

## NON-DESTRUCTIVE EXAMINATION AND TESTING SERVICES FRAMEWORK AGREEMENT

This agreement, made and entered into on the date (commencement date) when signed by the party signing last in time, by and between National Grid Service Company, Massachusetts Electric Company, Nantucket Electric Company and New England Power Company, each a Massachusetts corporation with principal office at 40 Sylvan Road, Waltham, Massachusetts 02451; Granite State Electric Company, a New Hampshire corporation, with principal offices at 9 Lowell Road, Salem, New Hampshire 03079; The Narragansett Electric Company, a Rhode Island Corporation, with offices at 280 Melrose Street, Providence, Rhode Island 02901; KeySpan Gas East Corporation, with offices at 175 East Old Country Road, Hicksville, NY 11801; Niagara Mohawk Power Corporation, with offices at 300 Erie Boulevard West, Syracuse, New York 13202; each a National Grid Company ; (the “National Grid Companies” and each, individually, a “National Grid Company” or “Owner; and Quality Inspection Services, Inc, refer herein as “Contractor”, a New York company, having its principal offices at Buffalo, New York 14202 for the services identified as:

### NATIONAL GRID COMPANIES

Non-Destructive Examination and Testing

ELECTRIC DISTRIBUTION, TRANSMISSION, GAS DISTRIBUTION AND SUBSTATION  
VARIOUS LOCATIONS

Oracle Purchase Order #650517

PeopleSoft Purchase Order #

The following documents, including all attached schedules, appendices, exhibits or other attachments thereto, shall together constitute a binding Agreement between the Parties and are incorporated by reference as if fully set forth herein, and are hereinafter referred to collectively and individually as the "Contract Documents" or the “Agreement”:

1. Agreement
2. Schedule A, National Grid Terms & Conditions for Consulting Services Firm 00400
3. Schedule B, Scope of Services/Specification
4. Schedule C, Pricing (Rates) Sheet and Per Diem Map

5. Schedule D, Sample Report – Semi-annual Performance Review KPI's
6. Schedule E, Release & Lien Forms
7. Schedule F, Contractor's Insurance Requirements
8. Schedule G, Safety and Site Rules
9. Schedule H, Environmental Requirements

#### ARTICLE 1 - PROJECT SERVICES

The Contractor hereby agrees to provide all materials, equipment, apparatus, tools, labor, services, and facilities and everything incidental, requisite and proper to perform all the Work, Work shall mean any of the services / roles to be undertaken by the Contractor following instruction by the Owner through a Project Contract an individual project to be procured by the Owner in relation to its project related support services and other business related requirements as more particularly described in a relevant Project Contract issued by the Owner pursuant to the procedure in Schedule B – Scope of Services/Specification of this Agreement. The Owner has categorized this work as “HIGH RISK”. The Contractor shall immediately confirm in writing that they are a good standing member of ISNetworld.

#### ARTICLE 2 – DURATION OF AGREEMENT

This Agreement shall commence, or shall be deemed commenced, on the commencement date and unless lawfully terminated earlier shall continue in force for a period ending January 31, 2014. This Agreement may be extended at the sole discretion of the Owner by a minimum period of one (1) year on up to two occasions, subject to a maximum total extension of two (2) years, by way of a written notice by the Owner to the Contractor no later than three (3) months prior to the initial three year Term, or three months prior to the expiration of each such extension. This Agreement shall be deemed to remain in force to the extent the Contractor continues to provide work under any relevant Project Contract after the expiration of the Term of this Agreement.

### ARTICLE 3 – DISTRIBUTION OF PROJECT SERVICES

The Owner, at its sole discretion, will assign Work in accordance with the scope of services to the Contractor. Such work shall be performed by the Contractor in accordance with all terms and conditions of this agreement.

