors that have collective bargaining agreements with Local 175 (which considers itself a "building trade local" since it represents asphalt pavers, as well as other building trade workers) performed Con Ed work.

However, Mr. Levin's September 24, 2014 letter now claims, for the first time, that, despite the plain language of paragraph 14, the phrase "building trades locals" in paragraph 14 is a reference to the BCTC. Therefore, according to Mr. Levin, all contractors working for Con Ed must utilize union labor from unions affiliated with the BCTC. Con Ed has now notified construction contractors performing work for Con Ed that they will not be able to receive any future contracts unless they agree to use workers who are members of such unions, particularly Locals 731 and 1010 of the Laborers International Union, or to recognize these locals as the collective bargaining representative for their existing employees. It should be noted that the employees of these contractors have previously, in NLRB sponsored elections, selected Local 175 as their representative, and that any "recognition" of Locals 731 or 1010 would constitute both "top-down" organizing, and would violate the Section 7 rights of these employees. Upon information and belief, Con Ed has adopted this new policy because of pressure from the BCTC in general, and Locals 731 and 1010 in particular.

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Con Ed has already told several contractors that they must sign collective-bargaining agreements with Locals 731 and/or 1010 as a condition of receiving a contract from Con Ed, despite the fact that the employees are presently represented by Local 175. One contractor, Mana Construction Company, that is not presently working for Con Ed, but which was the low bidder for a Con Ed contract; has received an e-mail from Con Ed, advising that a signed contract with Locals 731 and 1010 is a precondition to commencing work for Con Ed.

Argument

Con Ed's actions are a classical violation of sections 8 (a) (1), (2) and (3). Even though the employees of construction contractors have a clear right under section 7 of the Act, to choose their own labor representative, Con Ed seeks to require them to join a particular organization, as a precondition of their employer's being awarded construction contracts. (8 (a) (1)). Con Ed, by forcing recognition of a particular union, is also "interfer[ing] with the formation or administration of" the employees' organization. (8 (a) (2)). Finally, Con Ed's actions are obviously intended to discourage membership in a particular labor organization, Local 175. (8 (a) (3)).

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ATTACHMENT A

From: Natale Cardino <natale@manaconstructiongroup.com>

Date: July 17, 2014 at 2:01:58 PM EDT

To: "fundscfo@aim.com" <fundscfo@aim.com>

Subject: Con Ed

Mr. Franco,

See attached. Let me know right away. If not I will have no choice but to meet with 731 and or 1010 tomorrow as I cannot lose the Con Ed contracts.

Thank you,

Natale F. Cardino

Vice President

125 Jericho Tpke

Suite 201

Jericho, New York 11753

Office 516-280-6777

Fax 516-280-6768

Email natale@manaconstructiongroup.com

1 Attached Images

ATTACHMENT B

Natale Cardino

From: McTague, Patrick <MCTAGUEP@coned.com>
Sent: Tuesday, July 15, 2014 4:29 PM
To: Natale Cardino
Cc: Sebastopoli, Steven
Subject: Union Signatory Agreements

Follow Up Flag: Follow up
Flag Status: Flagged

Natale,

As per our discussion today, please provide the union signatory agreements for Local 731, Local 1010 and Local 15 by Friday 7/18- 3:00 PM. Please ensure that your firm is in compliance with the Con Edison Standard Terms and Conditions dated July 1, 2012. If you have any questions please let me know. Thanks

Patrick McTague | Procurement Specialist
Consolidated Edison Company of New York, Inc.
4 Irving Place, New York, NY 10003 | 212.460.6669



ATTACHMENT C



July 18, 2014

By E-Mail and First Class Mail
McAvoyJ@coned.com

John McAvoy, President
Consolidated Edison
4 Irving Place
New York, New York 10003

**Re: United Plant and Production Workers Local 175,
International Union of Journeymen and Allied Trades**

Dear Mr. McAvoy:

I write this letter on behalf of United Plant and Production Workers Local 175, an affiliate of the International Union of Journeymen and Allied Trades ("IUJAT"). The IUJAT was established in 1874 and affiliates of the International currently represent approximately 60,000 working men and women under collective bargaining agreements in various industries and trades in the tri-state area and throughout the United States. This International Union has granted jurisdiction in the general construction industry, including road paving and concrete work to Local 175, which represents hundreds of hard-working and highly skilled workers in the construction industry.

Local 175, along with a number of other building and construction unions, is a member of the Empire State Building Trades Council, an umbrella organization of labor unions operating in the Greater New York metropolitan area and works every day with all of the other trades on jobs or projects throughout New York City without a problem. It is also the sponsor of a New York State certified apprenticeship program in which it and its signatory contractors train the next generation of skilled construction workers.

Local 175's members receive excellent pay and benefits in exchange for a fair days work, every day they are on the job. Local 175 members employed by Mana Construction Group ("Mana") have provided high-quality service to many public agencies in the City and State of New York for many years without a single labor dispute. We are concerned to hear that a Con Edison Building Trades Relations Manager, Mike Perrino, informed Mana that unless it signed contracts with certain unions and did not use Local 175 members, it would not be awarded the contracts it is the low bidder on.

93 Lake Avenue, Danbury, CT 06810 • 1-203-205-0101 • FAX 203-205-0006




John McAvoy, President
Consolidated Edison
July 18, 2014
Page 2

IUJAT believes Con Edison's support for selective labor organizations and effort to influence the choice of labor representatives in this manner is grossly unfair and harmful to our hard working members. To be sure, such efforts do not advance any legitimate interest of Con Edison in securing needed services at competitive prices from responsible contractors like those that are signatory to Local 175. Moreover, should Con Edison's influence over the choice of unions by employees of Con Edison vendors dictate which union is recognized, it would appear that Con Edison is acting as either a joint employer or co-employer of the employees involved.

I am writing to alert you to our concerns and to urge you to take appropriate steps to assure Con Edison continues to secure top quality work from workers employed by vendors with a proven history of responsible service to the City and State of New York, without interfering in those workers' choice of labor representative and without providing support to other labor organizations. We know that Con Edison does not want to be viewed as a joint employer of any of its contractors. If Local 175 signatory contractors are excluded from Con Edison work and our members are denied work opportunities they have a demonstrated ability to perform, because of demands by Con Edison management that has succumbed to pressure from other unions, we will also react in a way to lawfully express our belief that such behavior is both unlawful and antithetical to the interests of Con Edison and its customers.

Upon your receipt and review of this correspondence, if you should have any questions, please do not hesitate to contact me.

Sincerely yours,


Steve Elliott
International President

cc: Roland Bedwell, Bus. Mgr. Local 175, IUJAT (e-mail - rbedwell@localunion175.com)
Frances A. Resheske, Sr. V.P., P.R. (e-mail - resheskef@coned.com)
John F. Miksad, Sr. V.P, Elec. Ops. (e-mail - miksadj@coned.com)
Mike Perrino, Bldg. Tr. Rel. Mgr. (e-mail - perrinom@coned.com)

ATTACHMENT D

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September 3, 2014

By E-Mail and First Class Mail
McAvoyJ@coned.com

John McAvoy, President
Consolidated Edison
4 Irving Place
New York, New York 1003

**Re: United Plant and Production Workers, Local 175,
IUIAT and Mana Construction Group**

Dear President McAvoy:

I am Counsel to Local 175, IUJAT. In the past Con Edison has not become embroiled in jurisdictional disputes between Unions. I write this letter to request that your office confirm to me that Con Edison will not now become involved in just such a jurisdictional dispute and interfere with the rights of workers employed by Mana Construction Group. Mana's workers, like many other firm's employees in the paving industry, have chosen Local 175 as their exclusive representative for collective bargaining. Interfering with that relationship would violate the National Labor Relations Act.

I ask this question because, as you know, an employee of Con Edison, Mike Perrino, advised Mana Construction that unless Mana executed a contract with LIUNA Locals 1010 and 731 Mana would not be awarded the Con Edison contracts where it is the low bidder.

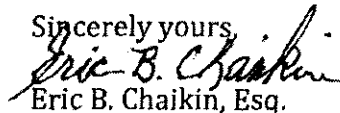
Clearly there appears to be some pressure being applied to Con Edison to assign work to Companies who employ members of LIUNA Local 1010 and 731; even though those other Companies were not low bidders on Con Edison contracts. I want to point out that Mana employs qualified workers, pays prevailing wages in excess of the required New York City prevailing wages and benefits to its employees; who can perform the job on which it has bid. In fact, Local 175 members working for Mana and many other contractors have for years performed valuable services not only for Con Edison, but for numerous other public agencies in the City and State of New York. Is there now a problem with using contractors that have collective agreements with Local 175? If so we should discuss the issues.

I have to believe that Con Edison does not want to get embroiled in jurisdictional or other disputes that may exist between Local 175 and Local 1010; nor does it want to be charged with aiding and abetting Local 1010/731 to the detriment of the rights and interests of workers who have chosen Local 175 as their exclusive collective bargaining representative. Con Edison should not abide it, Mana should not be subject to it; and Local 175 certainly would not tolerate it.

Local 1010's position has nothing to do with the work, wages or efforts of Local 175 members. The issues that Local 1010 has with Local 175 stem from the fact that most members of the former LIUNA Local 1018 left that local and joined Local 175 back in 2005 and 2006; which forced the merger of Local 1018 into Local 1010 back in 2010. Because of that history, for years Local 1010 has fought Local 175 for the hearts and minds of the workers who are employed in the paving-road building industry; and Local 175 has won a majority of the secret ballot elections held to determine who should represent those workers. The workers who are Local 175 members now, (and their children), are the same workers who used to do Con Edison work when they were members of Local 1018. Because Local 1010 can't win the workers over directly in NLRB supervised elections Local 1010 demands that companies like Con Edison do their work for them by pressuring contractors to only use Local 1010 members for certain work in contravention of NLRB Certifications and their collective agreements with Local 175. The pressure Local 1010 applies to Con Edison; which then applies to companies like Mana Construction, violates the National Labor Relations Act when it involves a secondary employer such as Con Edison; and it should be rejected.

Mana Construction played by the rules as established by Con Edison. They worked diligently to bid on Con Edison contracts and were the successful, low bidder. Mana is a member of the Empire State Building Trades Council; Mana works on numerous projects throughout New York City and State along side all of the other trades without issues; and is a participant in a New York State certified apprenticeship program which trains workers for employment to perform work on Con Edison and other construction jobs. It is my belief that Mana, and its employees who are members of Local 175, should be permitted to work without illegal interference from LIUNA Locals 1010 or 731.

Please advise if Con Edison is going to continue its past practice of not interfering with the rights of the workers and the contractors which employ them.

Sincerely yours,

Eric B. Chaikin, Esq.

Cc: Local 175

ATTACHMENT E



Richard Levin
Assistant General Counsel
Law Department

September 24, 2014

Mr. Steve Elliott
International President
International Union of Journeymen & Allied Trades
93 Lake Ave.
Danbury, CT 06810

Re: United Plant and Production Workers Local 175

Dear Mr. Elliott:

This letter responds to the various correspondence from you, counsel for Local 175 and other interested parties concerning Con Edison's use of paving contractors whose employees are represented by Local 175, IUJAT.

Con Edison's Standard Terms and Conditions for Construction Contracts provide, in pertinent part:

With respect to Work ordered for Con Edison, unless otherwise agreed to by Con Edison, Contractor shall employ on Work at the construction site only union labor from building trades locals having jurisdiction over the Work to the extent such labor is available.

That provision means recognized building trades locals, such as Carpenters, Electricians, Laborers, Operating Engineers, who are associated with the Building and Construction Trades Council of Greater New York. It appears that United Plant and Production Workers Local 175 does not fall within the term "building trades locals having jurisdiction over the Work," as it appears to be a general purpose union of plant and production workers and is not associated with the Building and Construction Trades Council of Greater New York.

In sum, we intend to continue to hold our construction contractors to all of our Standard Terms and Conditions, including the requirement that they utilize "union labor from building trades locals having jurisdiction over the Work."

I hope that this clarifies our position for you.

Sincerely,



Richard A. Levin

cc: Eric B. Chaikin, Esq.
Chaikin & Chaikin
375 Park Avenue, Suite 2607
New York, NY 10152

ATTACHMENT F

LAW OFFICES
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October 23, 2014

By e-Mail: levinr@coned.com

Richard A. Levin
Assistant General Counsel
Law Department
Consolidated Edison Company of NY, Inc.
4 Irving Place – Room 1875-S
New York, NY 10152

Re: United Plant and Production Workers, Local 175 and
The Building and Construction Trades Council of NY

Dear Mr. Levin:

I received a copy of your letter dated September 24, 2014 addressed to Steve Elliott, International President of IUJAT. My client, Local 175, United Plant & Production Workers had wanted to meet with you prior to your response, as I had requested in my letter to Con Edison's President, in hopes of correcting the misinformation you have apparently received about Local 175's status as a Construction Union. Your letter simply states that Con Edison will rely upon its "Standard Terms and Conditions for Construction Contracts" that states:

"With respect to Work ordered for Con Edison, unless otherwise agreed to by Con Edison, (emphasis added), Contractor shall employ on Work at the construction site only union labor from building trades locals having jurisdiction over the Work to the extent such labor is available."

