BID PACKAGE NO. 05500

STRUCTURAL STEEL

MERCK & COMPANY, INC.
14887 MERCK B71 QO LAB CARDS

2278 SE SIDE HIGHWAY
ELKTON, VA 22827

IPS PROJECT NO. COR 14887

ISSUED FOR BID: 7/15/2015
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1.0 INVITATION TO BIDDERS

PROJECT:  Merck & Company, Inc.
14887 Merck B71 QO Lab Facility
2278 SE Side Highway
Elkton, VA 22827

IPS PROJECT NO.:  COR 14887

BID DUE DATE:  7/28/2015
               05:00 PM

BID PACKAGE SCOPE:  Structural Steel

BID PACKAGE NUMBER:  05500

Based on your company’s pre-qualification, you are invited to submit a proposal for the Structural Steel work for the Merck & Company, Inc. 14887 Merck B71 QO Lab Facility in 2278 SE Side Highway Elkton, VA 22827.

The following documents are furnished as part of this bid package and shall be the basis of your proposal.  These documents shall be made a part of any Agreement resulting from this bid package.

1. Invitation to Bidders
2. Confirmation of Intent to Bid
3. Instructions to Bidders
4. Form of Proposal
5. Scope of Work
6. Contract Drawings and Specifications
8. Project Schedule
9. Form of Contract

Proposals will be received in the Integrated Project Services (IPS) office at 721 Arbor Way, Suite 100, Blue Bell, PA 19422 on 7/28/2015 until 05:00 PM EST. Proposal must be sent to the attention of Raymond Hvizdos. The bid opening will be private. Every effort will be made to provide an outcome by 8/7/2015. Proposals shall be submitted on the forms provided in this bid package.

**PROPOSALS MUST BE SUBMITTED IN TRIPlicate IN A SEALED ENVELOPE BY THE BID DUE DATE.**

Bidders shall thoroughly review this document in its entirety. In particular, attention should be initially directed to Section 3.0, Instructions to Bidders.
2.0 CONFIRMATION OF INTENT TO BID

DATE: June 26th, 2015

Integrated Project Services
721 Arbor Way, Suite 100
Blue Bell, PA 19422

RE: Merck & Company, Inc.
14887 Merck B71 QO Lab Cards
2278 SE Side Highway
Elkton, VA 22827
IPS Project No. COR14887
Bid Package 05500: Structural Steel

Dear Raymond Hvizdos:

We hereby acknowledge receipt of the complete set of bidding documents for the work referenced above, and we confirm that:

( ) We do intend to submit a proposal to perform the subject work. We understand that:
   • All bids must be submitted on or before the bid due date.
   • Bids will be prepared at our own cost.
   • Merck & Company, Inc. and IPS reserve the right to reject any and all bids.
   • Merck & Company, Inc. and IPS reserve the right to waive portions of the bid process.

( ) We do not intend to offer a proposal to perform the subject work, and we are hereby returning the bidding documents that we received. The reason(s) we decline to offer a proposal are:

Sincerely,

____________________________________
Name of Officer of Company

____________________________________
Firm
3.0 INSTRUCTIONS TO BIDDERS

PROJECT: Merck & Company, Inc.
14887 Merck B71 QO Lab Cards
2278 SE Side Highway
Elkton, VA 22827

IPS PROJECT NO.: COR 14887

BID DUE DATE: 7/28/2015
05:00 PM

BID PACKAGE SCOPE: Structural Steel

BID PACKAGE NUMBER: 05500

IPS will receive proposals for the above referenced work until the day and time specified in Section 1.0. IPS has been retained by Merck & Company, Inc. to design and manage the construction of the 14887 Merck B71 QO Lab Facility in Elkton, VA 22827.

All bidders shall strictly adhere to the following requirements:

3.1 PREBID MEETING

The Prebid meeting will be held 10:00 AM on 7/22/2015 in the IPS Offices
2278 SE Side Highway
Elkton, VA 22827.

3.2 ALTERNATE BIDS AND SUBSTITUTIONS

No modifications to, or deviation from, the design drawings and specifications shall be made. BIDDER MUST BE RESPONSIVE TO THE REQUIREMENTS OF THE BID PACKAGE. Alternate bids that are not specifically called out in the Bid Package may be considered at sole option of IPS provided the requirements for the Bid Package have first been met.

Whenever an item is specified by reference to manufacturer or supplier, trade name, catalog number, or the like, it is so specified for the purpose of establishing a standard of quality and shall be considered a Bid Package requirement. Any item manufactured by others, which will meet or exceed the specified item’s design parameters may be proposed as an alternate to the base Bid Package and may be considered by IPS at its sole option. In order for an alternate to be considered, however, the Bidder must submit for review and acceptance clear and documented evidence that the alternate does in fact meet or exceed the parameters specified.

3.3 ACCESS TO THE FACILITY

If you wish to visit the site, please contact Raymond Hvizdos at 973.960.0620 to schedule your visit to the site. An IPS representative must accompany all bidders during site visits. No exception to this rule is permitted. Visitors must bring their own hardhat and safety glasses when visiting the site. PPE will not
be provided by IPS and site access will not be granted unless the proper safety equipment is obtained by the visitor.
3.4 FORM OF PROPOSAL

Proposals must be submitted on the forms provided in this bid package. Proposals must be signed by a corporate officer or the President of the firm and must bear the seal of the corporation. All information on the enclosed forms must be provided. All bidders are invited to copy the enclosed form of proposal onto their letterhead. Alternatively, you may provide your e-mail address to Raymond Hvizdos and the enclosed form of proposal document will be provided in Word format.

The hard copy of each proposal delivered to IPS shall be in a sealed envelope on the prescribed Form of Proposal in triplicate. The Project Name and Project Number shall be clearly identified on the cover of the envelope. All blank spaces for proposal prices must be completed and total amounts indicated in both words and figures. In case of discrepancies between amount shown in words and amount shown in figures, the amount shown in words shall take precedence.

Bid prices shall be firm through completion of field construction with no claims for material or labor cost escalation, delays, or acceleration. Start and completion dates may be reasonably adjusted by IPS to reflect actual construction needs and normal coordination requirements.

3.5 PROPOSAL DELIVERY

Deliver proposals to: Integrated Project Services
721 Arbor Way, Suite 100
Blue Bell, PA 19422

Proposals are due in the offices of Integrated Project Services on or before 7/28/2015 at 05:00 PM EST.

Faxed proposals will not be accepted.

3.6 QUESTIONS

Please email all bid questions to the attention of Raymond Hvizdos at rhvizdos@ipsdb.com.

3.7 DRAWINGS

IPS and the Owner reserve the right to reproduce any and all drawings or prints considered necessary for engineering, construction or other purposes which are received from the Successful Bidder after award of Contract, despite any notice to the contrary appearing on such drawings or prints.

3.8 ADDENDA

All modifications to the bid documents will be made by official addenda. Every effort to advise bidders on project related changes will be made. Addenda will be sent in written form via email.

Any oral interpretation, not documented in writing to all bidders prior to bid opening or referenced in the bid proposal, shall be considered as privileged information and as such not considered binding. Any and all interpretations and any supplemental instructions will be provided in written format. All addenda so issued shall become part of the bidding documents, and shall be acknowledged in the Bidder’s proposal in the space provided.

3.9 INFORMATION

The information in this bid package represents a good faith effort to provide as much information as possible for bidding purposes.
3.10 PROJECT CONTACTS

The following IPS personnel may be contacted for questions:

Raymond Hvizdos (Project Manager): 973.960.0620
John Whitlatch (Superintendent): 215.817.8908
Matthew Butts (Project Engineer): 267.265.6801

3.11 BID OPENING

Proposals will be opened privately. Bidders will not be invited to the bid opening. IPS will make every effort to provide the outcome of the bid process by 8/7/2015.

3.12 BID EXPIRATION

All Bids shall be valid for a period of not less than ninety (90) days.

3.13 ITEMIZATION

The Bidder agrees to further itemize the Bid Price when requested.

3.14 DOCUMENT EXAMINATION

It is the Bidder’s responsibility to assure that all documents referenced in the Bid Package have been included. Should a Bidder find discrepancies in, or omissions from, the Bid Package or should it be in doubt as to their meaning, the Bidder will at once request clarification. Failure to identify discrepancies or omissions immediately shall be understood to indicate the Bidder’s acceptance and full compliance.

3.15 EXCEPTIONS, EXCLUSIONS AND CLARIFICATIONS

Technical exceptions, exclusions and clarifications may be grounds for rejection of the proposal if such exceptions are interpreted as a deviation, or a deletion from the requirements of the Specification, especially if the proposed price is affected. If the Bidder, with due consideration of the risk of the rejection of the proposal believes that technical exceptions must be taken, all such exceptions must be specifically and clearly defined and listed on the Proposal Form under "Technical Exceptions".