### ARTICLE 4 – CONTRACTOR’S GENERAL OBLIGATIONS

The Contractor shall, and shall ensure that its employees, agents and sub-contractors shall, during the Term of this Agreement:

- 4.1 Undertake Work, including any further services instructed by the Owner in accordance with this Agreement.
- 4.2 Perform the Work in a timely and efficient manner in compliance with all Statutory Requirements, all relevant technical, professional or other applicable standards, including but not limited to policies, standards and specification issued by the Owner, and all other applicable provisions of this Agreement
- 4.3 Carry out the Work as a minimum in accordance with Good Industry Practice.
- 4.4 Maintain well documented records and other relevant information relating to the Work in accordance with Good Industry Practices.
- 4.5 To the extent applicable to the Work comply with any requirements of the Owner, including but not limited to health and safety, IT security and operational requirements which apply to access to and use of any of the Owner’s sites, facilities, equipment and/or systems.
- 4.6 Insure the complete accuracy of the final product requested by the Owner, corrections, additional work and incurred expenses brought on to the Contractor as a result of the inaccuracy will be borne solely on the Contractor.
- 4.7 Prepare for and attend semi-annual performance review meetings with the appropriate Owner’s representatives, for the purpose of measuring the Contractor’s performance in accordance with the key performance indicators contained in Schedule G of this Agreement. The Contractor shall ensure the meetings are attended by the executive sponsor, project manager(s), and sr. engineer(s), and others so requested at the sole

discretion of the Owner, the associated cost incurred by the Contractor to prepare and attend these meetings are not directly related to delivery of the Work, and shall not be considered reimbursable. In addition, the Contractor shall prepare for and attend any post-project service review meeting, as deemed necessary by the Owner.

## ARTICLE 5 – PROJECT CONTRACT AND PAYMENTS

- 5.1 The Contractor agrees and acknowledges that it has not entered into this Agreement with the Owner in reliance upon any statement, estimate or forecast of the volume, monetary amount or duration of the Work that may have been expressed or given in any communication from the Owner. The Contractor agrees and acknowledges that it is appointed by the Owner to provide the Work under this Agreement on the basis of a non-exclusive arrangement with no guarantee of any minimum award of Work and further that the Owner may secure any services similar in nature to the Work from any other person or entity without the consent of or any liability whatsoever toward the Contractor. The Contractor shall not be entitled to recover any costs associated with any perceived reduction or shortfall in the Work compared to any statements estimates or forecasts provided by the Owner.
- 5.2 During the Term of this Agreement the Owner may instruct the Contractor to carry out the Work in relation to a Project by issuing a Project Contract to the Contractor. The Owner and the Contractor agree and acknowledge that in the event of any such Project Contract being issued the Parties shall be bound by the provisions of the Project Contract governing the particular Project and in the event of any inconsistency or conflict between the provisions of this Agreement and the provisions of the relevant Project Contract then the provision of this Agreement prevail save where this Agreement or the Project Contract expressly state otherwise. In the avoidance of doubt the Project Contract shall only need to be signed by the Owner and issued to the Contractor for the Parties to be bound by the provision of said Project Contract.
- 5.3 The Payment entitlement of the Contractor under each Project Contract shall be determined as set out in such Project Contract, by reference to the rates and pricing information contained in Schedule C – Pricing (Rate) Sheet of this Agreement.

- 5.4 The Owner may from time to time make necessary changes to the conditions of the contract to be incorporated into each Project Contract that it reasonably requires with the consent of the Contractor.
- 5.5 The Contractor agrees that it shall share cost information with the Owner and/or its authorized representative(s) on an open book basis to ensure that the components which make up any Contractor's claimed payment are clearly defined.
- 5.6 The Owner shall be entitled to audit various elements of any arrangement, agreement, methods and processes that the Contractor implements pursuant to this Agreement, including auditing any Project Contract(s) to ensure compliance with pricing, and any Project Contract(s) to monitor compliance with technical safety and procedural requirements.
- 5.7 All invoices shall be submitted and payments made in accordance with and subject to the terms and conditions set forth in the General Conditions. The invoice shall reference the Project Contract reference number as well as the name of the Owner and representative authorizing Project Services. For work performed in Rhode Island, Albany, Syracuse, or Buffalo the invoice shall reference the PeopleSoft purchase order number. For work in Boston, Northern Massachusetts & Worcester, Cape Cod, or downstate New York the invoice shall reference the Oracle standard purchase order issued for the project.