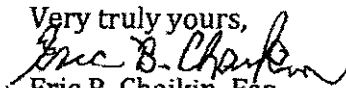
You now modified and /or specified the meaning of Building Trades Locals by adding that Building Trades locals are those associated with the Building and Construction Trades Council of Greater New York (BCTC) **thereby eliminating all other competing local unions such as local 175, independent contractors etc. not affiliated with BCTC. For your information, Local 175 and other competitive local unions have applied for membership to the BCTC but were rejected. Therefore, please recognize that your new designation of BCTC in essence bars Local 175 and other union's participation and eliminate or severely limits open competitive bidding on public projects; thereby creating a monopoly within the BCTC. Additionally, Con Ed ignored the existence of a competitive Building**

trades council, (ESBTC), which offers identical services as BCTC. I am somewhat perplexed that after nine years of Con Edison's dealing with Unions associated with the Empire State Building Trades, such as Local 175, representing contractors with decades of work history with Con Edison, that Con Edison is inexplicably saying they will no longer deal with these same contractors that have for years had collective agreements with Empire State Building Trades Unions. Is that the meaning of the new interpretation of Con Edison's "Standard Terms and Conditions for Construction Contracts?"

Is Con Edison truly saying that the workers of the contractors who have performed labor for Con Edison over the last nine years as members of Local 175 will have to become members of LIUNA Local 1010 in order to continue to perform road-building and asphalt and concrete paving for Con Edison? Is that the understanding that Con Edison has made with the BCTC?

Please advise as to whether my understanding of the implications of Con Edison's new interpretation of its "Standard Terms and Conditions for Construction Contracts" is correct. Is Con Edison saying it will not accept future bids from contractors who currently do Con Edison's work because they employ Local 175 members; and not members of a union that belongs to the BCTC? Is this interpretation advising those contractors not to even try and bid? Is Con Edison saying that if the same Contractor submitted a bid stating they would utilize workers who were members of a BCTC union that the bid would then be accepted for consideration?

Kindly advise as to how Con Edison plans to implement its interpretation so all parties understand what is happening. There seems to be misinformation in the industry about this new interpretation by Con Edison.

Very truly yours,

Eric B. Chaikin, Esq.

Cc: Local 175
Steve Elliott, President, IUJAT

ATTACHMENT G

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

STANDARD TERMS AND CONDITIONS

FOR

CONSTRUCTION CONTRACTS

October 15, 2014

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Appendix A - Required Clauses and Certifications

STANDARD TERMS AND CONDITIONS FOR CONSTRUCTION CONTRACTS

1. Definitions. The following terms as used herein shall have the meanings stated:

- "Con Edison" - Consolidated Edison Company of New York, Inc., the entity entering into the Contract and issuing any purchase orders applicable to the Contract, for work to be performed for Con Edison or its affiliate Orange and Rockland Utilities, Inc. ("O&R").
- "Contractor" - The contractor who is a party to the Contract with Con Edison .
- "Contract" - The contract between Con Edison and Contractor consisting of: (a) a Blanket Purchase Agreement ("BPA") or Contract Purchase Agreement ("CPA") and/or a Con Edison Standard Purchase Order ("purchase order"); (b) the relevant Con Edison request for quotation; (c) these Standard Terms and Conditions; and (d) any documents or portions thereof incorporated by reference in (a), (b) or (c) above, including, but not limited to, special conditions, specifications, performance requirements, plans and drawings. The words "hereof," "herein," "hereto" and "hereunder" as used in these Standard Terms and Conditions shall be deemed to refer to the Contract.
- "Work" - The project contemplated by the Contract and all labor and supervision; construction materials, equipment, tools and other aids to construction; equipment, materials and structures to be installed; and other things of any nature necessary or proper for the completion of the project, whether or not expressly specified herein.
- "Subcontractor" - Any company or person, other than an employee of Contractor, that furnishes any of the Work on behalf of Contractor.

2. Contract Formation. A legally enforceable agreement shall arise upon the signing or acknowledgement electronically by Contractor of the Contract in Oracle E-Business Suite iSupplier (the "Procurement System") or, if Contractor is not enabled in the Procurement System, upon the mailing or delivery by other means of the Contract or another writing manifesting acceptance of Contractor's offer; provided, however, that if Contractor's offer contains terms additional to or different from the terms on which quotations were requested by Con Edison which are not accepted in writing by Con Edison, a legally enforceable agreement shall not arise until the signing or acknowledgement electronically by Contractor of the Contract in the Procurement System or, if Contractor is not enabled in the Procurement System, by the signing by Contractor of the Contract or a copy of the Contract or such other writing as may be issued by Con Edison (or another document expressing Contractor's acceptance thereof), or Contractor's commencement or continuation of the Work following its receipt of the Contract or such other writing, such Work signifying Contractor's acceptance of the terms thereof.

3. Specifications, Plans, and Drawings.

- A. The Work shall be performed in strict accordance with the Contract specifications, plans, and drawings. No deviation is permitted unless approved in advance in writing by Con Edison. The specifications, plans, and drawings and all other documents which are part of the Contract are supplementary to each other. Anything called for by any one of such documents shall be required to the same extent as if called for by all of them, and the Work shall be completed in every detail whether or not every item is specifically mentioned. If there should be a conflict between the drawings and the writings that comprise the plans and specifications, the writings shall govern unless upon notice thereof Con Edison directs otherwise in writing.

Contractor shall carefully review all of the contract documents. Contractor shall promptly submit in writing to Con Edison whenever discovered, whether before or after award, any inconsistency, ambiguity, or error between documents or within a document. Contractor shall abide by the written direction of Con Edison's authorized representative with respect to such matters, which direction shall be final and binding.

Contractor waives any claim for extra compensation based on an inconsistency, ambiguity, or error which Contractor could have discovered by reasonable diligence and prudence.

- B. Con Edison may furnish to Contractor any additional plans, drawings, specifications or other documents which it considers necessary to illustrate or explain the Work in further detail, and Contractor shall comply with the requirements of all such documents.
- C. Contractor shall, throughout the time during which the Work is being performed, keep at the work site available for inspection by Con Edison one complete and current set of the Contract documents, including, but not limited to, the Contract plans, specifications, and drawings, any additional documents furnished by Con Edison, and all shop and work drawings approved by Con Edison.
- D. Where required by the Contract, Contractor shall submit designated documents, such as drawings and process procedures, for review and approval by or on behalf of Con Edison. All proposed changes to or deviations from such documents after they have been approved shall also be submitted to Con Edison for such review and approval prior to their implementation.

4. Price and Payment.

- A. Unless expressly stated to the contrary herein, all prices are firm and not subject to increase. All payment periods, including discount periods, shall

begin upon receipt of proper invoices by Con Edison's Accounts Payable Department. Unless otherwise specified in the Contract, payment shall be made within thirty (30) days of receipt of each invoice. Payments by mail shall be deemed made when deposited in the mail. Notwithstanding anything to the contrary herein, no invoice submitted for a partial or progress payment shall be processed unless and until Contractor furnishes to Con Edison a Contractor Affidavit – Partial Release And Waiver of Lien and for each subcontractor, a Subcontractor Affidavit – Partial Release of Lien, duly executed and delivered by Contractor and its Subcontractors at issue, as applicable. Such documents shall, among other things, state that each statement set forth in paragraph (H) of this Article is true and correct concerning the invoice and the amount requested therein, and, with respect to Work covered by or included within the invoice, waive, release and discharge claims and liens, contain a covenant to pay and release of record, or otherwise discharge of record, all liens and contain a covenant to defend, indemnify and hold harmless Con Edison and its affiliates (including, but not limited to, O&R), and any owner of the real property on which the project is situated), from and against such claims and liens and any related costs and expenses. Such documents shall be in a form reasonably satisfactory to Con Edison and shall in all respects be read and interpreted consistent with Section 34 of the New York Lien Law (or its successor).

No invoice submitted for a final payment shall be processed unless and until: (i) Contractor has fully performed all the Work to Con Edison's satisfaction; (ii) Contractor has delivered to Con Edison all warranties, manuals, operating instructions, drawings, and all other documents required by the Contract; and (iii) Contractor has submitted documents sufficient to satisfy Con Edison that all the Work has been properly performed, that payment is due to Contractor, and that all Subcontractors who performed or furnished labor, materials, supplies, or equipment for the Work have been fully paid, or that they will be paid promptly from monies received from the final payment. The documents required together with the invoice for final payment shall include a Contractor Affidavit – Final Full Release And Waiver of Lien document and, for each Subcontractor, a Subcontractor Affidavit – Final Full Release And Waiver of Lien document, duly executed and delivered by Contractor and its Subcontractors, as applicable. Such documents shall, among other things, state that each statement set forth in paragraph (H) of this Article is true and correct concerning the invoice and the amount requested therein and, with respect to the Work, waive, release, and discharge all claims and liens to the extent permitted by law, contain a covenant to pay and release of record, or otherwise discharge of record, all liens, and contain a covenant to defend, indemnify, and hold harmless Con Edison and its affiliates (including, but not limited to, O&R) and any owner of the real property on which the project is situated from and against all such claims and liens and related costs and expenses. Such documents shall be in a form reasonably satisfactory to Con Edison and shall in all respects be

read and interpreted to be consistent with Section 34 of the New York Lien Law (or its successor).

- B. Unless otherwise provided in the Contract, for unit price Work involving layouts, Contractor shall submit invoices upon completion of layouts or layout parts. For other unit price Work, invoices shall be submitted monthly. For all unit price Work, the judgment of Con Edison as to the quantity of Work completed and whether or not it is acceptable shall be conclusive.
- C. For lump sum Work, Contractor shall render progress payment invoices monthly unless stated otherwise in the purchase order. Each invoice shall be based on an estimate, certified by Contractor and approved by Con Edison, of the physical Work performed during the period stated in the purchase order or, if none is stated, during the preceding calendar month. In preparing estimates, Contractor shall include up to 75% of the cost of conforming materials delivered onto the site but not yet physically incorporated into the Work. As additional security for the proper performance of the Contract, Con Edison will retain ten percent (10%) of the amount of each invoice until fifty percent (50%) of the Work is completed. Thereafter, if the Work is progressing satisfactorily and on schedule and Contractor is in compliance with all of its obligations hereunder, Con Edison shall pay the remaining invoices for progress payments in full. The amount previously retained will be paid to Contractor following completion and acceptance of the entire Work. The judgment of Con Edison as to the value of the Work completed, whether it is on schedule and whether it is acceptable shall be conclusive.
- D. Con Edison shall have the right at any time to withhold from any payment which may be or become due under the Contract such amount as may reasonably appear necessary to it to compensate Con Edison for any actual or prospective loss due to Work which is defective or does not conform to Contract requirements, actual or prospective failure of Contractor to complete performance of the Work, or any other failure of Contractor to perform any of its obligations under the Contract or when it reasonably appears to Con Edison that Contractor has previously been overpaid. Con Edison shall be entitled to retain any and all amounts so withheld until Contractor has, in Con Edison's judgment, either performed the obligation or obligations in question or furnished security which Con Edison deems adequate for such performance or, in the case of withholding for overpayment, until an audit of Contractor's work or documentation is completed and the proper payment is determined.
- E. Con Edison at any time may, after notifying Contractor in writing, pay directly any unpaid claims against Contractor based on the Work, and in so doing Con Edison shall be conclusively deemed to be acting as Contractor's agent. Any payment made by Con Edison to discharge a claim against Contractor shall be treated as a payment made under the Contract from Con Edison to Contractor.

- F. Con Edison shall not be liable to Contractor for interest on any late payments unless expressly provided for herein. If for any reason Con Edison is in arrears in payment(s) hereunder, payment(s) made shall be applied by Contractor to any and all principal sum(s) due before being applied to any interest that may be due thereon pursuant to any express provision therefor in the Contract or otherwise.
- G. Except to the extent specified in a written reservation of rights, the acceptance by Contractor of final payment shall be and shall operate as a release of all claims against Con Edison and of all liability of Con Edison to Contractor for things done or furnished in connection with the Work and for every act and neglect of Con Edison and others for whom Con Edison may be responsible relating to or arising out of the Work. However, no payment, final or otherwise, shall operate to release Contractor or its sureties from the obligations under this Contract or any performance or payment bond.
- H. Contractor shall submit invoices in a form reasonably acceptable to Con Edison. Each invoice shall constitute a representation by Contractor that (i) the payment requested therein reflects Work performed and costs incurred by Contractor on account of such Work, (ii) the materials, supplies and equipment for which such invoice is being submitted have been installed or incorporated in the Work or have been stored at the project site or at such off-site storage locations as shall have been approved in writing by Con Edison; provided, however, that Con Edison shall not be obligated to pay or advance monies for materials stored off-site, unless approved in advance and in writing by Con Edison, (iii) the materials, supplies and equipment, if stored off-site, have been properly insured and stored in a "bonded" warehouse and are insured in accordance with this Contract and, if stored at the project site, are insured in accordance with the provisions of this Contract, (iv) the materials, supplies and equipment are not subject to any liens or encumbrances, (v) no mechanic's, laborer's, vendor's, materialman's or other liens or payment bond claims have been filed in connection with the Work for any of the labor, materials, supplies or equipment incorporated therein or purchased in connection therewith, (vi) all Subcontractors who performed or furnished labor, materials, supplies, or equipment for the Work for which payment is requested or for prior Work have been fully paid, or that they will be paid promptly from monies received from such invoice, (vii) the Work which is the subject of such invoice has been performed in strict accordance with the Contract documents and all applicable legal requirements, and (viii) the amount of the partial payment for which the invoice is submitted, when added to the sum of all previous payments made under prior invoices, does not exceed that portion of the price under the Contract which is allocable to the portion of the Work that has actually been completed on or before the date of such invoice and that the remainder of the price under the Contract (as the same may have been adjusted hereunder) is sufficient to pay in full the costs necessary to

perform and complete the Work. Upon Con Edison's request and as a condition precedent to payment, Contractor shall provide supporting documentation that is satisfactory to Con Edison to substantiate the representations set forth in this paragraph.