Commercial exceptions, exclusions and clarifications to the terms and provisions of the Bid Documents may be grounds for rejection of the proposal. If the Bidder, with due consideration of the risk of the rejection of the proposal, believes that exceptions must be taken, all such exceptions must be specifically and clearly defined and listed on the Proposal Form under "Commercial Exceptions". Reference must be made to particular Article number, paragraph and page number in order for exceptions to be given consideration. Inclusion of Bidder’s printed Terms and Conditions are not considered specific exceptions and shall be cause for rejection.

3.16 RESPONSIBILITY OF BIDDERS

Each Bidder, by making their Bid, represents that:

- It has read and understands the Bid Documents and its Bid is made in accordance therewith.
• Its Bid is based upon the services, materials, systems and equipment described in the Bid Package without exception.

• No extra charges will be allowed for ignorance of contract requirements. The inter-relationship of the Bid Package must be carefully examined by Bidders.

• Each Bidder shall carefully examine all documents and material bound herewith or related hereto. Such Documents shall include, these Instructions to Bidders, the Confirmation of Intent to Bid, the Proposal Form, the Scope of Work, the Drawings, the Specifications, Project Schedule, the Subcontract Agreement Form, Supplementary Terms and Conditions of the Subcontract, Tax Exempt Certificate (if applicable), Health and Safety Program and other documents which are identified or referenced in the Bid Package.

• The submission of a Bid shall constitute conclusive evidence that the Bidder has satisfied himself, as to the character, quality and quantities of Work to be performed and materials to be furnished, and as to the requirements of the documents herein before mentioned and no allowance or concession to the Contract Price will be made by the Owner or IPS at any time, for lack of such information on the part of the Bidder if his proposal subsequently shall be accepted.

• Bidder is licensed to do business as a contractor providing the services bid on in the state where the job site is located as state and local or municipal law require.

3.17 MISTAKES

The Owner or IPS will not consider, for any purpose, any claim of the Bidder of any mistake or omission in the Bid.

Negligence of the Bidder in preparing his Bid shall not confer or be deemed to confer any right of the Bidder to withdraw such Bid after the time fixed in the Bid Documents as the time for receiving, opening and reading of Bids has passed.

3.18 TAXES

Unless otherwise noted in the Bid Package, and supported by the appropriate Tax Exemption Certificate, the proposal shall include all applicable Federal, State and Local taxes.

3.19 CONTRACT AWARD

IPS and the owner reserve the right to accept or reject any proposal for any reason. The selection criteria will be based on price, completion date, and other factors that will affect the execution of the work.

The form of the contract that will be issued to the successful bidder is enclosed in this bid package. The Subcontractor shall submit any proposed exclusions or changes to the standard terms and conditions of the enclosed contract with their proposal for IPS review and consideration.

3.20 THIRD PARTY BENEFICIARY

The bidder represents that the proposal is made on behalf of the firm submitting the proposal and that the final contract will not be sold, assigned, or disposed of in any way.
3.21 BONDS

Bonds will not be required.

3.22 INSURANCE

Contractors are required to maintain insurance at all times for the duration of the contract. Upon award of the contract, the successful bidder must submit their current insurance certificate naming Integrated Project Services, Corp. and Merck & Company, Inc. as additional insured. Contractors must maintain the following levels of insurance, as a minimum:

<table>
<thead>
<tr>
<th>Insurance Type</th>
<th>Minimum Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers Compensation</td>
<td>Statutory</td>
</tr>
<tr>
<td>Automobile</td>
<td>$1,000,000 single</td>
</tr>
<tr>
<td></td>
<td>$2,000,000 aggregate</td>
</tr>
<tr>
<td>Comprehensive General Liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Liability Insurance Umbrella</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

3.23 COMPANY INFORMATION

Bidders shall submit their current financial statement, company credentials, references, and a list of similar projects that were successfully completed by the bidder. Bidders shall also submit the name and resumes of their proposed Project Manager and Superintendent.

3.24 BIDDER DEFINITION

Throughout this document the term bidder is used to refer to the firm that IPS has forwarded this package to and requested a proposal price from. The term, “Bidder” or “bidder” shall be considered interchangeable with “Subcontractor” or “subcontractor” throughout this document. Any party that the bidder will subcontract work to shall be considered a sub-subcontractor.
4.0  FORM OF PROPOSAL

PROJECT:  Merck & Company, Inc.
          14887 Merck B71 QO Lab Facility
          2278 SE Side Highway
          Elkton, VA 22827

IPS PROJECT NO.:  COR 14887

BID DUE DATE:  7/28/2015
               05:00 PM EST

BID PACKAGE SCOPE:  Structural Steel

BID PACKAGE NUMBER:  05500

BID AMOUNT
Having visited the site, carefully examined the bid documents, contract documents and local labor conditions and
having full understanding of the Bid Package, the undersigned, hereinafter referred to as the Subcontractor, upon
written notice of award of Subcontract, agrees to provide all necessary labor, materials, tools, equipment, and
supervision to complete the work outlined in the contract documents listed in Sections 4.0, 5.0, 6.0, 7.0, 8.0 & 9.0
of the Bid Package for the Lump Sum amount of:

__________________________________________________________

__________________________________________________________

$ ____________________________ Dollars (US)

PROPOSALS MUST BE SUBMITTED IN TRIPlicate IN A SEALED ENVELOPE BY
THE BID DUE DATE.
The following bid breakdown is for informational and evaluation purposes only. Listing estimated quantities does not limit the bidder to these quantities as part of their subcontract requirement if such values differ from actual values on the Contract Documents:

<table>
<thead>
<tr>
<th>DESCRIPTION OF WORK</th>
<th>TOTAL ESTIMATED QUANTITIES</th>
<th>TOTAL ESTIMATED LABOR</th>
<th>TOTAL ESTIMATED MATERIAL COST</th>
<th>TOTAL BUDGET VALUE</th>
<th>PROPOSED MANUF./VENDOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stamp and sealed shop drawings, shop standards, erection and assembly details</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structural steel package (furnish Only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staging, rigging and erection of structural steel package (core and decking only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSHA Compliant Perimeter Protection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prep and paint steel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Testing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental Equipment</td>
<td>LS</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>As-Built Drawings / Closeout Documentation</td>
<td>LS</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Supervision</td>
<td>LS</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Shop Drawings / Submittals</td>
<td>LS</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Coordination</td>
<td>LS</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>State Sales &amp; Use Taxes</td>
<td>LS</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td>LS</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Total Lump Sum Bid</td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>
ALTERNATES

The following alternate prices are to be inclusive of all labor, materials, supervision, tools, construction equipment, plant, facilities, services, safety, insurance, bonds and to pay all taxes, permit costs, fees and other costs necessary or required in the contract documents to accomplish in a safe, timely and workman like manner the Work described in the Contract Documents for a complete Scope of Work and are to remain in effect for the duration of the Project. Alternates for this bid package are:

<table>
<thead>
<tr>
<th>Alternate #</th>
<th>Description</th>
<th>Add/Deduct Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>00001</td>
<td>Spray applied fire-proofing for area defined in drawing A3.10</td>
<td></td>
</tr>
</tbody>
</table>
**SCHEDULE**

The Subcontractor recognizes that adherence to the project schedule is critically important to the successful completion of the project. The Subcontractor agrees to comply with the baseline schedule provided as part of this bid package. In addition, the Subcontractor provides the following supplemental information to confirm compliance with the project schedule:

To perform the Work of this Contract, making allowance for normal coordination and progress of the Work of other contracts, equipment delivery, etc., we anticipate ______ consecutive working days will be required to complete the Base Bid Scope of Work. We understand that this estimated duration is not binding, and subject to the scheduling requirements of the project. When so requested, we will prepare and submit our proposed manpower-loaded schedule to complete the subject Work within the above duration.

Provide the following detailed schedule information at a minimum:

<table>
<thead>
<tr>
<th>Item</th>
<th>Duration</th>
<th>Start Date</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Shop Drawings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Procurement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Fabrication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Delivery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Erection (core and decking only)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>7.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Subcontractor shall provide a manpower loaded milestone schedule of work outlined in the contract documents, including submittal and shop drawing preparation and approval. The anticipated start date is indicated on the attached construction schedule.
SUB-SUBCONTRACTORS

The Subcontractor proposes to issue the following subcontracts and use the named sub-subcontractors to perform the scope of work outlined in 05500. Additional Sub-subcontractors cannot be utilized unless submitted in writing and approved by IPS.