*Send Original Invoice to:*

Owner's authorizing Company

Accounts Payable Dept.- Building C-1  
Attention: National Grid Representative  
300 Erie Boulevard West  
Syracuse, NY 13202

Additionally, Contractor is to send complete hard copy to the National Grid Project Representative.

## ARTICLE 6 - SCHEDULE

Any Work to be performed under this Agreement shall be commenced on the date specified in the relevant Project Contract, and shall be completed in accordance with regulatory requirements as applicable and in accordance with the applicable schedule. The Contractor shall prepare updated schedules as requested by the Owner.

## ARTICLE 7 - CONFIDENTIALITY

The Contractor shall keep confidential all information connected with the business of the Owner or the business of any third party with whom the Owner has a business relationship and which comes to the Contractor's knowledge under or as a result of entering into this Agreement.

## ARTICLE 8 - SEVERAL LIABILITIES

The rights and obligations of each National Grid Company in connection herewith shall be several and not joint. Any claims Contractor may have against the Owner under a particular Project Contract, including without limitation any claims for payment or claims based on damages or other liability, may apply only to such individual National Grid Company, and may not be sought from any other National Grid Companies, regardless of whether they are the Owner under other Project Contracts. Contractor hereby explicitly waives any right it may have for recovery against any National Grid Company other than the National Grid Company identified as the Owner on a particular Project Contract, for all matters arising out of or connected to such individual Project Contract.

## ARTICLE 9 - ENTIRE AGREEMENT

This Agreement, including all Contract Documents, constitutes the entire Agreement between the Owner and the Contractor, with respect to the subject matter herein, and all previous representations relative thereto, either written or oral are hereby annulled and superseded. No modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of each party hereto.

ARTICLE 10 – ADDITIONAL NATIONAL GRID COMPANIES

With the approval of the National Grid Companies, any current or future affiliate of such companies may become a party to this Agreement at its discretion. Contractor agrees that it shall execute any documents, including any amendments to this Agreement or any letter of acknowledgement that such affiliate reasonably believes to be necessary to effect its inclusion as a party under this Agreement. Once included as a party, such affiliate may exercise all rights afforded to the National Grid Companies under this Agreement.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed by its duly authorized representative on the day and year set forth below.

Contractor:

Quality Inspection Services Inc

Granite State Electric Company

Massachusetts Electric Company

Nantucket Electric Company

The Narragansett Electric Company

National Grid USA Service Company

New England Power Company

Niagara Mohawk Power Corporation

By: \_\_\_\_\_

By: Ross Turrini

Sign. \_\_\_\_\_

Sign. \_\_\_\_\_

Title: \_\_\_\_\_

Title: Vice President - US Procurement

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **SCHEDULE A**

### **TERMS & CONDITIONS FOR A CONSULTING SERVICES FIRM**



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REQUIREMENTS-L

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## **SCHEDULE B**

### **SCOPE OF SERVICES/SPECIFICATION**

Work to be performed by the Contractor shall be governed by the specifications listed below. National Grid will notify the Contractor of any changes or revisions to these specifications during the course of this contract. It is not expected that any such revision will cause an increase to the rates in Schedule F, however, Contractor is may file a claim or notice with National Grid for rate relief caused by any such revision.



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## SCHEDULE C

### **PRICING (RATES) SHEET AND PER DIEM MAP**

The pricing rate sheet contains a per diem rate based on the GSA per diem rate. Invoices containing this rate will be accepted for payment only if the Contractor obtains written authorization from the Owner's representative. It is expected that representatives of the Contractor and Owner will discuss the application of the per diem cost on a case by case basis. For certain long term NDE projects it may be beneficial for both parties to agree on a more cost effective means of compensating the Contractor's employee expenses than the per diem rate. Again these will be determined on a case by case basis.