5. Time for Completion. TIME IS OF THE ESSENCE OF THE CONTRACT and of each and every portion thereof for which a certain length of time is fixed for performance. Unless otherwise specified, Contractor shall start the Work at the construction site within ten (10) days after it receives a written Notice to Proceed from Con Edison and shall complete the Work and the various parts thereof within the time or times specified in the Contract schedule. Contractor shall prosecute the Work regularly, diligently and without interruption at such rate of progress as will ensure completion within the specified time, and shall furnish properly skilled workmen and materials, tools, and equipment in numbers and amounts sufficient to accomplish this. Contractor agrees that the time or times specified for completion of the Work and of any part thereof are reasonable, taking into consideration all facts and circumstances. Work specified by the Contract to be performed after regular hours or on Saturdays, Sundays or legal holidays and Work performed at such times as a result of conditions in a permit or because of local regulations or to adhere to or regain the rate of progress required by Con Edison shall be performed without additional expense to Con Edison. If, in the opinion of Con Edison, Contractor falls behind schedule, Con Edison shall have the right to require contractor, at no additional cost to Con Edison, to increase its labor force or days or hours of work, to work overtime or increase the number of shifts, to use additional equipment or other construction aids, or to take such other steps as may be necessary to ensure completion of the Work on schedule. Receipt and acceptance by Con Edison of revised schedules from Contractor during the Work shall not be deemed a waiver of the schedule initially approved.

6. Excusable Delay. Contractor shall be excused any delay in completion of the Work arising from a cause beyond its control which it could not with the exercise of due diligence have either foreseen or avoided, including act of governmental authority, act of God, extraordinary weather conditions, flood, accident such as fire or explosion not due to the negligence of Contractor, strike which is not the result of an unfair labor practice or other unlawful activity by Contractor, riot, failure of public transportation facilities, inability of Con Edison to provide access due to plant malfunctions, and inability to perform caused solely by Con Edison's act or failure to act in breach of an express obligation under the Contract. Delay in Contractor's receipt of subcontracted supplies or services for reasons beyond the control of the Subcontractor shall not be excusable delay hereunder to the extent that the supplies or services are available to Contractor from another source. The unavailability of sufficient, qualified labor to perform the Work shall not be excusable delay hereunder unless the unavailability is caused by a strike which is not the result of an unfair labor practice or other unlawful activity by Contractor. Contractor shall give written notice and full particulars of the cause of any delay within 48 hours after its occurrence and thereafter shall update Con Edison on a bi-weekly basis. The time for performance in any such instance shall be extended by a period equal to the time lost by reason of the excusable delay. Such extension shall be Contractor's sole and exclusive remedy for such delay and Con Edison shall not be liable for any damages or additional costs incurred as a result of such delay.

7. Safeguards in Work.

- A. Contractor shall provide and maintain at its own expense safe and sufficient entrance and exit ways, walkways, platforms, barricades, warning lights, scaffolds, ladders, runways for concrete carriers, hoists and all equipment, apparatus and appliances necessary or proper for carrying on the Work safely; shall not load any of the foregoing items or any part of any structure or equipment with a weight that will make it unsafe; shall make and keep the place of Work and the ways and approaches thereto well lighted, safe and free from avoidable danger, taking into account, without limitation, local conditions; and shall mark any faulty items "unsafe" until repaired or replaced.
- B. Contractor shall provide all permanent and temporary shoring, anchoring and bracing required by the nature of the Work to make all parts absolutely stable and rigid, even when such shoring, anchoring and bracing are not explicitly called for. Contractor shall support and protect all buildings, bridges, roadways, conduits, wires, water pipes, gas pipes, sewers, pavements, curbing, sidewalks, fixtures and other public or private property that may be encountered or endangered in the prosecution of the Work.
- C. In accordance with the rest of this Article 7 and without limitation thereof, Contractor shall test all areas, excavations, openings, manholes, vaults and boxes, for an adequate supply of oxygen and for any and all toxic, harmful or combustible gases or fumes or other dangerous substances before and during the course of the Work and shall provide all the necessary equipment, including, but not limited to, all oxygen deficiency and gas testing apparatus required for such tests.
- D. Contractor shall strictly observe safety requirements of applicable federal, state and municipal laws and regulations, including, without limitation, the Federal Occupational Safety and Health Act. Contractor shall cause all equipment and structures, the place of Work and the ways and approaches thereto to meet the requirements of all public authorities. Contractor shall comply with the requirements of and recommendations in the latest edition of the "Manual of Accident Prevention in Construction," published by The Associated General Contractors of America, to the extent that such provisions are not inconsistent with other provisions of the Contract or applicable laws or regulations. Contractor shall maintain an accurate record of all cases of death, occupational disease or injury requiring medical attention or causing loss of time from work arising in connection with performance of the Work.
- E. If in the opinion of Con Edison's authorized representative, Contractor's work practices or conditions created by Contractor are unsafe or fail to comply with applicable laws or regulations, Con Edison may halt the work until such practices and conditions are corrected. Contractor shall not be

entitled to any additional costs or time for performance due to such work stoppage. If, when the Con Edison authorized representative is not present at the site, a Con Edison employee (or O&R employee for Work ordered for O&R) directs Contractor to discontinue an operation because it may be unsafe or illegal, Contractor shall immediately halt the questioned operation and, if the Contractor disagrees with the employee, shall contact the Con Edison authorized representative for instructions. Contractor shall obtain the employee's name and employee identification number and report this information to the Con Edison authorized representative.

- F. Contractor shall be responsible for any failure or neglect on its or its Subcontractor's part to perform the obligations contained in this article, and shall defend and indemnify Con Edison and its affiliates (including, but not limited to, O&R) against any loss, liability, damage or expense resulting in whole or in part from such failure or neglect.
- G. If the Work involves pipeline facilities for the transportation of gas, hazardous liquids or carbon dioxide or a liquefied natural gas facility subject to Part 192, 193 or 195 of Title 49 of the Code of Federal Regulations (CFR), Contractor shall comply, and shall require its employees to comply, with the drug and alcohol testing requirements of 49 CFR Part 199. Contractor shall maintain and follow written anti-drug and alcohol misuse plans and shall provide the testing, education, and training required by the Regulations. Contractor shall allow access to its property and records concerning the plans and their implementation to Con Edison, O&R and their representatives, to the Department of Transportation Administrator, and to representatives of federal or state authorities having jurisdiction for the purposes of monitoring compliance with these requirements.

8. Knowledge of Work Conditions and Requirements. Contractor represents that it has visited and examined the site of the Work and satisfied itself as to the general and local conditions, particularly those relating to transportation, handling and storage of materials, availability of labor, water, drainage, power, roads, weather, ground and other physical conditions at the site, and as to all other matters which could affect the Work or the cost thereof. Contractor also acknowledges that it has examined the specifications, drawings, and other Contract documents and has satisfied itself as to the requirements of the Work, and has seen or had an opportunity to ask about all conditions which may affect the Work, including equipment or structures in place or to be in place, or work being or to be performed, which could interfere with the uninterrupted performance of the Work. Contractor agrees that its entry into the Contract has not been induced either wholly or in part by any promises, representations or statements on behalf of Con Edison other than those set forth in the Contract, and that any failure of Contractor to examine the Work site, Contract documents or all other available information shall be at its own risk. Contractor further represents that the price set forth in the Contract has been determined with due regard by Contractor to all such conditions and requirements affecting the Work, as well as the difficulties and delays incident to work of the nature contemplated hereby, and agrees that no claim for any increase in such price shall be made except as specifically provided in the Contract.

9. Contractor's Performance.

- A. Contractor shall perform in good workmanlike manner and in accordance with best accepted practices in the industry all the Work specified or reasonably implied in the Contract, in accordance with its terms and the directions of Con Edison and its authorized representatives as any may be given from time to time. Contractor's performance shall include, except as otherwise specifically stated in the Contract, everything requisite and necessary to complete the Work properly, notwithstanding the fact that not every item involved is specifically mentioned, including, but not limited to all materials, labor, tools, equipment, apparatus, water, lighting, heating, power, transportation, superintendence, temporary construction, site security and all other services and facilities of every nature necessary or appropriate for the execution of the Work on schedule. Details which are not specified in the Contract shall be performed by Contractor at no extra cost if such details are within the general description of the Work.
- B. When work is performed outside of Contractor's own premises, Contractor must provide at all times an on-site representative with full authority to act for Contractor. The representative must be able to read, write, and thoroughly understand both English and any other languages spoken by persons performing work for Contractor and must be able to effectively communicate with those persons in their own language or languages. In addition, Contractor's representative must ensure that labeling, log book entries, completion of forms and all other tasks requiring a proficiency in English are performed clearly and correctly. The continuation of the individual selected by Contractor in this role shall be subject to the continuing approval of Con Edison.
- C. Contractor shall perform the Work in accordance with the following:
- (i) All equipment, tools, other construction aids and materials utilized by Contractor shall be of high quality and in good working order. Contractor shall submit material safety data sheets (MSDS) for all chemical and hazardous substances used in the Work. If, in the opinion of Con Edison, any of Contractor's equipment, supplies, tools, other construction aids or materials are unsafe or inadequate, Contractor shall remove such items from the site immediately and replace them with safe and adequate substitutes at Contractor's expense. Contractor shall be fully and solely responsible for and shall safeguard its equipment, tools, supplies, other construction aids and materials at all times. Contractor shall provide adequate storage for all such items used in connection with the Work.
 - (ii) The use of public roadways and properties for the parking of employee vehicles, construction equipment, receiving and placement shall be in accordance with the applicable laws and ordinances. Access to all underground facilities, as for example through Con

Edison, municipal and telephone company manholes, shall be maintained and allowed during the entire performance of the Work. Adjacent private properties shall not be entered or used for any such purpose without the written consent of the property owners.

- (iii) Fire hydrants and stop valves adjacent to the Work shall be kept clear and readily accessible to fire apparatus, and no material or other obstruction shall be placed, parked or stored within fifteen (15) feet of any hydrant or stop valve (or a greater distance if required by local law, rule or regulation). Contractor shall comply fully with all local rules and regulations relative to fire protection, shall keep the structure and premises free from burnable trash and debris, and shall exercise every precaution against fire. This shall include, but not be limited to, posting a fire watch, with appropriate fire fighting equipment, during all welding, burning, stress relief and other heating operations. Contractor shall assure that the fire watch is informed of the site fire control procedures and remains posted during breakfast, lunch and dinner periods and until one hour after such heating operations have stopped.

10. Con Edison Authority

- A. Con Edison shall have the authority to decide any and all questions which arise in connection with the Work, and Con Edison's decisions shall be conclusive and final. Con Edison shall be the final judge of the meaning and intent of the Contract and all provisions thereof. Con Edison shall have the authority to conclusively resolve any disagreements which may arise between Contractor and any other contractor.
- B. Con Edison shall have the right to maintain a representative at the construction site. Such representative may, on request, give Contractor reasonable assistance in interpreting the Contract drawings, specifications and plans, but such assistance shall not relieve Contractor of any duties (including, without limitation, those of giving notice to or securing the approval of Con Edison) arising under the Contract.

11. Estimated Quantities. Whenever estimated quantities of Work to be done on a unit-price basis are shown in the Contract, differences between the actual number of units of Work encountered and the estimated quantities of units shall not result in an increase or decrease in the unit prices or provide the basis for any claim against Con Edison or O&R by Contractor.

12. Warranties.

- A. Contractor warrants the Work for a period of three (3) years from the date of completion and acceptance of all Work, unless a longer period is specified elsewhere in the Contract or in an applicable municipal code or regulation, in which case the longer period shall apply:

- (i) as to services, that they shall be rendered competently and by qualified personnel in accordance with the best accepted practices in the industry and comply strictly with all specifications and performance requirements contained in the Contract; and
 - (ii) as to materials, equipment, structures and other things, that they shall be new and free from defects in title, material, workmanship and design, conform strictly to all applicable specifications, and be suitable for their intended use. Contractor further warrants that the Work shall meet any and all tests and comply strictly with all specifications and performance requirements contained in the Contract. The warranty of good title shall be unlimited in time.
 - B. In the event any part or all of the Work fails to satisfy any of these warranties, upon written notice thereof from Con Edison, Contractor shall, at no cost to Con Edison, promptly repair, replace, or reperform the defective Work, as directed by Con Edison, and do whatever else is necessary to cause the Work to satisfy all of the aforesaid warranties. All work repaired, replaced or reperformed under the provisions of this Article shall be subject anew to this Article with the warranty period commencing upon completion of the repair, replacement, or reperformance. If Contractor fails to correct any defective Work as aforesaid promptly after being notified thereof by Con Edison, then Con Edison may, at its option, either correct the defective work and charge Contractor for the costs and expenses it incurs in so doing or secure an equitable reduction in the Contract price based on its retention of the defective Work. Any defective parts removed in connection with repair or replacement shall be disposed of by Contractor at its expense.
 - C. In addition to making the foregoing warranties, Contractor agrees to obtain, for the benefit of Con Edison, from any and all Subcontractors hereunder, the same warranties as those required of Contractor under this Article and not to accept any warranties which are inferior in any respect to those required under this Article.
 - D. All warranties made or obtained hereunder are made to, and for the benefit of, Con Edison and O&R and may be enforced by or on behalf of either or both of Con Edison and O&R.
13. Changes (Including Extra Work).
- A. Con Edison shall have the right at any time, by written notice (electronically or in print form) to Contractor and without notice to any of Contractor's sureties, to direct changes in the Work, including direction to do extra work or work outside of normal hours (when such work is not already the responsibility of Contractor under the Contract) or to delete part of the Work. If any such change causes an increase or decrease in the cost or time required for performance hereunder, an equitable adjustment shall be made

in the Contract price or schedule, or both, as follows: If the change involves work of the kind for which unit prices are contained in the Contract, such work shall be paid for at those prices unless Con Edison at its discretion determines not to use such unit prices and so notifies Contractor prior to the start of the changed work. For work for which no unit price is established or for which Con Edison has determined not to apply the unit prices, the parties shall endeavor to agree on a lump sum price for the change. If the change is not defined well enough for a fixed price, or if there is not enough time to negotiate one, or if the parties do not agree on one, Contractor shall perform the change on a time-and-materials ("T&M") basis at rates for labor, equipment and materials approved by Con Edison. In the case of deletion of any portion of the work for which no unit price is established, the Contract price shall be reduced by the decrease in Contractor's cost of performance and profit thereon.