<table>
<thead>
<tr>
<th>Work</th>
<th>Subcontractor Name &amp; Address</th>
<th>Experience Modification Ratio (EMR) for the past three (3) years.</th>
<th>Value of Work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>20___</td>
<td>20___</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20___</td>
<td>20___</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20___</td>
<td>20___</td>
</tr>
</tbody>
</table>

INSURANCE & SAFETY DATA

A. The Bidder shall state its’ Interstate Experience Modification Ratio (EMR) for the past three (3) years:

   20__  EMR: ______________________

   20__  EMR: ______________________

   20__  EMR: ______________________

B. Name and address of Bidders Workers’ Compensation Carrier:


C. Safety Performance Data for the past three (3) years

   20__  20__  20__

   • Number of Lost Time Accidents _______ _______ _______
   • Total man hours of Labor _______ _______ _______
   • Total number of Reportable Cases _______ _______ _______
   • Number of Lost Work Days _______ _______ _______
   • Number of Fatalities _______ _______ _______
   • Number of OSHA Citing’s _______ _______ _______
TECHNICAL EXCEPTIONS, EXCLUSIONS & CLARIFICATIONS

Any exceptions, exclusions or clarifications to the technical documents shall be listed below. If no exceptions, exclusions or clarifications are taken, please state “None”:


COMMERCIAL EXCEPTIONS, EXCLUSIONS & CLARIFICATIONS

Any exceptions, exclusions or clarifications to the commercial documents shall be listed below. If no exceptions, exclusions or clarifications are taken, please state “None”:


DOCUMENTS REQUIRED WITH PROPOSAL

The following documents must be included as part of this proposal. Failure to provide the following documentation may significantly impact the award of this contract to the bidder.

A. Form of Proposal, filled out in its entirety
B. Extra Work Rates and Markup, Attached as Appendix “A”.
C. Unit Costs for Materials, Attached as Appendix “B”.
D. Subcontractor Safety and Hazard Communication Program

ADDENDA

The Subcontractor acknowledges receipt of the following addenda:

Addendum #__________ Dated________________

Addendum #__________ Dated________________
AFFIRMATION

The undersigned affirms and certifies that:

A. The Subcontractor has the necessary expertise and experience required to complete the work indicated.
B. The Subcontractor has the proper labor available to complete the work within the time proposed and that all workers are skilled in their specialty.
C. The Subcontractor has the necessary financial resources and insurance required to complete the work without delay.
D. The Subcontractor will adhere to construction industry safety standards as required by the Occupational Safety and Health Administration.
E. This proposal is genuine and made without collusion or bid rigging.
F. This proposal is good for a period of 90 days unless an extension is provided by the undersigned.
G. The Subcontractor is licensed to do business as a contractor for the services required by the bid package at the project location as required by all state and local authorities and in compliance with all state and/or local/municipal laws.

Submitted this day, _______________________, 2015 by:

NAME OF COMPANY: ____________________________________________________________
ADDRESS: ________________________________________________________________
________________________________________________________
________________________________________________________
TELEPHONE NUMBER: ______________________________________________________
FAX NUMBER: ____________________________________________________________
CONTACT: _________________________________________________________________

SIGNED: ___________________________  
PRESIDENT OR CORPORATE OFFICER

DATE: ____________________________

CORPORATE SEAL
APPENDIX A

EXTRA WORK

The Subcontractor proposes to supply labor, material, tools, and supervision, and mark up the work performed to execute this scope of work on a Time and Material Basis along with any extra work as indicated below (The subcontractor shall not proceed with extra work unless authorized by IPS):

Note: All sub-subcontractors will need to include a detailed breakdown of all wage rates, payroll burden costs and material costs for lump sum and time and material extras prior to award of any contract. Payroll burden items as indicated below along with company name, address, phone, classification, union affiliation (if appropriate), and effective dates for the rates shall be provided in the format required below. Include all pending rate increases where applicable.

A. Labor Rates: Proposed labor rates inclusive of all direct cost, taxes, insurance, fringe benefits, overhead, and profit are to be in accordance with the subcontractor’s current Merck GTC rates if applicable and per the attached Schedule A.
**SCHEDULE A**

**Cost Reimbursable Billing Rates and Fee Structure**

The required format is as follows:

**Contractor:**

**Trade:**

**Position:**

**Effective Dates:**

<table>
<thead>
<tr>
<th>HOURLY LABOR RATE BREAKDOWN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contractor:</strong></td>
</tr>
<tr>
<td><strong>Trade:</strong></td>
</tr>
<tr>
<td><strong>Position:</strong></td>
</tr>
<tr>
<td><strong>Effective Dates:</strong></td>
</tr>
<tr>
<td><strong>Project Name:</strong> NA</td>
</tr>
<tr>
<td><strong>Project No:</strong> NA</td>
</tr>
<tr>
<td><strong>Union Local No:</strong> (check one)</td>
</tr>
<tr>
<td><strong>Merit Shop:</strong></td>
</tr>
</tbody>
</table>

| **Base Wage Rate (BHWR)** | $_______ | $_______ | $_______ | $_______ | $_______ |
| **Overhead (On base rate only)** | $_______(d) | (a) | (a) | (a) | (a) |
| **Profit (On base rate only)** | $_______(d) | (a) | (a) | (a) | (a) |
| **FICA** | $_______(b) | $_______(b) | $_______(b) | $_______(b) | $_______(b) |
| **FUI** | $_______(b) | $_______(b) | $_______(b) | $_______(b) | $_______(b) |
| **SUI** | $_______(b) | $_______(b) | $_______(b) | $_______(b) | $_______(b) |
| **Workers Comp.** | $_______(c) | $_______(c) | $_______(c) | $_______(c) | $_______(c) |
| **Health & Welfare** | $_______(i) | $_______ | $_______ | $_______ | $_______ |
| **Pension** | $_______(i) | $_______ | $_______ | $_______ | $_______ |
| **Vacation** | $_______(i) | $_______ | $_______ | $_______ | $_______ |
| **Holiday** | $_______(i) | $_______ | $_______ | $_______ | $_______ |

| **Other Union Fringes** | $_______(i) | $_______ | $_______ | $_______ | $_______ |

Explain:

| **Total Charge Per Hour** | $ | $ h |
NOTES:  

(a) The overhead and profit mark-ups shall be applied to the straight time portion of premium billing rates only.

(b) State the average annualized payroll tax rate. Payroll burden items to be reimbursed on an average annualized cost. The cost for the average annualized rate for each statutory tax (FICA, FUI and SUI) shall be calculated using the following formula:

\[
\text{Average Annual } \% \text{Rate} = \frac{\text{Previous Year statutory tax paid}}{\text{Previous Years Payroll}}
\]

For Example:

\[
\frac{1999 \text{ FICA paid} \, \$50,000}{1999 \text{ Payroll} \, \$1,000,000} = 5\%
\]

The average annualized rate for FICA for the Year 2000 would be 5%.

(c) The method of calculating Worker’s Compensation insurance must state if the subcontractor is self-insured.

(d) The overhead and profit percentages are to be applied to the unburdened Base Hourly Wage Rate (BHWR).

(e) The General Conditions amount and percentage shall be specified on the purchase order and shall include small tools and equipment typically used by these crafts having an individual value of $1000 or less, consumables, field overhead, field supervision, project management, pickup trucks, automobiles, liability insurance, clothing allowances, home office overhead.

(f) Subcontractors for all tiers shall abide by the same markups for overhead and profit on labor and materials and third party rentals as are listed for the Subcontractor.

(g) The following maximum markups shall apply:

(h) Overhead and profit on labor at any subcontract tier- 10%+5% on the Hourly Wage Rate (BHWR).

(i) Materials and Equipment at any Subcontract tier 7.5%. The 7.5% markup on materials shall be applied to the purchase of materials exclusive of sales taxes.

(j) Third party equipment rentals at any subcontract tier no markup allowed.

(k) Lower tier subcontractors 5%.

(l) The maximum aggregate markup for overhead and profit for all subcontract tiers (including overhead and profit on labor and materials shall not exceed 21%.

(m) All rates are subject to Audit and based on Actual Cost.

(n) Documentation from the Union local or a source capable of being audited must be submitted for Union fringe benefits for each trade classification.

The overhead mark-up listed above is ________________%  
The profit fee listed above is ________________%  
The overtime rates listed above are ________ times the base rate.

The straight time rate listed above applies during:
The overtime rate listed above applies during:

Other rates that may apply and the times they are applicable are listed below (i.e., 2x, Holidays):

1) **Base Rate:** This amount will represent the hourly straight time, overtime and premium time not including any fringes, bonuses or other compensation.