Representatives of the Contractor who are expected to discuss the application of the per diem rate on a case by case basis include, but are not limited to, Don Herzog and Adam Purtell.

Representatives of the Owner who are expected to discuss the application of the per diem rate on a case by case basis include, but are not limited to, Tom Picciott, Ed McCaffrey, Peter Kenny, Gerald Lundquist, John Fiske, Al Marsocci, Kwan Yong, Nicholas Caracciolo, Brian McMorrow, and Reginald C. Bell.

Price Rates:

  
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and Settings\gisor

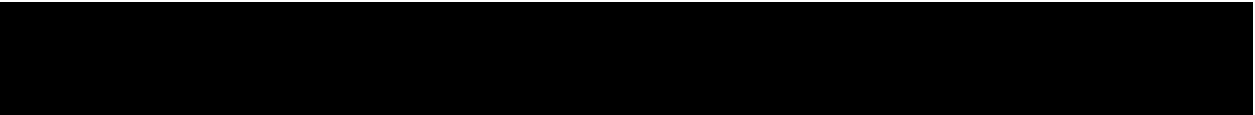
Per diem Map: Only areas outside the circles qualify for a potential per diem discussions as described above.

  
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AUT - Sundays & Holidays  
Calibration Block  
Procedure development  
AUT Weekly Rate - ( 5 Days/M-F-40 hours)

Hour  
Each  
Each



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Regular: First eight (8) Hours: On-site working Hours  
Overtime Hours in additional to first eight (8) hours, not including traveling  
Saturdays Saturdays 12:01 AM to 12:00 PM  
Sundays & Holidays Sundays & Observed Holidays: New Year's Day; MLK Day; President's Day; Memorial Day; 4th of July; Labor Day; Thanksgiving; Christmas Day

Additional Notes:

- \* - Applus RTD/QISI shall reference the Non Per Diem Working area's map as a definition for chargeable per diem areas. It shall be understood that it is optional to bill per diem out side of the defined areas and not a standard operating situation.
- \*\* By definition the cape region shall be a satellite facility.

## **SCHEDULE D**

### **KEY PERFORMANCE INDICATORS**

The Owner is seeking continuous improvement in the Contractor's performance and it will continually assess against set performance criteria. The Contractor's performance will be measure in the following areas, failure to meet the pre-defined criteria may, at the sole discretion of the Owner, may result in the termination of this Agreement.

The following gives a brief outline of the Key Performance Indicators (KPIs) by which the Contractor will be assessed.

- Quality: The Contractor's performance will be continually monitored against providing an accurate final product to the Owner.
- Financial: The Contractor will be expected to deliver the Work in accordance with the pricing rate sheet in Schedule C.
- Schedule: The Contractor will be monitored on its ability to deliver the services within the agreed time frame.
- Safety / Environment: The Contractor's performance will be continually monitored against the pre-defined Safety & Environmental criteria.
- Performance: The Contractor is responsible for meeting the minimum requirements stipulated in any of the KPIs, the Owner may apply at its sole discretion any of the following remedies against the Contractor;
  - Withhold the issue to the Contractor of future Work
  - Any other remedies, including but not limited to termination of this Agreement, or remedies expressly referred to elsewhere in this Agreement.

## **SCHEDULE E**

### **RELEASE & LIEN FORMS**



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REQUIREMENTS-I**

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## **SCHEDULE F**

### **CONTRACTOR'S INSURANCE REQUIREMENTS**

To be provided by Contractor.

National Grid Corporate Services LLC, and National Grid Corporation, Risk Management, One MetroTech Center, Brooklyn, New York 11201 must be named as additional insured on the certificate. Please have your insurance broker make the change.

## **SCHEDULE G**

### **SAFETY AND SITE RULES**

The Contractor meets safety requirements as stated in ISNetworld and as of the date this agreement is signed has a National Grid dash board grade of “C” or better.



## **SCHEDULE H**

### **ENVIRONMENTAL REQUIREMENTS**



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REQUIREMENTS-I**

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