B. The following rates are approved by Con Edison for Work performed on a T&M basis:

(i) Labor

Contractor will be compensated for each hour performed at the straight and premium time rates (as applicable) specified in the applicable schedule of rates. With respect to Work ordered for Con Edison, the applicable schedule of rates will be the Con Edison schedule of rates entitled "New York City and Westchester County Labor Rates for Time and Materials Work" or "Maintenance Agreement Labor Rates -- New York City and Westchester County," as applicable, in effect at the time the Work is performed, except that an additional 10% will be paid for the straight time portion of labor performed by one approved Subcontractor. With respect to Work ordered for O&R, the applicable rates will be the rates agreed to in the Contract. The labor of superintendents, non-working foremen, timekeepers and clerical employees is not compensable. This paragraph shall not be construed to affect Contractor's obligations to pay its employees in accordance with applicable law and the requirements of the Contract.

(ii) Materials

Contractor will be compensated for all materials used for the Work at the actual net cost plus 10%. Contractor shall furnish Con Edison with the invoices evidencing the purchase of such materials (and any other back-up documentation).

(iii) Equipment

Contractor will be compensated for equipment employed in the Work at 70% of the rates, including operating costs, in effect at the time the Work is performed, in the "Rental Rate Blue Book for Construction Equipment" or

the "Rental Rate Blue Book for Older Construction Equipment," whichever is applicable.

All rates are based on 8 hours per day, 40 hours per week, 176 hours per month and 22 working days per 30 day period. The rate resulting in the lowest cost to Con Edison for the employment of the equipment in the Work will be used. Operating costs will only be paid for hours during which equipment is actually being used in the performance of the Work.

Each unit of equipment or tool with a value at the time of use of less than \$500 will be considered included in the labor rate and will not be separately compensable.

- C. Contractor shall not perform any changes in the Work, including extra work, except pursuant to written direction from Con Edison's representative authorized to make changes expressly and unmistakably indicating his intention to change the Work. In the event adjustments for such changes are not agreed upon promptly, Contractor shall nevertheless proceed diligently to effect the changes at the time it is directed to do so by Con Edison.
- D. In the absence of a written direction described in the preceding paragraph C, if Contractor deems any directive, whether oral or written, by Con Edison's authorized representative to be a change in the Work, Contractor shall nevertheless comply therewith but shall within five days give written notice as described in Article 16, Claims, and comply with the requirements thereof.
- E. Any price increase or decrease or extension or acceleration of time for performance shall not be binding on Con Edison unless evidenced by a Contract modification or change order signed and issued by Con Edison. Contractor shall not have the right to make changes in the Work without the prior written approval of Con Edison.
- F. Prices agreed upon for, or applicable to, changes (including extra work), include all impacts of the changes on the Work, including, but not limited to, delay, loss of productivity, demobilization, remobilization and idle time, and Contractor shall have no other claim for other effects on the Work due to such changes.

14. Labor.

- A. Contractor shall, unless otherwise specifically stated herein, provide all labor required to fully complete the Work. This shall include all specialized workers that are required by the nature of the Work. Unless otherwise specifically provided herein, the costs of all labor are included in the Contract price. With respect to Work ordered for Con Edison, unless otherwise agreed to by Con Edison, Contractor shall employ on Work at the

construction site only union labor from building trades locals (affiliated with the Building & Construction Trades Council of Greater New York) having jurisdiction over the Work to the extent such labor is available. Where Contractor employs workers on sites where a permit to use or open a street (including excavating the street) is required and New York City Administrative Code Section 19-142, or its successor, (or a similar law, regulation, or code pertaining to sites located outside of New York City ("Similar Local Law")) is applicable, Contractor agrees that, pursuant to and in furtherance of the requirements of New York City Administrative Code Section 19-142, or its successor, (or the requirements of the Similar Local Law) and the terms and conditions of the permit: none but competent workers, skilled in the work required of them, shall be employed thereon; the prevailing scale of union wages shall be the prevailing wage for similar titles as established by the Comptroller of the City of New York pursuant to Section 220 of the New York State Labor Law (or as established by such other fiscal officer, as specified in Section 220 of the New York State Labor Law, for workers on permitted sites located outside of New York City to which a Similar Local Law applies), paid to those so employed, and Contractor shall pay that prevailing wage to workers so employed. These obligations of Contractor shall apply even though Con Edison may have obtained the permit. Contractor agrees to defend, save harmless and indemnify Con Edison, and its affiliates (including, but not limited to, O&R) and their respective trustees, directors, officers, employees, agents, representatives, successors and assigns from and against any and all liability arising in any way out of Contractor's failure to comply with the foregoing provisions of this paragraph. Whenever Contractor knows or believes that any actual or potential labor dispute is delaying or threatening to delay the timely performance of the Work, Contractor shall immediately give Con Edison notice of the dispute, including all relevant information concerning the dispute. If such notice is given orally, Contractor shall confirm it in writing within 24 hours. In the event that any labor dispute adversely affects the timely and efficient performance of the Work, Contractor shall exercise all rights and utilize all remedies available under applicable collective bargaining agreements and applicable federal and state laws to resolve the dispute and end the adverse effect on the Work, including but not limited to, seeking an injunction and filing an unfair labor practice charge.

- B. The Immigration Reform and Control Act of 1986 Pub. L. No. 99-603 (the "Act") makes it illegal for an employer to hire or employ an illegal alien. The Act also makes it a legal requirement for employers to establish an employment verification system which includes the employer's checking specified documents to establish both an individual's identity and legal authorization to work. Contractor represents and covenants that Contractor has complied and will comply with all the requirements of the Act with respect to all persons assigned or employed by Contractor in the performance of the Work. Contractor agrees to defend, save harmless and indemnify Con Edison and its affiliates (including, but not limited to, O&R)

and their respective trustees, directors, officers, employees, agents, representatives, successors and assigns from and against any and all liability under the Act arising in any way out of services performed by, or Con Edison's use of, persons furnished by Contractor.

- C. Contractor shall not employ any Con Edison or O&R employee to perform any Work without the prior written permission of Con Edison.
- D. Further, neither Contractor nor any of its permitted subcontractors shall utilize or otherwise permit any former employee of Con Edison or O&R to render any services hereunder of any nature for or on behalf of Contractor or the permitted subcontractors (as an employee or consultant or otherwise) within five years of such former employee's separation from Con Edison or O&R if such former employee was engaged or involved in the solicitation, negotiation, procurement, placement or administration of any contract, agreement or purchase order for or on behalf of Con Edison or O&R at any time during the three-year period immediately preceding the employee's separation from Con Edison or O&R. For purposes of the preceding sentence, "administration of any contract, agreement or purchase order" shall mean engaging in any activity relating to oversight or management of any contract between Con Edison or O&R and Contractor including, but not limited to, the review, approval or payment of any invoices relating to any such contract, agreement or purchase order or the supervision of employees engaged in such activities. Engaging in or supervising employees engaged in purely clerical functions such as filing, data entry or processing previously approved invoices for payment shall not be deemed "administration of any contract, agreement or purchase order".

15. Time and Material and Cost Reimbursable Work.

- A. Con Edison shall have the right to generally supervise, direct, control and approve the extent and character of Work done on a T&M or other cost reimbursable basis.
- B. Work performed on a T&M basis shall not be performed either in whole or in part on a premium time basis (including overtime, Saturdays, Sundays and holidays) unless Contractor obtains the prior written consent of Con Edison's duly authorized representative.

If Contractor should perform work on a premium time basis without obtaining such consent then all cost relating to the premium time portion shall be borne solely by Contractor without recourse to Con Edison.

- C. For Work performed on a T&M basis, Contractor shall submit reports which shall list the time and trades used, material consumed and types of equipment used on site and operating hours indicated. The reports shall be submitted by the end of the next working day for each shift worked. These reports are to be submitted to the Con Edison site representative for

approval (subject to future audit and adjustment if found to be in error). Con Edison shall make payment within 30 days after receipt of a proper invoice with required supporting documentation.

- D. All work performed on a T&M basis shall be subject to Article 12 (Warranties) above.
- E. The hourly rates for time and material and cost reimbursable contracts include profit and all indirect costs such as, but not limited to, field overhead, home office costs, engineering and all other off-site costs.
- F. Whenever the Contractor or any permitted subcontractor performs Work hereunder its employees and consultants are required to have available for review by Con Edison a Contractor (or a subcontractor) or government issued name and photo identification.
- G. No obligation of Con Edison to pay any agreed upon labor rates to Contractor for any time and material or cost reimbursable work shall be construed to affect Contractor's obligations to pay its employees in accordance with applicable law and the requirements of the Contract.

16. Claims.

- A. The only claims that may be made by Contractor are claims for (i) providing services or materials beyond the scope of the Contract that are not covered by a written and signed change order (hereafter "Non-Contract Work"), and (ii) the increased cost of performing Contract Work caused by Con Edison's breach of the Contract (hereafter "Increased Costs"), except that, as set forth in Article 6, no claims for damages or additional costs on account of delay shall be permitted.
- B. For each claim for Non-Contract Work, as defined in (A)(i) of this Article, Contractor must give written notice to Con Edison's designated representative within five (5) days of when Contractor began to perform such work. The notice must identify such work with particularity, the date such work was begun, the reason such work was performed, the estimated cost and duration of the work, the anticipated schedule impact, and the name of any Con Edison representative alleged to have ordered such work. For each claim for Increased Costs, as defined in (A)(ii) of this Article, Contractor must give written notice to Con Edison's designated representative within 5 days of Contractor's discovery of Con Edison's breach. The notice must identify the breach with the following particularity: for an act of Con Edison identify the act, the location of the act, the individual who performed the act, and the date of the act; for an omission by Con Edison, identify the specific action Contractor believes Con Edison should have taken, the date the action should have been taken, and the date the action was taken, if ever; for a misrepresentation by Con Edison, identify the representation alleged to be incorrect by document, page,

section, and clause, describe the fact or condition misrepresented, and provide the date Contractor learned of the misrepresentation.

C. For claims for which Contractor has given timely notice, Contractor must segregate and maintain, on a weekly basis, all costs associated with the claim. Documentation of all such costs shall be maintained and be made available to Con Edison upon request. Ten days after submitting the notice required by paragraph (B) of this Article, Contractor must begin submitting weekly detailed itemizations of such costs to Con Edison.

(i) For each claim for Non-Contract Work, as defined in (A)(i) of this Article, these detailed records shall include:

(a) The name, title, trade local, and number of each worker employed in such work, the dates and hours each worker was employed in such work, and the tasks performed; and

(b) The nature and quantity of any materials, plant and equipment furnished or used in connection with the performance of such work and from whom purchased or rented.

(ii) For each claim for Increased Costs, as defined in (A)(ii) of this Article, these detailed records must include:

(a) The date the Increased Costs were incurred;

(b) The name, title, trade local, and number of the workers who performed the work whose costs were increased;

(c) The price in Contractor's bid for the performance of the work that had its cost increased, the actual cost to Contractor to perform such work, and the amount of the Increased Costs for which Contractor claims Con Edison is responsible; and

(d) The nature and quantity of any materials, plant, and equipment whose cost was increased by Con Edison's act, omission, or misrepresentation.

D. If any part of any claim permitted by this Article is based upon delay, impact, interference, interruption, disruption, loss of productivity or any other time- or schedule-related impact of any nature for which Contractor asserts Con Edison is responsible ("Alleged Delay"), then Contractor, in addition to its other obligations under this Article, shall, on projects in which any form of a critical path method ("CPM") schedule is required by the Contract, provide to Con Edison a reasonably detailed written narrative description of the Alleged Delay and its alleged time and costs impacts, a CPM schedule

“fragnet” or similar document illustrating the schedule impact, if any, on the actual project schedule, and other records and documents, if any, explaining the alleged cost impact (collectively, an “Impact Analysis”). (As used herein, a “fragnet” means a sequence of new activities and/or activity revisions that are proposed to be added to the existing schedule and that demonstrate the influence or impact of delay and the method for incorporating delays and impacts into the schedule as they are encountered). Each Impact Analysis shall be submitted to Con Edison within ten (10) days of the after the start of the Alleged Delay to which it relates. Each Impact Analysis shall demonstrate the estimated time impact based on the claimed events of the Alleged Delay, the date the Alleged Delay began, the status of the project at that point in time, and show how the project schedule critical path was impacted by the Alleged Delay.