   **For Union Subcontractors:**
   Documentation from union local justifying hourly rate is required by trade classification.

   **For Non-Union Subcontractors:**
   The documentation should be from a source capable of being audited, of hourly rate for each trade classification.

2) **Overhead:** Refer to notes in Schedule A above

3) **Profit:** Refer to notes in Schedule A above

4) **F.I.C.A.:** Refer to notes in Schedule A above.

5) **Federal Unemployment Tax:** Refer to notes in Schedule A above.

6) **State Unemployment Tax:** Refer to notes in Schedule A above.

7) **Welfare Fund:** Refer to notes in Schedule A above.

8) **Pension Fund** Refer to notes in Schedule A above.

9) **Vacation Fund:** Refer to notes in Schedule A above.

10) **Annuity Fund:** Refer to notes in Schedule A above.

11) **Association Dues:** Refer to notes in Schedule A above.

12) **Paid Holidays:** Refer to notes in Schedule A above.

13) **Workers Compensation:** This amount will represent the Subcontractor’s insurance cost payable hourly on each of their employees for the Worker’s Compensation Insurance. The amount filled in under the straight time column and the overtime column should be the same amount. This insurance is paid based on hours worked. Documentation from Subcontractor's insurance company is required and should be on an average annualized basis and must state if the subcontractor is self-insured.

14) **Public Liability:** This amount will represent the Subcontractor’s insurance cost payable hourly on each of their employees for the Public Liability Insurance. The amount filled in under the straight time column and the overtime column should be the same amount. This insurance is paid based on hours worked. Documentation from Subcontractor’s insurance company is required.
15) **Small Tools/Consumables:** Small tools, equipment and/or consumables used by these crafts, having an individual value of $1,000 or less.

16) **Other:** This category may be used for union/non-union related fringes. Documentation from a source capable of being audited is required.

B. **Labor Units:** Proposed Labor Units to be broken down per type of extra work as follows:

   1) Lump sum: The following recognized national labor unit standard with all associated class listings, etc. will be applied: _________________. The Subcontractor proposes to apply a discount of . % to the national standard listed above.

   2) Time and Material: Units to be based on Time and Materials Work Procedure as outlined below

   3) Unit Pricing: Based on Appendix B attached.

C. **Material Prices:** Proposed Material Prices inclusive of all overhead and profits to be broken down per type of extra work as follows:

   1) Lump sum: The following recognized National Price Service for the project area will be applied: __________. The Subcontractor proposes to apply a discount of ______________ % to the National Price Service listed above.

   2) Time and Material: Units to be based on Time and Materials Work Procedure as outlined below

   3) Unit Pricing: Based on Appendix B attached.

D. **Equipment Prices and Rental Rates:** Price to be based on Schedule B as outlined below.
SUPPLIER: (Complete)

SCHEDULE "B"

Contractor Owned Equipment Rental Rates

<table>
<thead>
<tr>
<th>Detailed description of equipment (brand, capacity, model, etc.)</th>
<th>Hourly Rate $</th>
<th>Daily Rate $</th>
<th>Weekly Rate $</th>
<th>Monthly Rate $</th>
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<tbody>
<tr>
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</table>

NOTES:
1) Rates shall include mobilization and demobilization charges, including cost of transportation to and from the jobsite.

If it is found to be more economical for Owner to purchase a piece of equipment in lieu of renting it, the Contractor shall be responsible to make this recommendation to Merck’s Engineering Representative in order to obtain approval to purchase this equipment. Any equipment purchased by Contractor and reimbursed by Owner shall become the property of, and turned over to, Owner upon completion of this Project.
E. **Rental Rate**: The following published area rate schedule for rentals will be applied (a copy of the rental rate schedule is attached to this proposal): 

F. **Tools and Consumables**: The following allowance for tools and consumables will be applied: ________ % of base labor.

G. **Mark-up and Fees**:

The Subcontractor proposes to mark up and apply fees to IPS-approved extra work as outlined below:

1) **Overhead and Profit (work performed by the subcontractor’s own forces)**: The Subcontractor’s fee for overhead and profit shall be fifteen percent (15%) of the labor and material cost required to execute the work as outlined below. The Subcontractor’s fee for overhead and profit shall constitute all its charges (both direct and indirect) over and above labor and material. The subcontractor’s fee for overhead and profit includes, but is not limited to: general conditions, insurance premiums, supervision and management not continuously employed at the jobsite, the services of the Subcontractor’s general office organization, field office expenses, all applicable taxes, revisions to coordination drawings, revisions to as-builds, drawing review, and reproduction costs.

2) **Handling fees (work performed by forces other than the Subcontractor’s own forces)**: The Subcontractor’s handling fee shall be five percent (5%) of the cost of the subcontract work. The Subcontractor’s handling fee shall constitute all charges for overhead and profit.

3) **Sub-subcontractors’ Fees (fees charge by the Subcontractor’s sub-subcontractors to the Subcontractor)**: Sub-subcontractors shall adhere to the procedures outlined in Item 1 and Item 2 above for IPS-approved extra work.

Any deviations from items 1-3 above must be submitted on this form with the bid and accepted by IPS and so noted in the contract.

H. **Extra Work Procedure**:

In the event that extra work (work not specified in the subcontract issued to the successful bidder) is required, the following procedure will be implemented. The Subcontractor shall adhere to this procedure during the performance of all extra work:

- When the extra work is identified, either by IPS or by the Subcontractor, the Subcontractor shall prepare a request to proceed with the extra work.
- The Subcontractor shall prepare the request to proceed with extra work in a timely manner (the duration of this task shall be agreed upon by the Subcontractor and IPS when the extra work is identified).
- IPS and the Subcontractor shall agree upon the terms of the extra work.
- Authorization to proceed with extra work that exceeds the scope of the subcontract shall be obtained from the IPS Project Manager in writing. No other member of the IPS project team may issue authorization to proceed with extra work.
- Authorization to proceed with extra work will be issued by IPS in the form of a Pending Change Order (PCO)
- **No extra work shall be performed without a fully executed PCO.**
I. **Time And Materials Extra Work Procedure:**

In the event that schedule constraints dictate that extra work be executed on a Time and Material basis, the following procedure shall be adhered to. This procedure is in addition to the procedure outlined above and is only applicable to work performed on a Time and Materials (T&M) basis.

- At the end of each workday or shift, the Subcontractor’s foreman or superintendent shall prepare a T&M worksheet (IPS Format Attached) that shall describe, in detail, the work that was performed on a T&M basis during the subject workday or shift, the personnel that were used to perform the subject work, and the material that was used to perform the subject work.

- The fully prepared T&M worksheet shall be presented to the IPS superintendent at the end of the workday or shift.

- The IPS superintendent will review the work, personnel, and material with the Subcontractor. **All discrepancies must be resolved before the end of the workday or shift.** The IPS superintendent will sign the Subcontractor’s T&M worksheet indicating that the scope of the work is appropriately described and that the listed personnel and material were used during the execution of the subject scope of work. This signature is for verification of labor and material expended and does not constitute authorization nor confirmation of any costs or pricing.

- The Subcontractor shall issue a copy of the fully executed T&M worksheet to the IPS superintendent on the day that the work is performed, and the IPS superintendent will forward a copy of the fully executed T&M worksheet to the IPS Project Manager.

- The Subcontractor shall retain copies of these tickets for their records and shall include copies of the signed T&M worksheets with each invoice for work performed on a T&M basis.

- The signature of the IPS superintendent constitutes acknowledgement that the personnel, material and equipment listed on the T&M worksheet were utilized during the execution of the subject work only. The IPS Project Manager is solely responsible for determining whether the cost of work is outside of the Subcontractor’s scope of work and in compliance with the use of T&M work procedures. Labor shall be billed in accordance with the agreed-upon labor rate Schedule A provided above.
APPENDIX B
Structural Steel
BID PACKAGE NO. 05500
UNIT PRICES

The following unit prices may be used for extra work. The unit prices listed below includes overhead and profit. The following unit prices shall be inclusive of all labor, materials, supervision, tools, construction equipment, plant, facilities, services, safety, insurance, bonds and to pay all taxes, permit costs, fees and other costs necessary or required in the contract documents to accomplish in a safe, timely and workman like manner the Work described in the Contract Documents and shall remain in effect throughout the duration of the Project. Items covered by these unit prices shall be furnished and installed in accordance with the final specification and drawings in quantities and locations as directed by IPS, Inc. Where a change constitutes a net deduct of Work, the unit price will be used less 10%. The setting forth of unit prices shall not be construed to require Owner or IPS, Inc. to engage Subcontractor to perform the Work for which unit prices are listed

<table>
<thead>
<tr>
<th>Description of Work</th>
<th>Units</th>
<th>Unit Price</th>
</tr>
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<tbody>
<tr>
<td>Stamp and sealed shop drawings, shop standards, erection and assembly details</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structural steel package (furnish Only)</td>
<td></td>
<td></td>
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<tr>
<td>Staging, rigging and erection of structural steel package (core and decking only)</td>
<td></td>
<td></td>
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<tr>
<td>Prep and paint steel</td>
<td></td>
<td></td>
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<tr>
<td>Testing</td>
<td></td>
<td></td>
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<tr>
<td>Install OSHA compliant perimeter fall protection</td>
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</tr>
</tbody>
</table>
5.0 SCOPE OF WORK

A. ADMINISTRATIVE RESPONSIBILITIES

1. The Subcontractor shall pay all taxes, fees, bonds, and insurance required to perform and complete the work described in the contract documents in a safe, timely, workmanlike manner.

2. The Subcontractor shall submit a Schedule of Values within one (1) week of award of the contract for the Work as required by the Contract Documents. The Approved Schedule of Values will be in accordance with an itemized breakdown, and shall establish the format for subsequent Subcontractor invoices, which shall be approved based on actual percentage of the Work in place against the agreed upon value for each item of Work. The generation and approval of the detailed Schedule of Values is a General Conditions item and is required prior to the submission of any Subcontractor invoices.

3. The Subcontractor shall submit a detailed schedule of submittals and shop drawings within one (1) week of award of the contract. The schedule of submittals shall include a list of each submittal required by the contract documents, the date that each submittal is scheduled to be submitted for review, the actual date the submittal was submitted, anticipated lead time for fabrication and delivery after return of approved submittals, and the names of vendors and suppliers providing the submittal data. The Subcontractor shall maintain the schedule of submittals and shop drawings and shall be prepared to review the status of submittals at each coordination and progress meeting. Where the Work of this Subcontractor requires submittal information concerning Work being performed or equipment being provided by others, such required information shall be indicated. The generation of approved submittal listing and the subsequent preparation of such submittals is a General Conditions item and shall be evaluated as such on Subcontractor invoices. This list will be updated and submitted by each Subcontractor to IPS on a weekly basis.

4. The Subcontractor shall produce and submit shop drawings, vendor prints, catalog cuts, and equipment data in accordance with the requirements of the Contract Documents and in a sequence consistent with the needs of the Project and/or coordination requirements. Unless otherwise noted, three (3) copies of all documents are to be submitted.

5. The Subcontractor shall provide competent supervisory personnel authorized to act on behalf of the Subcontractor. The Subcontractor’s supervisory personnel shall be present on site at all times that work is being performed by the Subcontractor or by the Subcontractor’s sub-subcontractors. The Subcontractor shall dedicate the supervisory personnel to the project and shall not remove or replace the supervisory personnel until the Subcontractor’s work is deemed complete by IPS. The Subcontractor shall remove any supervisory personnel deemed incompetent or unacceptable by IPS or the Owner from the project.

6. The Subcontractor shall attend all coordination meetings, safety meetings, and progress meetings as directed by IPS while performing work on the site. Failure to attend required meetings the first time will result in a written warning letter by IPS. Failure to attend required meetings after a written warning letter will result in back charges to the subcontractor’s supervision scheduled value in the contract, based on an hourly basis including IPS time plus markup.

7. It is the Subcontractor’s responsibility to make up time lost to maintain scheduled delivery date, including expediting costs, due to any shop drawings/vendor prints received as “Rejected”, or “Revise and Resubmit” due to non-compliance with the Contract Documents.
8. This Contractor is required to submit Operations & Maintenance Manuals as well as all specified documentation and literature for all provided equipment and building systems. Contractors are required to submit to IPS, Inc. three (3) copies of O&M Manuals. Presentation of O&M Manuals to be reviewed and approved by IPS, Inc. All As-built and O&M’s are to be completed and submitted no later than (2) weeks after completion of work.

9. The Subcontractor shall participate in scheduled PM coordination meetings with other subcontractors in order to develop a comprehensive, detailed project schedule. The project schedule will be distributed to the subcontractors. The Subcontractor is responsible for monitoring and updating their status on the project schedule. The Subcontractor shall provide weekly updates to the project schedule for the duration of their contract.

10. The Subcontractor shall fully coordinate the work of this contract with the work of other trades. The Subcontractor shall provide all necessary engineering, design, and drafting services required to fully coordinate with the work of other trades.

11. All employees of the Subcontractor shall attend a safety orientation meeting conducted by IPS and Merck & Company, Inc. before commencing work on the job site and shall provide pertinent information required on the site and safety sign-in sheet, including D.L. Number, G.L. Number and Automobile Insurance Policy Number. The safety orientation will be conducted daily at 8:00 am.

12. Site conditions may be limited. Drive-in vehicles are not guaranteed. Drive-in access will be determined by IPS, Inc.’s Field Project Team. Subcontractor shall thoroughly review the project requirements in regard to site access, storage trailer locations, office trailer locations, and on site communication available. Light, telecommunication and power for any trailer is this Subcontractor’s responsibility. Owner approval is required before any office or storage trailer is permitted on site.

13. The Owner’s representative and IPS reserves the right to be present during any test or inspection. The Subcontractor shall provide three working days’ notice in advance of each. The Subcontractor shall be responsible for all labor and materials required for all tests, including retesting due to failure. Records of all inspections and examinations performed shall be made available to the Owner’s Representative and IPS, Inc. Components shall not be released for shipment until defects have been corrected to the inspector’s satisfaction. Equipment and components will also be subject to re-inspection at the jobsite.

14. The scope also includes documentation of when equipment is required to be serviced, such as bearings greased, etc. Subcontractor is required to submit to IPS, Inc., procedure and documentation of equipment which was maintained during construction prior to turnover to Owner. If documentation is not submitted and equipment malfunctions and or warranty is voided, all repair of equipment is part of this scope.

15. The subcontractor shall complete and submit on a daily bases a work force hours form and other safety forms to the IPS construction Manager.

16. The subcontractor shall submit employee information to the IPS representative at least one day before any employee scheduled to work on site. The information requested is, First Name, Last Name, Craft or Trade, Anticipated Start Date, and Duration of Stay.

B. GENERAL RESPONSIBILITIES

1. The Subcontractor shall schedule and coordinate all required shutdowns, tie-ins, or road closures with the IPS prior to commencement of that work. Premium time/overtime for all tie-
ins/shutdowns, road closures or road crossings is part of this Scope. The owner requires a 2
week notifications for all utility and process system shutdowns

2. The Subcontractor shall coordinate the performance of the Work, including the delivery and
installation of built-in items, to ensure that such items are furnished in sufficient time for other
trades involved to accomplish their work. This Subcontractor shall be fully responsible for any
additional costs incurred by others as a result of failure to fully coordinate the Work and/or
provide such items in a timely manner.

3. The Subcontractor shall perform all work in full cooperation with other trades and coordinate the
schedule and sequence of all work with other trades under the direction of IPS. When so
directed, the Subcontractor shall temporarily omit portions of work or perform portions of work
out of normal sequence in order to accommodate coordination requirements.

4. The Subcontractor shall perform all testing and prepare all test reports and/or certifications
required by the Contract Documents, and fully cooperate with any testing and/or inspection
agencies retained by the Owner or IPS. The Subcontractor shall implement any remedial work
recommended as a result of tests or inspections conducted on behalf of the Owner or IPS.

5. The Subcontractor shall provide sufficient manpower to maintain the progress of the work to the
satisfaction of IPS and the Owner and shall not transfer any personnel from the project without
the prior consent of IPS. This Subcontractor shall commit to providing sufficient labor, material,
and equipment to work multiple shifts if need be, and in multiple areas, to achieve the schedule
requirements. The Subcontractor recognizes that this commitment will include additional shift
crews of sufficient size to keep pace with the progress of the project. The additional crews,
second and third shifts, or extended hours, will be provided by this subcontractor, for the
performance of Contract Work, at no additional cost. All work shall be performed by skilled
craftsmen experienced in their respective trade. The Subcontractor shall remove any employee
deemed to be in violation of any safety or security requirements, or deemed incompetent, by IPS
or the Owner from the project.