- E. Contractor shall make all books, records and accounts relating to the claims permitted by this Article, including, but not limited to, the documentation of costs required by paragraph (C) of this Article and the Impact Analysis required by paragraph (D) of this Article, available for inspection and audit by Con Edison and its representatives at all times, including after the termination or expiration of the Contract. Contractor's failure to provide timely notice of a claim, as required by paragraph (B) of this Article, or to collect, segregate, maintain, and make available for inspection and audit by Con Edison and its representatives all books, records and accounts relating to the claims permitted by this Article 16, including, but not limited to, the documentation of all costs sought in the claim, as required in paragraph (C) of this Article, or to timely submit such costs on a weekly basis, as required by paragraph (C) of this Article, or to timely submit the Impact Analysis to the extent required by paragraph (D) of this Article shall be deemed a conclusive and binding determination by Contractor that neither the Contractor nor any of its subcontractors have provided any services or materials beyond the scope of the Contract not covered by a written and signed change order and that neither Contractor nor any of its subcontractors have had their costs increased by a breach of the Contract by Con Edison, and such failure shall be deemed a waiver of the claim. Strict compliance with the applicable requirements of this Article 16 is an express condition precedent to Contractor's right to assert any claim permitted by this Article 16.
- F. Contractor's failure to provide timely notice of a claim, as required by paragraph (B) of this Article, or to collect, segregate, maintain, and make available to Con Edison documentation of all costs sought in the claim, as required in paragraph (C) of this Article, or to timely submit such costs on a weekly basis, as required by paragraph (C) of this Article, shall be deemed a conclusive and binding determination by the Contractor that neither the Contractor nor any Subcontractor has provided any services or materials beyond the scope of the Contract not covered by a written and signed change order and that neither the Contractor nor any Subcontractor has

had its costs increased by a breach of the Contract by Con Edison, and such failure shall be deemed a waiver of the claim.

17. Permits, Codes, Laws and Regulations. Contractor shall obtain and pay for all permits and licenses required for the Work except those which can be obtained only by Con Edison or O&R and those which the Contract specifically requires Con Edison or O&R to obtain. Contractor shall comply with all federal, state, and local laws, executive orders, regulations, ordinances, rules, and safety codes insofar as they relate to the Work (including but not limited to the giving of notices and the payment of fees) and shall defend, save harmless and indemnify Con Edison and its affiliates (including, but not limited to, O&R) and their respective, trustees, directors, officers, agents, representatives and employees against all liability arising out of Contractor's failure to do so. Contractor shall promptly examine all Contract documents and notify Con Edison in writing if it appears that any of them may fail to conform to any such code, law, ordinance, rule or regulation. Contractor shall provide Con Edison with the original or a copy of permits, certificates, receipts and other evidence establishing its compliance with the obligations imposed by this Article, including, but not limited to, the signed, sworn, payrolls or transcripts thereof setting forth the name and address of each workman, laborer or mechanic, the occupations worked, the hourly wage paid, and the supplements paid or provided, to the extent required by Section 220(3-a)(e) of the New York State Labor Law and the provisions it references, and a copy of any payment bond required by Section 137 of the New York State Finance Law. Without limiting the generality of the foregoing, Contractor agrees to comply with the Fair Labor Standards Act and, as applicable, with the provisions contained in Appendix A hereto, a copy of which has been furnished or made available to Contractor, which is incorporated in these Standard Terms and Conditions as if fully set forth herein. It contains clauses applicable to, and certifications required to be provided by, subcontractors to contractors to the Federal Government.

18. Quality Assurance/Quality Control. Contractor shall establish and maintain a quality assurance/quality control program which shall include procedures for continuous control of all construction and comprehensive inspection and testing of all items of Work, including any Work performed by Subcontractors, so as to ensure complete conformance to the Contract with respect to materials, workmanship, construction, finish, functional performance, and identification. The program established by Contractor shall comply with any quality assurance/quality control requirements incorporated in the Contract.

19. Protection of Persons, Work and Property.

- A. The risk of loss or damage to the Work prior to full completion of all Work hereunder and final acceptance thereof by Con Edison shall be borne by Contractor.
- B. In the course of performing the Contract, Contractor shall at all times exercise every reasonable precaution to protect persons and property and items of Work. Contractor shall at its own expense design, furnish, and erect such barricades, fences and railings, give such warnings, display such lights, signals and signs, exercise such precautions against fire, adopt and enforce such rules and regulations, and take such other precautions as may

be necessary, desirable or proper, or as may be directed by Con Edison. Contractor shall provide and maintain in good working order at all times an adequate, approved system for promptly extinguishing fires. Fire alarms, extinguishing equipment and water lines shall be continually inspected by Contractor and shall at all times be accessible and ready for immediate use.

- C. Contractor shall, while on or about the site of Work, observe and comply with all fire, safety, hazard, "No Smoking", and all other rules and regulations heretofore or hereafter prescribed by Con Edison. Safety hats shall be worn at all times in the Work area by Contractor's employees. Whenever the Contractor or any permitted subcontractor performs Work hereunder, its employees and consultants are required to have available for review by Con Edison a Contractor (or a subcontractor) or government-issued name and photo identification.
- D. Contractor shall, at no additional cost to Con Edison, comply with all reasonable requests of Con Edison to enclose or specially protect Work, property or persons. If Con Edison determines that Work, property or persons are not adequately protected after any such requests, then it may, without prejudice to any other rights it may have hereunder or under applicable law, order an immediate suspension of the Work or take such steps as it deems necessary to protect Work, property or persons. The cost of such steps shall be charged to Contractor and may be deducted from any payments due Contractor, and Contractor shall not be entitled to be compensated for any costs of its own arising from such suspension.
- E. Contractor shall promptly report in writing to Con Edison all accidents whatsoever arising out of or in connection with the performance of the Contract, whether on or adjacent to the construction site, which result in death, injury or property damage, giving full details and statements of witnesses. In addition, if death or serious injury or serious damage is caused, Contractor shall immediately report the accident by telephone to Con Edison.
- F. Contractor shall provide at the construction site such equipment and medical facilities as are necessary to supply first aid service to any persons who may be injured in the course of performance of the Work and shall have standing arrangements for the removal and hospital treatment of such persons. If any claim is made by any person against Contractor or any other contractor on account of any accident, Contractor shall promptly report it in writing to Con Edison, giving full details of the claim.
- G. Contractor will not be permitted to perform any field work until it has submitted to Con Edison and received approval of a site-specific health, safety, and environmental plan, which shall address all hazards that may be encountered and shall conform to any and all requirements stated in the Contract.

- H. If in the reasonable opinion of Contractor greater precautions than those required herein or directed by Con Edison are advisable, Contractor shall implement such precautions and advise Con Edison thereof. In the event of an emergency threatening injury to persons or damage to property Contractor shall take all necessary action immediately and shall promptly notify Con Edison thereof.

20. Vehicle Spills. Contractor is required to assure that all vehicles, including those of Subcontractors and suppliers, used in the performance of work for Con Edison are maintained in good working condition and are not leaking any fluids. Particular attention is to be paid, without limitation, to hydraulic systems on each vehicle.

The driver must immediately notify a Con Edison authorized representative in the event of a leak or spill from a vehicle or container carried on a vehicle while at the job site. The driver must wait for instructions before moving the vehicle unless field conditions require it, and then, only to the nearest safe point.

The driver will be required to eliminate the leak or spill before leaving the job site. Contractor shall be required to reimburse Con Edison and O&R for all costs associated with the cleanup of leaks and spills.

21. Maintenance of Work Site. Contractor shall, at its own expense, store its apparatus, material, supplies and equipment in such orderly fashion as will not interfere with the progress of the Work or the work of any other contractors; clean up and remove on a daily basis and more frequently if directed by the Con Edison representative all refuse, rubbish, scrap materials, and debris so that at all times the Work site shall present a neat, orderly and workmanlike appearance; and, before final payment, remove all surplus material, falsework, and temporary structures, including any foundations thereof. If, in the opinion of Con Edison, Contractor has failed to comply with any provisions of this Article, Con Edison may order any or all of the Work suspended until the condition is corrected, and all costs associated therewith shall be borne by Contractor.

22. Subsurface Conditions Found Different. Con Edison shall not be obliged to show any subsurface conditions on any drawing, plans or specifications it furnishes Contractor, and if none are shown that is not to be interpreted as indicating that there are none of significance to the Work. Should Contractor encounter subsurface conditions at the site materially different from any of the subsurface conditions that are shown on the drawings, plans or specifications, it shall immediately give notice to Con Edison of such conditions before the conditions are disturbed. Con Edison will thereupon promptly investigate the conditions, and if it finds that they materially differ from those shown on the plans or indicated in the specifications it will make any changes necessary. Any increase or decrease in the cost of or time required for performance resulting from such changes shall be dealt with in accordance with the provisions of Article 13 (Changes (Including Extra Work)) and Article 6 (Excusable Delay).

23. Inspection and Tests and Correction of Defects.

- A. Con Edison shall have the right to inspect any and all records of Contractor

or its Subcontractors whenever Con Edison believes that this is necessary to assure it that the Work is proceeding and will proceed in full accordance with the requirements of the Contract and on schedule. In addition, all parts of the Work shall, throughout the time of performance of the Contract, be subject to inspection by Con Edison. Con Edison shall be the final judge of the quality and acceptability of the Work, the materials used therein, and the processes of manufacture and methods of construction employed in connection therewith. Contractor shall provide Con Edison's representatives with safe and proper facilities for access to and inspection of the Work, both at the construction site and at any plant or other source of supply where any equipment, material, or part may be located. Con Edison shall have the right to witness any test Contractor, or any third party acting on behalf of Contractor, conducts relating to the Work, and Contractor shall give Con Edison advance written notice thereof. Con Edison shall have the right to require Contractor to perform additional tests at reasonable times and places. The cost of any additional tests required by Con Edison shall be borne by Con Edison unless they disclose a defect or nonconformity in the Work, in which case the cost shall be borne by Contractor.

- B. No inspection, failure to inspect, or waiver of inspection on the part of Con Edison or anyone acting on its behalf shall relieve Contractor of its duty to complete the Work in full accordance with the requirements of the Contract.
- C. Should it appear to Con Edison at any time prior to the completion and acceptance of the entire Work, whether as a result of the aforementioned inspections and tests or otherwise, that any part of the Work is not suitable or of good quality or fails to conform to Contract requirements, Con Edison shall have the option to:
 - (i) halt the continuation of such Work; and
 - (ii) require Contractor, at Contractor's sole expense and within such reasonable time as may be fixed by Con Edison, to reconstruct, replace or correct the applicable Work and remedy any damage to property of Con Edison and others occasioned by such Work or the materials, methods or processes employed in connection therewith; or
 - (iii) perform or have performed by another all tasks stated in subparagraph (ii) above and withhold or recover the cost thereof from Contractor; or
 - (iv) accept the unsuitable or nonconforming Work and reduce the Contract price by an amount Con Edison deems equitable.

In any event, Contractor shall reimburse Con Edison for all costs attributable to delays in the Work or additional work performed by other contractors to the extent they arise from Contractor's unacceptable Work.

24. Effect of Con Edison Approval. Contractor's obligations under this Contract shall not be affected by the grant to, or the exercise or non-exercise by, Con Edison of rights to inspect, test, review or approve Contractor's performance of the Work, including, without limitation, documents such as drawings, written procedures or daily reports. Any approval by Con Edison of any materials, workmanship, equipment, documents or other acts or things done or furnished or proposed by Contractor shall be construed merely as indicating that at the time of the approval Con Edison was not aware of any reason for objecting, and no such approval shall release Contractor from full responsibility for the accurate and complete performance of the Contract in accordance with its terms. Any failure of a Con Edison representative to object to any failure by Contractor to comply with any or all of the requirements of the Contract, even if apparent or discoverable, shall not be effective as a waiver of such requirements or as an acceptance of the non-compliance.

25. Subcontracting.

- A. Contractor shall not subcontract all or any portion of the performance to be rendered hereunder without the express written approval of Con Edison as to the tasks to be subcontracted and the Subcontractor; provided, however, that this limitation shall not apply to the purchase of standard commercial supplies or raw materials. Contractor may utilize the services of specialty Subcontractors if they are customarily used in the industry on the work subcontracted, provided Con Edison has first approved the proposed Subcontractor. Contractor shall, as soon as practicable after execution of the Contract, notify Con Edison in writing of any Subcontractor proposed to be employed on the Work. Contractor shall not be relieved of any obligations hereunder by reason of any such approved subcontracting.
- B. Contractor, shall, notwithstanding Con Edison's approval, be as fully responsible for the acts and omissions of its Subcontractors and their agents and representatives as it is for its own acts and omission. Should any approved Subcontractor fail to perform to the satisfaction of Con Edison, Con Edison shall have the right to rescind its approval and to require the Work subcontracted to be performed by Contractor or by another approved Subcontractor. Nothing contained herein shall create any contractual rights in any Subcontractor against Con Edison. Contractor shall cause all subcontracts applicable to the Work to contain provisions which require the Subcontractor to provide the same insurance coverage as is required of Contractor, and comply with the other requirements relating to insurance as are required of Contractor hereunder, including, but not limited to, naming Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc. and Consolidated Edison, Inc. and Contractor as additional insureds. Subcontracts shall provide for Contractor the same rights against the Subcontractor as Con Edison or O&R has hereunder against Contractor and shall expressly state that such provisions shall also be for the benefit of Con Edison and O&R.

- C. If the Contract is on a cost-plus or T&M basis and is in an amount exceeding \$100,000 and Contractor enters into a subcontract with a Subcontractor to whom Contractor is subcontracting all or any portion of the performance to be rendered hereunder on a cost-plus or T&M basis in an amount exceeding \$5,000, immediately after Contractor enters into such subcontract, Contractor shall send a copy of such subcontract to:

Consolidated Edison Company of New York, Inc.
4 Irving Place
New York, N.Y. 10003
Attention: Purchasing Department
Section Manager,
Technology and Strategic Initiatives

26. Title to Materials and Completed Work. Contractor shall obtain and maintain title to all materials, equipment and structures to be installed by it in the Work, free from all liens, claims and encumbrances. Title to all Work completed or in the course of construction and to all materials, equipment and structures as to which any payment has been made by Con Edison shall be in Con Edison, but this shall not affect Con Edison's right to require the correction of defective or non-conforming Work nor relieve Contractor of any other obligation arising under the Contract.