6. The Subcontractor shall provide temporary floor protection for all work over finished floors due
to ill-timed work.

7. The Subcontractor shall perform all work in accordance with applicable Federal, State, and local
regulations and ordinances, in addition to Owner site regulations and ordinances. All work shall
be performed in accordance with the requirements of the Department of Labor, the
Occupational Safety and Health Administration (OSHA), and equal opportunity employment
practices. The Subcontractor shall obtain all required permits and licenses required to perform
the scope of work.

8. The Subcontractor shall perform work using materials, equipment, and methods of the type and
quality required. Any work found to be improperly installed, deficient, in non-conformance with
the specifications, or of any otherwise unsatisfactory quality, shall be immediately removed and
replaced by the Subcontractor. IPS shall retain the right to withhold payment for work that is not
in conformance with the contract documents until the subject work is corrected.

9. The Subcontractor recognizes and acknowledges that certain areas of the Project may be, as such
areas are executed and completed, designated as restricted areas to which access by
Subcontractor may be limited or prohibited. Subcontractor also recognizes and acknowledges
that such designated areas may interfere with the orderly plan and schedule of its operations
and performance of the Work. Accordingly, Subcontractor shall not assume there will be
unrestricted access to or use of any area and must, prior to the commencement of the Work and
as the Work progresses, assure to its satisfaction the access and other conditions affecting the
Work.
10. Subcontractors must submit samples of all materials for approval as described in the Specifications. The materials used on the project shall match the approved samples in all situations and shall be in strict accordance with the approved ranges to assume uniformity and appearance.

11. All materials delivered to the site shall be protected from weather at all times and shall be received and stored at the job site in an approved manner as established by IPS. (Specific concerns are items such as laboratory ductwork, electrical equipment, panels, etc.). All deliveries to the project site must be scheduled 48 hours in advance with IPS. IPS reserves the right to reject material or equipment that is delivered to the site unprotected or in a condition unacceptable with respect to the industry standard.

12. The Subcontractor will protect existing construction and the work and equipment of others while performing this work. Any work performed by others that is damaged by this Subcontractor or his employees or agents, shall be the responsibility of this Subcontractor to replace or repair at no additional cost to the Owner or IPS.

13. The Subcontractor is to field measure final connections to all equipment (if applicable).

14. The scope includes all cutting and patching for all openings required by this Subcontractor, unless noted otherwise.

15. Each subcontractor shall be responsible for their job site trailer, storage, etc. and power wiring to these items.

16. The Subcontractor shall continually maintain neat and clean work areas, staging areas, and lay-down areas. The Subcontractor shall regularly clean up and properly dispose of debris generated during the execution of the work. IPS will monitor the cleanliness of the site. If the Subcontractor does not clean their work environment within 24 hours of receiving written notice of deficient cleanliness from IPS, IPS may rectify the unacceptable conditions. The cost incurred by IPS to clean or neaten the Subcontractor’s work area shall be borne by the Subcontractor. Each trade is responsible for maintaining clean work areas. Each trade is responsible for daily clean up.

C. SAFETY RESPONSIBILITIES

1. ALL SUBCONTRACTOR AND SUB-SUBCONTRACTOR PERSONNEL WORKING ON-SITE MUST BE DRUG TESTED AND MERCK SAFETY TRAINED PRIOR TO BEGINNING ANY WORK ON-SITE. MERCK OFFERS SAFETY TRAINING DAILY AT A POINT TO BE SPECIFIED LATER. MERCK ELKTON DOES NOT OFFER DRUG SCREENS. A 10 PANEL DRUG SCREEN MUST BE OBTAINED PRIOR TO SAFETY TRAINING OR A “GOOD GUY LETTER” STATING THE DATE OF THE LAST DRUG SCREEN.

2. WHILE PERFORMING WORK AT THE JOBSITE, ALL CONTRACTOR PERSONNEL SHALL ADHERE TO THE MERCK & COMPANY, INC SAFETY PROGRAM. IPS WILL NOT ACCEPT FAILURE TO MEET ANY OF THE SAFETY POLICY GUIDELINES. SHOULD CONTRACTOR PERSONNEL BE REMOVED FROM THE JOBSITE FOR SAFETY VIOLATIONS, IT IS THE RESPONSIBILITY OF THIS CONTRACTOR TO REPLACE REMOVED PERSONNEL WITH PERSONNEL THAT WILL MEET SAFETY REQUIREMENTS. THIS CONTRACTOR WILL PROVIDE ADDITIONAL SHIFTS, ADDITIONAL CREWS, OR EXTENDED WORKING HOURS TO RECOUPERATE ANY LOST TIME DUE TO SAFETY VIOLATIONS. CONTRACTOR WILL BE RESPONSIBLE FOR ANY BACK-CHARGES FROM IPS OR OTHER TRADES RESULTANT FROM SAFETY VIOLATIONS, OR FAILURE TO ADHERE TO MERCK & COMPANY SAFETY POLICIES.
3. The subcontractor shall submit employee information to the IPS representative at least one day before any employee scheduled to work on site. The information requested is, First Name, Last Name, Craft or Trade, Anticipated Start Date, and Duration of Stay. If the employee has been on site and has completed the Merck drug and safety session within one year, the subcontractor shall supply the date the employee last attended the drug and safety session.

4. Prior to performing any work, the Subcontractor shall submit a safety manual outlining all of the procedures that will be implemented to ensure that their work will be performed safely and completely. In particular, safety procedures for lock-out/tag-out, control of hazardous energy sources, line breaking, hot work, confined space entry, crane lifts, and fall protection will be submitted to IPS. The Subcontractor shall implement and enforce the Merck Contractor site safety program. All Subcontractors must comply with IPS & Merck safety regulations/requirements, which are available per Section 8.0.

5. All subcontractors are required to perform their work in accordance with Merck Safety Policies and Procedures. Subcontractors shall provide all required safety materials, PPE, safety equipment, temporary railings, opening covers, etc.

6. The Subcontractor shall fully comply with all Project specific safety and loss prevention procedures, and appoint a full-time designated, working safety representative for the Project to implement and coordinate safety efforts, provide appropriate employee safety training and protective equipment, maintain all necessary first aid equipment, conduct regularly scheduled Tool Box Safety Meetings, and fully cooperate with IPS, the Owner, and other Project Contractors to establish and maintain safe working conditions. The Subcontractor shall take all necessary precautions to prevent accidents, injuries or property damage.

7. Each individual Subcontractor is required to provide their own GFCI protected extension cords and whips. GFCI breakers are to be inspected and documented daily. All Contractors shall utilize GFCI protection whips as needed. Damaged or non-functioning breakers must be replaced immediately. GFCI inspection reports must be issued to the Construction Manager weekly.

8. The contractor will coordinate with IPS and Merck & Company, Inc. during all demolition and new connection work. Appropriate PPE must be included in the scope to accomplish this task. All work must conform to NFPA-70E requirements. All electrical panels and gear shall be confirmed at a “zero” energy state prior to starting work. The contractor shall coordinate with Merck to identify breaker or disconnect locations and coordinate all shutdown activities.

9. The subcontractor is required to prepare work specific JSA’s for the job. The JSA’s will be referenced on the Daily JSA checklist each day of work.

10. The subcontractor is required to complete the daily safety JSA checklist and the daily safety checklist every day for the duration of the job. The completed forms shall be available for pick by the end of the work day.

11. All subcontractors shall be responsible for confirming, and complying in full, with IPS and Owner construction lock-out/tag-out procedures for the project.

D. GENERAL SCOPE ITEMS
1. The Subcontractor shall furnish all the supervision, labor, tools, material, equipment, support, scaffolding, hoisting, and other services as required to perform and complete the work described in the contract documents in a safe, timely, workmanlike manner.

2. The drawings included in the contract documents are diagrammatic in nature and do not necessarily indicate or describe all of the work required for complete performance of the work in this contract. The Subcontractor shall furnish and install all miscellaneous materials, supports, devices, temporary construction, appurtenances, procurement, expediting, or any other work or services required or obviously necessary to affect the full performance of the work.

3. The Subcontractor shall perform all work in accordance with the Project Schedule. All end dates for tasks detailed in the scope of this bid package must be adhered to. Any changes in start/end dates indicated in the attached schedule will be coordinated with Subcontractor.

4. The Subcontractor must be prepared to mobilize and begin work within one week of award of contract and notice to proceed.

5. Subcontractor is responsible for completing as-built drawings and maintaining weekly updates of all work that differs from the contract drawings.

6. The scope of work described herein does not exclude responsibility for the completion of the scope of work shown on the contract drawings and/or specifications.