27. Investigation and Audit. Contractor hereby agrees to cooperate fully with any investigation, audit, or inquiry conducted by Con Edison or O&R or any federal, state or local government agency or authority relating to any aspect of this Contract or the Work, and the Contractor shall make all of its books, records, and accounts available for inspection and audit in connection therewith. Moreover, in the event the Contract now provides or in the future is revised to provide that the Work or any part thereof shall be done on a cost-reimbursable basis (whether or not a fee has, in addition, been fixed by the parties), T&M basis or similar basis, or if payment on such basis is to be made under Article 32 (Suspension), or Article 33 (Termination for Convenience) of these Standard Terms and Conditions, Contractor shall maintain, and in the event there are subcontracts on any of such bases shall cause the Subcontractor(s) to maintain, detailed books, records and accounts covering costs incurred in connection with such Work or, as applicable, time spent and materials used. Contractor shall make or cause to be made said books, records and accounts available for inspection and audit by Con Edison, O&R, the investigating governmental agency or authority and their respective authorized representatives during the term of this Contract and for a period of six (6) years after final payment hereunder. If an investigation, audit, or inquiry discloses that Con Edison has paid Contractor for any costs which were not in fact incurred or for any time spent or materials used which were not in fact spent or used or for any costs that were improperly charged, Contractor shall refund to Con Edison an amount equal to such payment.

28. Con Edison's Performance. Con Edison shall perform any action required of it by the Contract in order to enable Contractor to perform hereunder. Failure by Con Edison to substantially perform any such obligation shall not give rise to an action for damages by Contractor, in contract or in tort, or entitle Contractor to cancel or rescind the Contract or abandon performance hereunder. Unexcused nonperformance by Con Edison shall,

however, relieve Contractor of its obligation to perform hereunder to the extent that it prevents Contractor from performing. Nonperformance by Con Edison shall be excused where caused by an act or omission of Contractor.

29. Liens. To the fullest extent permitted by law, Contractor shall defend, save harmless and indemnify Con Edison and its affiliates (including, but not limited to, O&R), and as any owner of the real property on which the project is situated, from and against all claims, liens or attachments growing out of the demands of Subcontractors, mechanics, workmen, materialmen and furnishers of machinery, equipment, tools, or supplies, including commissary, in connection with the Work, including all losses, liabilities, fees, costs and expenses (including attorneys' fees and legal costs) arising out of or in connection therewith. Contractor shall deliver the Work to Con Edison free and clear of all liens, claims, and encumbrances, and shall furnish Con Edison a certificate to that effect upon request. Contractor shall furnish Con Edison with a Contractor Affidavit – Final Full Release And Waiver of Lien document and, for each Subcontractor, a Subcontractor Affidavit – Final Full Release And Waiver of Lien document, duly executed and delivered by Contractor and its Subcontractors, as applicable, with the presentation of Contractor's final invoice for payment. Such documents shall, among other things, waive, release and discharge all claims and liens relating to the Work, the project or the Contract and defend, indemnify and hold harmless Con Edison and its affiliates (including, but not limited to, O&R), and any owner of the real property on which the project is situated, from and against such claims and liens and any related losses, liabilities, fees, costs and expenses. Such documents shall be in a form reasonably satisfactory to Con Edison and shall in all respects be read and interpreted consistent with Section 34 of the New York Lien Law (or its successor). Neither the final payment, nor payment of any part of the retained percentage shall become due until Contractor furnishes such documents. Con Edison may withhold from payment an amount sufficient to protect Con Edison against any claims, liens or attachments. Any liens arising from Contractor's Subcontractors, mechanics, workmen, materialmen and furnishers of machinery, equipment, tools, or supplies, including commissary, must be fully bonded or otherwise discharged by Contractor in accordance with applicable law, within five (5) days of the filing of the lien. If Contractor fails to bond or otherwise discharge such lien, Con Edison may take any action it deems appropriate to discharge or remove such lien, including, but not limited to, payment directly to the lienor (in which case the payment to the lienor shall be deemed payment to Contractor under the Contract), or discharge of such lien by depositing monies into court or filing of a lien discharge bond, and withhold or deduct the amount of such deposit(s) and all other applicable costs and expenses from any payment otherwise due to Contractor or, if no payment is due, Contractor shall pay to Con Edison all losses, liability, damages, costs, fees and expenses incurred by Con Edison as a result of the Contractor's failure to discharge such a lien, including, but not limited to, any premiums for a discharge bond and attorneys' fees. If any lien remains unsatisfied after final payment has been made to Contractor, Contractor shall refund to Con Edison all monies that Con Edison may be compelled to pay in discharging such lien, including all costs and attorneys' fees.

30. Bonds. Contractor shall furnish performance or payment bonds, or both, that may be required by law or requested at any time by Con Edison (including, but not limited to, any payment bonds that are required by Section 137 of the New York State Finance Law

when a municipality issues a permit that is subject to Section 220 of the Labor Law). Any and all such bonds shall be in a form and in an amount, and shall have a surety or sureties, acceptable to any governmental authority having jurisdiction and to Con Edison. The premiums for all such bonds which are required by law (including, but not limited to, any payment bonds required by Section 137 of the New York State Finance Law) or which have been requested by Con Edison prior to the time of the execution of the Contract or which are required by the Contract itself shall be deemed to be included in the Contract price, and no additional compensation shall be payable to Contractor with respect to such bonds. If a bond is required by Con Edison after the Contract is executed, Contractor shall be reimbursed for the cost thereof, without any markup if it has been previously approved by Con Edison, upon submission by Contractor of satisfactory evidence of payment therefor. No change order, extension of the time for completion, failure to enforce any rights arising under the Contract, or other act or forbearance of Con Edison shall operate to release or discharge any surety or sureties under any such bonds, and such bonds shall so provide.

31. Other Contractors.

- A. Contractor shall fully cooperate with other contractors and any Con Edison or O&R employees at or near the site of the Work and carefully coordinate its own work with that performed by them. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by Con Edison or O&R.
- B. If any other contractor or any Subcontractor shall suffer loss or damage through acts or neglect on the part of Contractor, Contractor shall use its best efforts to settle the matter with such other contractor or Subcontractor. If such other contractor or Subcontractor asserts any claim against Con Edison or any of its affiliates (including, but not limited to, O&R) based on such loss or damage, Con Edison shall notify Contractor, and Contractor shall indemnify and save Con Edison and its affiliates (including, but not limited to, O&R) harmless from and against any such claim and any loss, liability, damage or expense arising therefrom or in connection therewith (including attorneys' fees and legal costs).
- C. Contractor and its Subcontractors shall keep informed of the progress and the details of work of other Con Edison contractors at the Work site (and of Con Edison or O&R) and shall notify Con Edison (or O&R, for Work ordered by O&R) immediately of lack of progress or defective workmanship on the part of any of them (or of Con Edison or O&R). Failure by Contractor to keep informed of other work in progress at the site or to give notice of lack of progress or defective workmanship by others shall be deemed an acceptance by Contractor of such other work insofar as it relates to or affects its own Work.

32. Suspension. Con Edison shall have the right, for its convenience, to suspend all or part of Contractor's performance hereunder at any time by written notice. Contractor shall, as soon as possible, resume any suspended Work when so directed by Con Edison. The time for performance shall be extended for a period equal to the delay

caused by such suspension. If such suspension continues beyond a reasonable period, Contractor shall be entitled to be reimbursed for any out-of-pocket costs (exclusive of field and home office overhead or costs resulting from loss of efficiency or Work done out of sequence) which it establishes to the reasonable satisfaction of Con Edison (obtained through audit if required by Con Edison) were incurred by it thereafter solely by reason of such suspension, provided, however, that such entitlement is conditioned upon Contractor's notifying Con Edison in writing within fifteen (15) days after the beginning of such suspension that additional costs will or may be incurred thereby and upon Contractor's making claim therefor in writing within thirty (30) days after Con Edison's notice to resume work. In no event shall Contractor be entitled to a profit on such costs.

33. Termination for Convenience.

- A. Con Edison may, for any reason whatsoever, including its own convenience, terminate the Contract, in whole or in part, upon ten (10) days' written notice to Contractor without liability except as expressly stated in this Article. Upon receipt of such termination notice, Contractor shall: (1) cease performance of the Work to the extent specified by Con Edison in the notice of termination and thereafter do only such Work with respect to the terminated portion of the Contract as may be necessary to preserve and protect Work already performed or in progress; (2) place no further orders or subcontracts for services, materials or equipment, except as may be necessary for completion of such portion of the Work as is not terminated; and (3) procure cancellation of all existing orders and subcontracts to the extent they relate to the performance of Work terminated (except to the extent that Con Edison requests that any such order or subcontract be assigned to Con Edison, in which case Contractor shall assign such designated orders and subcontracts to Con Edison without additional cost or expense to Con Edison). Upon Con Edison's request, Contractor shall promptly provide Con Edison with Contractor's sworn statement stating, for each order and subcontract (i) the original price of the order and subcontract and the price of each change order thereunder together with a description of the change order, (ii) the amount that Contractor paid under the order and subcontract and each change order thereunder, and (iii) the amount of retention held by Contractor under the order and subcontract and each change order thereunder.

- B. In the event of such termination, Con Edison shall, in full discharge of all its obligations to Contractor, pay termination charges as follows: With respect to lump sum contracts, a percentage of the Contract price reflecting the percentage of Work performed prior to the effective date of the termination; with respect to cost reimbursable contracts, allowable costs incurred prior to the effective date of termination plus an equitable portion of any fixed fee provided for in the Contract; with respect to time-and-materials contracts, for time expended and materials purchased and paid for prior to the effective date of the termination at the Contract rates; and with respect to unit price contracts, for units of Work completed prior to the effective date of termination at Contract rates. In addition, regardless of the type of contract,

Con Edison shall reimburse Contractor for any unavoidable out-of-pocket costs of cancellation payments to Subcontractors resulting directly from the termination which Con Edison agrees in writing were not taken account of in the aforementioned payments. Upon Con Edison's request, Contractor shall promptly provide Con Edison with a sworn statement itemizing these cancellation costs and promptly furnish to Con Edison all applicable contractual documents to which the cancellation costs relate or under which the cancellation costs arise. Contractor shall not be entitled to be compensated for any other costs arising from the termination, direct or indirect (including, without limitation, field and home office overhead and accountants' or attorneys' fees), whether or not based on Work performed prior to the effective date of termination. All termination payments shall be less (a) prior amounts paid on account of the Contract price and (b) the value of any salvage available to Contractor with respect to any material, structures or equipment purchased or manufactured prior to cancellation. Contractor shall use its best efforts to minimize termination charges. All termination charges shall be subject to audit by Con Edison.

- C. If payments on account of the Contract price made prior to the effective date of termination exceed the above termination charges, the excess shall be refunded promptly to Con Edison. Except as agreed in writing, termination shall not relieve either party of any obligation which may arise out of Work performed prior to termination, including, but not limited to, Contractor's obligation to correct defective work and all warranty obligations. In no event shall Con Edison be liable to Contractor for damages of any kind whatsoever arising out of the termination, whether based on lost profit, unrecovered or increased home office or other overhead resulting from termination-related reductions in workload or in direct costs, lost opportunities to obtain other jobs, or otherwise.

34. Confidentiality. All reports, specifications, software, drawings, photographs, technical information, information regarding locations of facilities, and other information furnished by Con Edison or O&R or originally furnished or prepared by Contractor or its subcontractors in connection with the Work shall, except to the extent indicated in writing by Con Edison (or O&R, with respect to Work ordered for O&R), be held confidential and not disclosed to any third parties, be used only in connection with the performance of the Work, and be delivered or returned to Con Edison upon completion of such performance. Contractor shall not use Con Edison's or O&R's name, or otherwise identify Con Edison or O&R, in connection with any advertisement or any announcement regarding the Work or for any other purpose without obtaining Con Edison's prior written permission or, with respect to O&R, O&R's prior written permission. Contractor acknowledges that its violation of the provisions of this article may result in irreparable harm to Con Edison and O&R, the amount of which would be difficult to ascertain and which would not be adequately compensated for by monetary damages. Accordingly, Contractor agrees that either or both of Con Edison and O&R will be entitled to injunctive relief to enforce the terms of this article, in addition to their remedies at law.

35. Infringement. If Contractor, in performing this Contract employs, constructs or

provides any design, process, material, tool or equipment covered by a patent, copyright, trademark or other proprietary right, Contractor shall, if it does not itself own such right, at its own expense secure permission prior to its use hereunder by securing a suitable agreement from the owner of such right. Contractor shall indemnify and hold Con Edison and its affiliates (including, but not limited to, O&R) and their respective trustees, directors, officers, employees, agents, representatives, successors and assigns harmless from and against any claim, suit or proceeding for infringement of any patent, copyright, trademark or other proprietary right brought against Con Edison, and any loss, liability, damage or expense or relating thereto, resulting from the use or manufacture of any designs, processes, materials, tools or equipment provided to Con Edison or O&R or employed in the performance of the Work. Contractor shall provide for the defense of any such claim, suit or proceeding, and shall pay all costs and expenses in connection therewith, including compensation of experts and counsel, and all damages and costs awarded against an indemnified party. Con Edison shall notify Contractor of any such claim, suit or proceeding in writing and give Contractor authority, information and assistance (at Contractor's expense) for the defense thereof. In the event that the use of anything furnished or constructed hereunder is enjoined, Contractor shall promptly, at its own expense and at its option, either (a) procure for Con Edison (or O&R with respect to Work performed for O&R) the right to continue using it or (b) with the approval of Con Edison, (i) replace it with a noninfringing equivalent or (ii) modify it so it becomes noninfringing.