7. Perform all work as per the project schedule. Subcontractor shall be responsible for ALL overtime as required to meet the project schedule. It will be the responsibility of the subcontractor to add additional manpower or additional shifts as required to maintain the project schedule. While the project is phased from a construction perspective, the progress of the work will be consecutive. The subcontractor shall maintain a dedicated crew to this project and will not switch personnel for convenience.

8. Upon completion of the work contained in this package but prior to final invoicing the Subcontractor shall submit a marked up set of record drawings detailing any changes not notated on the current contract drawings or approved fabrication drawings.

9. Subcontractor shall provide a (1) year “Scope of Work Warrantee” on this Scope of Work starting on the date of the Owner’s signoff of Substantial Completion Certificate to IPS at the end of the project.

10. The contractor shall coordinate with IPS and Merck & Company, Inc. and follow all cGMP work guidelines if applicable.

11. The scope of work includes all of the work indicated on the contract documents listed in this Bid Package.

12. The Subcontractor shall furnish all the supervision, labor, tools, material, equipment as required to perform and complete the work described in the contract documents in a safe, timely, workmanlike manner.

13. Provide the work as listed in the referenced Scope Responsibility Matrix as indicated in the contract attachments.

B. DETAIL SCOPE ITEMS
1. Provide stamped and sealed shop drawings, assembly drawings, and erection details including shop standards adhering to all specifications.

2. Furnish and provide complete structural steel package to include all plates, connection pieces, and hardware, roof and floor decking.

3. Furnish and provide all material deliveries, staging, and unloading per logistics plan.

4. Provide any and all testing reports.

5. Coordinate work with any and all other trades including Merck personnel.

6. Staging of materials to be done in locations approved by Merck and the construction manager.

7. The subcontractor shall furnish all the supervision, labor, tools, material, equipment as required to perform and complete the work described in the contract documents in a safe, timely, workmanlike manner.

8. Provide material and labor to fully rig and erect entire steel package to include metal decking for roofs and floor. Provide all field welding and cutting when necessary.

9. Prep and paint all steel with rust inhibitive paint per specifications.

10. Furnish and install OSHA compliant fall protection at perimeter of entire roof.

11. S1 indicated member to be sloped. Joist members are to be sloped to achieve deck bearing elevations indicated on plan.

12. S1 indicates span of 1 1/2 Inch - 20 Gage galvanized metal roof deck. For span of deck, see plan.

13. S2 indicates span of 3 1/4 Inch lightweight concrete reinforced with 6 x 6 - W2.0 x W2.0 WWF on 2 inch - 20 gage galvanized composite metal floor deck. Reinforcement shall be located ¾ Inch to 1 Inch (Max) below top of floor slab elevation. For span of deck, see plan.

14. See S5.01 for additional information on bracing locations.

15. All Structural Steel Wide Flange shapes shall be ASTM A992 (Fy = 50 ksi) unless otherwise noted. Structural channels, angles and plates shall be ASTM A36 unless otherwise noted.

16. DBE indicates deck bearing elevation. Slope framing to achieve elevation. SL indicated member to be sloped. Joist members are to be sloped to achieve deck bearing elevations indicated on plan.

17. All attachments shall be concentric to the joist Top/Bottom chord of the joist.

18. Reinforcement is not required if the sum of all concentrated loads are less than 100 Pounds within a chord panel.

19. All lintels shall have 8" minimum bearing UON.

20. All steel lintels shall be ASTM A-36.

21. See typical detail drawings for typical details not referenced in plan.
22. For additional information, see general notes.

23. Steel designated to be fire-proofed by drawing A3.01 shall be shop cleaned of dirt, oil, grease, and loose mill scale by appropriate means.

24. Provide alternate pricing to apply sprayed-on fire-proofing in area designated by drawing A3.01 including the cleaning of rust, dirt, and other materials that might impair bond that accumulates between the time of fabrication and the time of application of the fireproof coating.

25. The general contractor/construction manager shall obtain certified manufacturer’s drawings for all equipment shown. The GC/CM shall coordinate dimensions indicated thus (*) with mechanical contractor for equipment purchased, prior to steel fabrication.

26. The general contractor/construction manager shall coordinate size and location of all openings shown on the Architectural, Mechanical, Electrical and Plumbing drawings and typical details.
6.0 DRAWINGS AND SPECIFICATIONS

The following pages contain a complete list of drawings and specifications prepared by Mainstay for the 14887 Merck B71 QO Lab Facility project. All drawings and specifications indicated with an asterisk (*) primarily pertains to the scope of work in this bid package.

These drawings can be found on the IPS SharePoint website. IPS will provide access and directions for viewing documents and drawings.

<table>
<thead>
<tr>
<th>Included in Scope</th>
<th>Discipline</th>
<th>By</th>
<th>Drawing Number</th>
<th>Title</th>
<th>Rev</th>
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<td>IPS</td>
<td>A3.01</td>
<td>OVERALL NEW WORK PLAN – FIRST FLOOR</td>
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<td>S0.01</td>
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<td>S7.11</td>
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</table>
7.0 ELKTON SAFETY PROCEDURES

A copy of each procedure listed below will be made available to all bidders. Each safety policy will be made part of any subcontract agreement, and each bidder shall be responsible for reading, understanding, implementing, and following each procedure. It is the responsibility of each bidder to adhere to the Merck Safety Procedures. Other site specific safety procedures may be required for specific packages and will be issued on an as-needed basis.

The following Merck & Company, Inc. Safety Procedures shall be followed by all subcontractors. The below list will cover all general requirements for most projects, however, specific safety procedures not shown may apply based on the work scope required. The procedures listed below will be provided upon request, however, it is assumed that this subcontractor has these procedures in their possession.

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<th>PROCEDURE NUMBER</th>
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<tr>
<td>1</td>
<td>Respiratory Protection</td>
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<td>2</td>
<td>Writing Emergency Procedures</td>
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<td>3</td>
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<td>5</td>
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<td>6</td>
<td>Line Breaking</td>
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<td>7</td>
<td>Hazardous Work Permit</td>
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<td>8</td>
<td>Hazard Communication</td>
<td>1-Jun-2010</td>
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<td>9</td>
<td>Procurement, Placement &amp; Inspection of Fire Extinguishers</td>
<td>1-Sep-2010</td>
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<td>10</td>
<td>Fire Protection System Shutdown / Modification</td>
<td>22-Oct-2009</td>
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<td>11</td>
<td>Hearing Conservation</td>
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<td>12</td>
<td>Contractor Safety</td>
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<td>13</td>
<td>Optimum Fall Protection</td>
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<td>14</td>
<td>Hazard Identification &amp; Risk Assessment</td>
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<td>15</td>
<td>Equipment Modifications</td>
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<td>1-Aug-2008</td>
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<td>17</td>
<td>Injury &amp; Illness Management</td>
<td>7-Dec-2009</td>
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<td>18</td>
<td>Department Self-Assessment Program</td>
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<td>19</td>
<td>Safety Inspections</td>
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<td>20</td>
<td>Chemical Storage in the Laboratory</td>
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<td>21</td>
<td>Engineer Safety Orientation</td>
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<td>Personal Protective Equipment</td>
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<td>23</td>
<td>Reporting and Management of OSHA Regulated Substances</td>
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<td>Safety Awards</td>
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<td>25</td>
<td>Proper Use of Fume Hoods, Glove Boxes and Ventilated Weigh Booths, &amp; Local Exhaust Ventilation</td>
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<td>26</td>
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<td>28</td>
<td>Control of Animal Allergies</td>
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<td>S&amp;E Procedure Review &amp; Approval</td>
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<td>Loss Prevention</td>
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<td>Reproductive Health</td>
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<td>47</td>
<td>Vaccine Agent Summary Sheets</td>
<td>1-Aug-2008</td>
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<td>49</td>
<td>W.P. Site Crane Operating Procedure</td>
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<td>51</td>
<td>Operations Involving Industrial Radiography, Well Logging &amp; Soil Moisture/Density Gauges Utilizing Radiation Sources</td>
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<td>Excavation Safety Procedure</td>
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<td>Misc. Documents</td>
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<td>Project Hazard Analysis and Job Safety Analysis</td>
<td>6-Jun-2011</td>
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<td>N/A</td>
<td>Contractor Safety, Environmental &amp; GMP Handbook</td>
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<tr>
<td>N/A</td>
<td>Drug and Alcohol Policy</td>
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**First-Aid Kit Requirement**

Effective December 6, 2009 Global Engineering Services will require all contractors to provide a first-aid kit that complies with ANSI standards for their employees.
Objective: To make readily available the necessary supplies to handle any minor injuries that may occur during normal work activities (splinters, bee stings, small cuts, etc.).