36. Indemnification. To the fullest extent allowed by law, Contractor agrees to defend, indemnify and hold harmless Con Edison and its affiliates (including, but not limited to, O&R) and their respective trustees, directors, officers, employees, agents, representatives, successors and assigns from and against all claims, damage, loss and liability, including costs and expenses, legal and otherwise, for injury to or the death of persons, or damage to property, including the property of Con Edison or O&R, and statutory or administrative fines, penalties or forfeitures resulting in whole or in part from, or connected with, the performance of the Work by Contractor any subcontractor or their respective agents, servants, employees or representatives, and including claims, loss, damage and liability arising from the partial or sole negligence of Con Edison or non-parties to the Contract (including, but not limited to, O&R). Contractor expressly agrees that Con Edison and O&R may pursue claims for contribution and indemnification against Contractor in connection with claims against Con Edison or O&R for injury and/or death to Contractor's employees notwithstanding the provisions of Section 11 of the Workers' Compensation Law limiting such claims for contribution and indemnification against employers, and Contractor hereby waives the limitations on contribution and indemnity claims against employers provided in Section 11 of the Workers' Compensation Law insofar as such claims are asserted by Con Edison or O&R against Contractor.

37. Insurance. Contractor shall procure and maintain the following insurance (and such other limits and additional insurance as may be required by the Contract) at its own expense until completion and acceptance of performance hereunder, and thereafter to the extent stated below, with not less than the monetary limits specified. The insurance shall be placed with insurance companies acceptable to Con Edison.

- A. Employment related insurance.
- (i) Workers' Compensation Insurance as required by law.
 - (ii) Employer's Liability Insurance, including accidents (with a limit of not less than \$1,000,000 per accident) and occupation diseases (with a limit of not less than \$1,000,000 per employee).
 - (iii) Where applicable, insurance required by the United States Longshoremen's and harbor Workers' Act, the Federal Employers' Liability Act, and the Jones Act.
- B. Commercial General Liability Insurance, including Contractual Liability, with limits of not less than \$7,500,000 per occurrence for bodily injury or death and not less than \$5,000,000 per occurrence for property damage or a combined single limit of not less than \$7,500,000 per occurrence and, for at least three (3) years after completion of performance hereunder, Products/Completed Operations Liability Insurance with similar but separate and independent limits. The required limits may be met with a combination of primary and excess liability policies. The insurance shall be in policy forms which contain an "occurrence" and not a "claims made" determinant of coverage. There shall be no policy deductibles without Con Edison's prior written approval. The insurance shall contain no exclusions for explosion, collapse of a building or structure, or underground hazards. The insurance policy or policies shall name Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc. and Consolidated Edison, Inc. as additional insureds with respect to the Work and completed operations. There shall be no exclusion for claims by Contractor's or any Subcontractor's employees against Con Edison or O&R based on injury to Contractor's or any Subcontractor's employees. To the extent any Work is in or related to public streets, roadways, walkways, or similar areas and is being performed under a New York State, City of New York, or other municipal permit, the insurance policy or policies shall also name the State of New York, the City of New York or such other municipality as additional insureds. At Con Edison's request, and without any additional cost to Con Edison, the insurance policy or policies shall also name the owners of adjoining properties as additional insureds where any portion of the Work hereunder involves or impacts such adjoining properties.
- C. Commercial Automobile Liability Insurance, covering all owned, non-owned and hired automobiles used by Contractor or any subcontractors, with a combined single limit of not less than \$1,000,000 per accident for bodily injury or death and property damage.
- D. Where the Work involves the use of aircraft, Aircraft Liability Insurance, covering all owned, non-owned and hired aircraft, including helicopters, used by Contractor or any Subcontractors, with a combined single limit of not less than \$7,500,000 for bodily injury or death and property damage.

The insurance policy shall name Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc. and Consolidated Edison, Inc. as additional insureds.

- E. For the asbestos abatement portion and the lead abatement portion of the Work, Asbestos Abatement General Liability Insurance and Lead Abatement Liability Insurance, as applicable, each with a combined single limit of not less than \$7,500,000 for bodily injury or death and property damage. Each insurance policy shall name Con Edison, O&R and Consolidated Edison, Inc. as additional insureds. Where the abatement work is to be performed by a subcontractor, Contractor shall require the subcontractor to name Contractor, Con Edison, O&R and Consolidated Edison, Inc. as additional insureds and to submit copies of the policies to Con Edison.
- F. In the event the Work includes any architectural, engineering, design, or other professional services, Professional Liability Insurance in the amount of not less than \$3,000,000 per occurrence for the duration of the Contract and for at least three years following final completion and acceptance of the Work.

Contractor shall, and shall cause any subcontractor to, furnish Con Edison with written notice at least ten (10) days prior to the effective date of cancellation of the insurance or of any changes in policy limits or scope of coverage. All coverage of additional insureds required hereunder shall be primary coverage and non-contributory as to the additional insureds. All insurance required hereunder shall contain a waiver of subrogation in favor of the additional insureds.

At least three days prior to commencing Work, Contractor shall furnish Con Edison with copies of the policies specified in paragraphs B and E of this Article and Certificate(s) of Insurance covering all required insurance and signed by the insurer or its authorized representative certifying that the required insurance has been obtained. Such certificates shall state that the policies have been issued and are effective, show their expiration dates, and state that Con Edison is an additional insured with respect to all coverages enumerated in paragraphs B, D and E of this Article. Con Edison shall have the right, upon request, to require Contractor to furnish Con Edison, with a copy of the insurance policy or policies required under paragraphs A, C, D and F of this Article.

To the fullest extent allowed by law, Contractor agrees that this is an insured contract and that the insurance required herein is intended to cover each of Con Edison and O&R for its own liability for negligence or any other cause of action in any claim or lawsuit for bodily injury or property damage arising out of the Work.

For purposes of interpretation or determination of coverage of any policy of insurance or endorsement thereto, Contractor shall be deemed to have assumed tort liability for any injury to any employee of Contractor or Con Edison arising out of the performance of the Work, including injury caused by the partial or sole negligence of Con

Edison and notwithstanding any statutory prohibition or limitation of Contractor's contractual obligations hereunder.

In the event of any bodily injury, death, property damage, or other accident or harm arising out of, relating to, or in any way connected with, the Work, Contractor, in accordance with the provisions of the Commercial General Liability Insurance policies, shall promptly and in writing notify the insurer(s) issuing such policies, regardless of the employment status of the person who sustains or on whose behalf the injury, death, damage, accident or harm is alleged. Such notice shall inform such insurer(s) that the notice is being provided on behalf of Contractor and on behalf of Con Edison, O&R and Consolidated Edison, Inc. and that it is intended to invoke the coverage of the policies to protect the interests and preserve the rights of Contractor, Con Edison, O&R and Consolidated Edison, Inc. under the policies in the event that any claim, allegation, suit, or action is made against Contractor, Con Edison, O&R and/or Consolidated Edison, Inc.. In addition, in the event of any bodily injury, death, and property damage, or other accident or harm that is in any way connected with the Work and arises out of, relates to, or is in any way connected with, the use, operation, alteration, repair, or maintenance (including, without limitation, cleaning or painting) of (i) an automobile, truck, or any other kind of land-based vehicle, or (ii) a ship, vessel, boat, barge or other water craft, Contractor, in accordance with the provisions of its Comprehensive Automobile Liability Insurance policies and/or its marine liability insurance (including, but not limited to, Protection and Indemnity Insurance), as applicable, shall promptly and in writing notify the insurer(s) issuing such policies of the same regardless of the employment status of the person who sustains or on whose behalf the injury, death or damage, accident or harm is alleged. Such notice shall inform such insurer(s) that the notice is being provided on behalf of Contractor and on behalf of Con Edison, O&R and Consolidated Edison, Inc. and that it is intended to invoke the coverage of the policies to protect the interests and preserve the rights of Contractor, Con Edison, O&R and Consolidated Edison, Inc. under the policies in the event of any claim, allegation, suit, or action against Contractor, Con Edison, O&R and/or Consolidated Edison, Inc. The notices required by this paragraph shall be in addition to notices that Contractor provides to its insurers issuing policies of Workers' Compensation Insurance, Employer's Liability Insurance, or coverage required by the United States Longshoremen's and Harbor Workers' Act, the Federal Liability Act, or the Jones Act. Simultaneously with providing the written notice required by this paragraph to the applicable insurers, Contractor shall provide a copy of such written notice (including a copy of any incident or accident report and, if applicable, the form C-2 ("Employer's Report Of Work-Related Injury/Illness")), as follows: if the accident or incident occurs in connection with Work for Con Edison, copies shall be sent to : Consolidated Edison Company of New York, Inc., Law Department, 4 Irving Place, New York, N.Y. 10003, Attention: General Litigation-Insurance Specialist, Room 1840; and if the accident or incident occurs in connection with Work for O&R, copies shall be sent to: Orange and Rockland Utilities, Inc., One Bluehill Plaza, Pearl River, NY 10965, Attention: Legal Services, 4th Floor.

Certificates of Insurance identifying the Contract shall be sent to:

Consolidated Edison Company of New York, Inc.
4 Irving Place, 17th Floor
New York, N.Y. 10003

Attention: Purchasing Department
Supplier Management Group (SMG)

38. Taxes. Except as may be expressly provided to the contrary elsewhere in the Contract (and notwithstanding the provisions of Article 47 (Conflicting Documents; Headings"), the Contract price includes all federal, state and local sales, use, excise, occupational, franchise, property, gross receipts, privilege and other taxes that may be applicable to the Work, and all federal, state and local taxes, contributions, and premiums imposed upon or measured by Contractor's and any Subcontractor's payrolls.

39. Amendments. No revision or modification of or amendment to the Contract shall be valid or binding unless in writing and signed by an authorized representative of Con Edison.

40. Assignment. Contractor shall not assign the Contract or any or all of its rights under the Contract without the written consent of Con Edison, and any assignment made without such consent shall be void. In the event of an assignment of the Contract, Contractor shall not be relieved of its obligations under the Contract, but shall be jointly and severally liable with the assignee for all of the Contractor's obligations under the Contract. If Contractor assigns all or any part of any monies due or to become due under this Contract, the instrument of assignment shall contain a clause to the effect that the right of the assignee to any monies due or to become due to Contractor shall be subject to any and all claims based on services rendered or omitted or materials supplied or not supplied in the performance of the Work.

41. Cancellation for Default. In the event Contractor is in default of any of its obligations under the Contract, Con Edison shall have the right, on written notice to Contractor and any sureties, to cancel the Contract for default. Contractor shall be deemed to be in default hereunder if it is in default of any of its obligations under the Contract or makes any statement or performs any act indicating that it will not perform one or more of such obligations (whether or not the time has yet arrived for performance thereof) or rejects the Contract under the United States Bankruptcy Code or ceases to pay its debts promptly or becomes insolvent or commences or has commenced against it any insolvency proceeding or finds its affairs placed in the hands of a receiver, trustee, or assignee for the benefit of creditors. In the event of cancellation for default hereunder, Article 33 (Termination for Convenience), shall not apply, and Con Edison shall have all rights and remedies provided by law and the Contract. Without intending to limit the generality of the foregoing, it is specifically understood and agreed that Con Edison shall have the right, at its election and without prejudice to any other remedies, (i) to exclude Contractor from the construction site, or any portion of the construction site, (ii) to complete or employ a third party to complete the Work or any portion of the Work, and hold Contractor liable for any additional cost occasioned thereby, (iii) to take possession of any or all materials, tools, equipment and appliances at the construction site for the purpose of completing the Work or any portion of the Work, (iv) to compel Contractor to

assign any or all subcontracts with Subcontractors to Con Edison without additional cost or expense to Con Edison, and/or (v) to negotiate new contractual arrangements with Subcontractors for such Subcontractors to complete all or any portion of the work on terms agreeable to Con Edison. Upon Con Edison's request, Contractor shall promptly provide Con Edison with Contractor's sworn statement stating, for each subcontract with each Subcontractor (i) the original price of the subcontract and the price of each change order thereunder together with a description of each such change order, (ii) the amount that Contractor paid under the subcontract and each change order thereunder, and (iii) the amount of retention held by Contractor under the subcontract and each change order thereunder. Following cancellation of the Contract for default, Contractor shall not be entitled to any further payment until the work has been fully completed and accepted, and Con Edison may retain from any money otherwise due Contractor for services rendered prior to cancellation an amount which Con Edison determines is adequate to cover all damage resulting from Contractor's default. If such costs and damages exceed the unpaid balance, Contractor shall pay the difference to Con Edison. Upon cancellation for default of the Contract under this Article, Con Edison shall be entitled to cancel for default any or all other contracts between the Contractor and Con Edison, and such cancellation shall be governed by this Article. Also, a cancellation for default of any other contract between Contractor and Con Edison shall entitle Con Edison to cancel for default the Contract under this Article. In the event that Contractor demonstrates that a cancellation of the Contract and any other contract cancelled for default is erroneous, the cancellation shall, at Con Edison's option, be withdrawn or be deemed to have been issued as a termination for convenience pursuant to Article 33, and the rights and obligations of the parties hereto shall in such event be governed accordingly.

42. Ownership of Documents and Materials; Ownership of Intangible Property

- A. With respect to all documents and materials, including, but not limited to, drawings, plans, specifications, reports, books, photographs, films, tapes, recordings, models, computer programs and source code created or otherwise prepared by Contractor in connection with Work ordered for Con Edison (hereinafter, "Con Edison Materials"), regardless of any statements thereon or therewith purporting to make them confidential or to limit the use Con Edison may make of them, shall be the sole and exclusive property of Con Edison. To the extent that any of the Con Edison Materials comprises copyrightable subject matter, such Materials and the copyrights relating thereto shall be considered "works made for hire" under the copyright law of the United States, and the equivalent of works made for hire as recognized under the copyright laws of other countries. To the extent that any of the Con Edison Materials is not deemed a work made for hire, Contractor hereby assigns to Con Edison such Con Edison Materials, without any requirement of further consideration, all right, title, and interest in and to such Con Edison Materials and the copyrights relating thereto. To the extent that any of the Con Edison Materials does not comprise copyrightable subject matter, Contractor hereby assigns to Con Edison, without any requirement of further consideration, all right, title, and interest in and to all such Con Edison Materials and all intellectual property rights related thereto. Upon the request of Con Edison, Contractor shall execute

any documents that Con Edison deems necessary to effectuate such assignments.

- B. With respect to all documents and materials, including, but not limited to, drawings, plans, specifications, reports, books, photographs, films, tapes, recordings, models, computer programs and source code created or otherwise prepared by Contractor in connection with Work ordered for O&R (hereinafter "O&R Materials"), regardless of any statements thereon or therewith purporting to make them confidential or to limit the use O&R may make of them, shall be the sole and exclusive property of O&R. To the extent that any of the O&R Materials comprises copyrightable subject matter, such O&R Materials and the copyrights relating thereto shall be considered "works made for hire" under the copyright law of the United States, and the equivalent of works made for hire as recognized under the copyright laws of other countries. To the extent that any of the O&R Materials is not deemed a work made for hire, Contractor hereby assigns to O&R such O&R Materials, without any requirement of further consideration, all right, title, and interest in and to such O&R Materials and the copyrights relating thereto. To the extent that any of the O&R Materials does not comprise copyrightable subject matter, Contractor hereby assigns to O&R, without any requirement of further consideration, all right, title, and interest in and to all such O&R Materials and all intellectual property rights related thereto. Upon the request of O&R, Contractor shall execute any documents that O&R deems necessary to effectuate such assignments.
- C. All inventions, concepts, techniques, processes, improvements, discoveries and ideas, whether patentable or not, conceived by Contractor, its officers, employees, agents or subcontractors in connection with any services ordered or performed for Con Edison (collectively, the "Con Edison Work Product") shall belong solely to Con Edison. Contractor shall disclose immediately to Con Edison all Con Edison Work Product upon its conception. Contractor hereby assigns to Con Edison, at the time of conception of the Con Edison Work Product and without any requirement of further consideration, all right, title and interest in and to all such Con Edison Work Product and all intellectual property rights related thereto. Upon the request of Con Edison, Contractor shall execute any and all documents that Con Edison deems necessary to effectuate and confirm such assignment. Notwithstanding the foregoing, in the event Contractor has incorporated into the Con Edison Work Product any intellectual property that was created prior to the effective date of the Contract that is not owned by Con Edison or O&R ("Prior Work") and such Prior Work is specifically identified in writing to Con Edison, then such Prior Work shall remain the property of Contractor, and Contractor hereby grants to Con Edison, a non-exclusive, royalty-free, perpetual worldwide license to use, copy, reproduce, publish, disclose and distribute the Prior Work to the extent it is incorporated into the Con Edison Work Product, and to make modifications thereto. Contractor shall not cause or permit the disclosure to any third party of any material information concerning the Con Edison Work Product without the

express prior written consent of Con Edison, which consent may be withheld in the sole and unfettered discretion of Con Edison.

- D. All inventions, concepts, techniques, processes, improvements, discoveries and ideas, whether patentable or not, conceived by Contractor, its officers, employees, agents or subcontractors in connection with services ordered or performed for O&R, (collectively, the "O&R Work Product") shall belong solely to O&R. Contractor shall disclose immediately to O&R all O&R Work Product upon its conception. Contractor hereby assigns to O&R, at the time of conception of the O&R Work Product and without any requirement of further consideration, all right, title and interest in and to all such O&R Work Product and all intellectual property rights related thereto. Upon the request of O&R, Contractor shall execute any and all documents that O&R deems necessary to effectuate and confirm such assignment. Notwithstanding the foregoing, in the event Contractor has incorporated any Prior Work into the O&R Work Product and such Prior Work is specifically identified in writing to O&R, then such Prior Work shall remain the property of Contractor, and Contractor hereby grants to O&R, a non-exclusive, royalty-free, perpetual worldwide license to use, copy, reproduce, publish, disclose and distribute the Prior Work to the extent it is incorporated into the O&R Work Product, and to make modifications thereto. Contractor shall not cause or permit the disclosure to any third party of any material information concerning the O&R Work Product without the express prior written consent of O&R which consent may be withheld in the sole and unfettered discretion of O&R.

43. Relationship of Parties. Contractor shall be an independent contractor in the performance of the Work. No right of supervision, requirement of approval or other provision of the Contract and no conduct of the parties shall be construed to create a relationship of principal and agent, partners or joint venturers between the parties, or joint employers of Contractor's employees.

44. Third Party Rights. O&R is a third party beneficiary of the Contract and may enforce the Contract. Con Edison's affiliates and other non-parties referenced in Articles 4, 7, 14, 17, 19, 25, 27, 29, 31, 35, 36, 37, 44 and 56 are third party beneficiaries and may enforce those Articles and any other articles in which the affiliates or non-parties are specifically referenced. There are no other third party beneficiaries of the Contract.

45. Waiver. Neither the acceptance of the Work or any part thereof nor any payment therefor nor any order or certificate issued under the Contract nor any performance by Con Edison of any of Contractor's duties or obligations nor any failure by Con Edison to insist on strict performance by Contractor of any of the Contract terms or to otherwise assert its rights shall be deemed to be a waiver of any provision of the Contract or of any rights or remedies to which Con Edison may be entitled because of any breach hereof. No cancellation or rescission hereof in whole or as to any part of the Work because of breach hereof shall be deemed a waiver of any money damages to which Con Edison may be entitled because of such breach. No waiver shall be effective against Con Edison unless in writing and signed by Con Edison's authorized representative, and any such

waiver shall be effective only with respect to the particular event to which it specifically refers.

46. Set-Off. Con Edison shall have the right to set off against any sums due Contractor under the Contract or any other contract between Con Edison and the Contractor or otherwise, any claims Con Edison may have against Contractor under the Contract or any other contract between Con Edison and Contractor or otherwise, without prejudice to the rights of the parties in respect of such claims.

47. Conflicting Documents; Headings. To the extent, if any, that the specifications, plans, drawings and other documents that may be incorporated herein conflict with any typewritten provision of the BPA, CPA or purchase order form or the Standard Terms and Conditions of which this Article is a part, the typewritten provision of the BPA, CPA or purchase order form and these Standard Terms and Conditions shall take precedence and govern. In any instance where there is a conflict or inconsistency between a typewritten provision of the BPA, CPA or purchase order form and these Standard Terms and Conditions, the Standard Terms and Conditions shall take precedence and govern unless the typewritten provision of the BPA, CPA, purchase order form or any special conditions incorporated by reference therein expressly refers by number and title to the conflicting or inconsistent provision in these Standard Terms and Conditions and states that such provision does not apply, in which case the conflicting or inconsistent typewritten provision of the BPA, CPA, purchase order form or any special conditions incorporated by reference therein shall take precedence and govern. In the event that Contractor's offer is referred to in the Contract, in any instance where any provisions of the offer are in conflict or inconsistent with other provisions of the Contract, unless there is a clear statement to the contrary in the Contract, such other provisions of the Contract shall take precedence and govern. All rights and remedies provided by the Contract shall, unless otherwise specified herein, be deemed to be cumulative so as to exist in addition to one another and to any other rights and remedies provided by law. The headings of the articles, sections and paragraphs of the Contract are for convenience only and shall not be construed to limit or qualify the meaning of any such article, section or paragraph.

48. Notices. All notices required or permitted to be given under the Contract shall be in writing and given by either party by personal delivery, by reputable overnight courier or certified mail, return receipt requested, addressed to the other at the address shown in the Contract. The address of either party may be changed by written notice to the other.

49. Entire Agreement. The Contract, as it may be amended in accordance with Article 39 (Amendments) of these Standard Terms and Conditions, contains the entire agreement between Con Edison and Contractor with respect to its subject matter. If any provision of the Contract is or becomes legally invalid or unenforceable, the remainder of the Contract shall not be affected thereby. Any prior or contemporaneous oral or written understandings or agreements relating to the subject matter of the Contract are merged herein.

50. Governing Law. The Contract shall be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the State of New York, applicable to agreements made and to be performed in that state.

51. Waiver of Trial by Jury. Contractor hereby waives trial by jury in any action, proceeding or counterclaim brought by either party against the other on all matters whatsoever arising out of or in any way connected with the Contract or any claim of damage resulting from any act or omission of the parties in any way connected with the Contract.

52. Submission to Jurisdiction/Choice of Forum.

- A. Contractor hereby irrevocably submits to the jurisdiction of the state and federal courts situated in the City of New York or in Westchester or Rockland County with regard to any controversy arising out of or relating to the Contract. Contractor agrees that service of process on Contractor in relation to such jurisdiction may be made, at the option of Con Edison, either by registered or certified mail addressed to Contractor at the address shown in the Contract or at the address of any office actually maintained by Contractor, or by actual personal delivery to Contractor. Such service shall be deemed to be sufficient when jurisdiction would not lie because of the lack of a basis to serve process in the manner otherwise provided by law. In any case, however, process may be served as stated above whether or not it may be properly served in a different manner.
- B. Contractor consents to the selection of the state and federal courts situated in the City of New York or in Rockland or Westchester County as the exclusive forums for any legal proceeding arising out of or relating to the Contract. Contractor also agrees that all discovery in any proceeding will take place in the City of New York or in Westchester or Rockland County.

53. Limitation on Time to Sue. No action shall be brought by Contractor based on any controversy or claim arising out of or related to the Contract, or any breach thereof, more than two years after accrual of the cause of action.

54. Performance of Work During Pendency of Disputes. If any claim or dispute shall arise under or relating to the Contract or the Work, Contractor shall continue, during the pendency of such claim or dispute, to perform the Work and comply with all other obligations under the Contract as though no such claim or dispute had arisen. Except as otherwise provided in the Contract, during the pendency of any such claim or dispute, Contractor shall be entitled to receive payments from Con Edison only with respect to non-disputed items or matters, and payments, if any, with respect to disputed items or matters shall be deferred until final resolution of the claim or dispute. Nothing in this Article 54 shall be construed to affect the provisions of Article 16.

55. Enablement in the Procurement System. In the event Contractor is not presently enabled in the Procurement System (Oracle E-Business Suite iSupplier) to transact business electronically with Con Edison (which includes receiving requests for quotation, submitting bids, receiving orders and submitting invoices), Contractor shall promptly become enabled.

56. Gift Policy and Unlawful Conduct. Contractor is advised that it is a strict Con Edison policy that neither employees of Con Edison nor their family members, agents, or designees, shall accept gifts, whether in the form of a payment, gratuity, service, loan, thing, promise, or any other form (collectively "Gift"), from contractors, sellers, or others transacting or seeking to transact any business with Con Edison. Accordingly, Contractor, its employees, agents and Subcontractors are strictly prohibited from offering or giving any Gift to any employee of Con Edison or O&R or any employee's family member, agent, or designee, whether or not made with intent to obtain special consideration or treatment and whether or not the employee is involved in the Work to be performed under the Contract. Furthermore, Contractor is prohibited from engaging in fraudulent or unlawful conduct in the negotiation, procurement, or performance of any contract between Con Edison and the Contractor or any work performed for or on behalf of Con Edison, or in any other dealings relating to Con Edison. Contractor represents, warrants, and covenants that Contractor, its agents, employees, representatives and Subcontractors have not engaged and will not engage in any of the acts prohibited under this Article. Upon a breach of any these representations, warranties, or covenants and/or the commission of any act prohibited under this Article, Contractor shall be in default under the Contract and all other contracts between Con Edison and Contractor and (a) Con Edison may, in its sole discretion, cancel for default the Contract and any other contract between Con Edison and Contractor, (b) Con Edison may, in its sole discretion, remove Contractor from Con Edison's list of qualified bidders, (c) Contractor shall have forfeited all rights it has under the Contract and any other contracts between Con Edison and Contractor (including, but not limited to, the right to payments for work performed or goods furnished), and (d) Con Edison shall have no further obligations to Contractor relating to such contracts. In addition, Contractor shall be liable to Con Edison for all damages caused to, and costs incurred by, Con Edison as a result of any violation of this Article, including the costs and expenses of internal and external attorneys and investigations. Whenever Con Edison has a good faith reason to believe that Contractor may have violated this Article, and conducts an investigation into such potential violation, then, to the fullest extent permitted by law, no payments shall be due Contractor under the Contract or any other contract between Con Edison and Contractor during the pendency of such investigation. The remedies set forth in this Article are non-exclusive, and Con Edison expressly reserves all rights and remedies under such contracts, and in law and equity. For the purposes of this Article, the term "Con Edison" shall include all of Con Edison's affiliates (including, but not limited to, O&R). Contractor shall promptly report any alleged violation of this Article to the Vice President of Purchasing or to the Ethics Helpline at 1-855-FOR-ETHX (1-855-367-3849).

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