First-Aid Kit Policy

All Contractors while working on a Merck GES project/site are required to have an ANSI Compliant First-Aid kit available onsite for minor first-aid injuries. First-aid kits must be inspected monthly with documentation. Use of first-aid kit must be documented as well.

First-aid kit requirements:

OSHA standard 1910.151 (b) also states an employer must have "adequate first aid supplies...readily available," although specific first aid supplies are not listed.

OSHA does not have a minimum requirement, but references ANSI Z308.1-2003 Minimum Requirements for Workplace First Aid Kits. According to the ANSI document, a basic workplace first aid kit should include:

At least one absorbent compress, 32 sq. in. (81.3 sq. cm.) with no side smaller than 4 in. (10 cm)
• At least 16 adhesive bandages, 1 in. x 3 in. (2.5 cm x 7.5 cm)
• One roll of adhesive tape, 5 yd. (45.7 cm) total
• At least ten packets of antiseptic, 0.5g (0.14 fl oz.) applications
• At least six applications of burn treatments, 0.5 g (0.14 fl. oz.)
• Two or more pairs of medical exam gloves (latex or non-latex)
• At least four sterile pads, 3 in. x 3 in. (7.5 x 7.5 cm)
• One triangular bandage, 40 in. x 40 in. x 56 in. (101 cm x 101 cm x 142 cm)

Additional (but optional) items include:

• Four 2x2 inch bandage compresses
• Two 3x3 inch bandage compresses
• One 4x4 inch bandage compresses
• One eye patch
• One ounce of eye wash
• One chemical cold pack, 4x5 inch
• Two roller bandages, two inches wide
• One roller bandage, three inches wide
• CPR barrier device

These items are intended to be the minimum for a workplace first aid kit. Depending on the potential for injury, a more complete kit may be necessary. OSHA recommendations do not include an automated external defibrillator (AED), but current emergency cardiac care guidelines from the American Heart Association recommend AEDs in most public places.

Material Safety and Data Sheets (MSDS) Requirement

Effective December 2, 2009 Global Engineering Services will require MSDS to be present at locations where materials are being used.

Objective: To insure that all the information concerning a material in use is immediately available to anyone who is working with or may be impacted by the work a particular substance or material.
MSDS Policy

MSDS for materials used on all jobs must be present where work is being performed.

The following additional Contract Attachments are included as part of the Merck Safety Procedures specific for this project:

<table>
<thead>
<tr>
<th>Contract Attachment Description</th>
<th>Revision Number</th>
<th>Revision Date</th>
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<tr>
<td>Merck QO Lab Schedule Updated 06JUL2015</td>
<td>1</td>
<td>7/6/2015</td>
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</table>
8.0 PROJECT SCHEDULE

A copy of the Construction Schedule will be provided to all bidders. Adherence to this schedule is critical for successful completion of this project. All bidders must have available resources, including but not limited to, manpower (field & supervisory), tools & equipment for completion of this scope of work in accordance with this Construction Schedule. The construction schedule attached is for typical task starting and ending dates. Subcontractors shall not postpone fabrication or installation tasks to simply meet schedule dates and times. The schedule provided is a Draft schedule and shall be used for schedule durations only.
9.0 FORM OF CONTRACT

A sample of the contract that will be used for all subcontracts issued for this project is enclosed on the following pages. The Subcontractor shall submit any proposed exclusions or changes to the standard terms and conditions of the enclosed contract with their proposal.
# FORM OF SUBCONTRACT AGREEMENT

**Form Date April, 2015**

(***PURSUANT TO OWNER/CONSTRUCTION MANAGER PRIME CONTRACT*)

<table>
<thead>
<tr>
<th>Subcontractor's Phone No:</th>
<th>(ToContact.Tel)</th>
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<tr>
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<tr>
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<tr>
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<td>COR14887</td>
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<tr>
<td>Superintendent:</td>
<td>(Projects.Superintendent)</td>
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<td>Job Phone No.:</td>
<td>(Projects.JobTel)</td>
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<td>Project Manager:</td>
<td>(Projects.ProjectManager)</td>
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<tr>
<td>Cost Code:</td>
<td>As Detailed in EXHIBIT A-5</td>
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</tbody>
</table>

This Agreement made this (Contracts.ContractDate) by and between the CONSTRUCTION MANAGER and:

{ToCompany.Name}, {ToContact.DisplayAddress}  
hereinafter referred to as the SUBCONTRACTOR.

The SUBCONTRACTOR does hereby covenant, promise, and agree for the sum of:

(Contracts.OrigValue), (Contracts.OrigValue)

To furnish all labor, services, material, tools, equipment, supplies, and any other items necessary or incidental to perform the {Contracts.Description} scope of work in connection with the construction of the project.

## 1. DEFINITIONS

1.1 **Confidentiality & Nondisclosure Agreement**: The term CONFIDENTIALITY & NONDISCLOSURE AGREEMENT shall mean that certain agreement of confidentiality executed by and between the parties and attached hereto.

1.2 **Attachments**: The term ATTACHMENTS shall mean the attachments described below, which are attached hereto and specifically made a part hereof:

- ATTACHMENT “A” - WORK (defined in Article 2.1)
- ATTACHMENT “B” - Confidentiality and Nondisclosure Agreement
- ATTACHMENT “C” - Payment Request and Lien Waiver Forms
- ATTACHMENT “D” - Screening for Controlled Substances
- ATTACHMENT “E” - Safety Standards

1.3 **Construction Manager**: Integrated Project Services Corp., EIN 23-2865978, 721 Arbor Way, Suite 100, Blue Bell, PA 19422,, a Pennsylvania corporation, hereinafter referred to as the CONSTRUCTION MANAGER.

1.4 **Cost of Work**: The term COST OF WORK shall mean the aggregate amount of payments due to SUBCONTRACTOR under this SUBCONTRACT.

1.5 **Final Inspection**: The term FINAL INSPECTION shall mean the OWNER’s final inspection of the WORK.

1.6 **Final Invoice**: The term FINAL INVOICE shall mean the final invoice submitted by SUBCONTRACTOR to CONSTRUCTION MANAGER.

1.7 **Final Payment**: The term FINAL PAYMENT shall mean the entire unpaid balance of the COST OF WORK.

1.8 **Owner**: Merck, & Company, Inc., a New Jersey corporation, with offices at One Merck Drive, Whitehouse Station, NJ 08889-0100, herein after referred to as the OWNER.

1.9 **Prime Contract**: The term PRIME CONTRACT refers to the Construction Management Master Agreement, dated as of October 28, 2008, by and between OWNER and CONSTRUCTION MANAGER.

1.10 **Subcontract**: The term SUBCONTRACT shall mean a purchase order, assignment order, task order or purchase contract entered into between CONSTRUCTION MANAGER and SUBCONTRACTOR.
1.11 **Subcontractor:** The term SUBCONTRACTOR shall mean any person, corporation, or entity of any tier engaged by CONSTRUCTION MANAGER to perform any aspects of the WORK, or its SUBCONTRACTORs or their representatives, and legally identified in ATTACHMENT “A” of this AGREEMENT.

1.12 **Sub-Subcontractor:** The term SUB-SUBCONTRACTOR shall mean any person or entity having a direct or indirect contract with the SUBCONTRACTOR to perform any of the SUBCONTRACTOR WORK. The terms of such SUB-SUBCONTRACTOR AGREEMENTS shall conform to this AGREEMENT, including, but not limited to, the ORDER, and shall conform to the CONFIDENTIALITY & NONDISCLOSURE AGREEMENT and all the requirements of SUBCONTRACTOR AGREEMENTS hereunder.

2. **WORK**

2.1 The term WORK shall mean the whole of the labor, services, material, tools, equipment, supplies, and any other items necessary or incidental to the scope indicated on ATTACHMENT “A” of this SUBCONTRACT, and executed in accordance with the provisions herein.

2.2 SUBCONTRACTOR represents and warrants that it is financially solvent, able pay its debts as they mature, and possessed of sufficient working capital to complete the WORK, and that it is qualified, experienced in, and competent to perform the WORK contemplated by this AGREEMENT.

2.3 SUBCONTRACTOR represents that it has investigated the PROJECT site and has fully examined and informed itself of all physical conditions, both surface and subsurface, access to the WORK, including ground and surface conditions, and on-site security provisions. SUBCONTRACTOR represents that it is fully aware of all existing conditions and limitations, including normal weather and climatic conditions, and all laws, ordinances, and regulations, federal, state and local, affecting the performance of the WORK.

2.4 SUBCONTRACTOR represents, warrants and covenants that all MATERIALS AND EQUIPMENT included in the WORK shall be new, unless otherwise agreed by CONSTRUCTION MANAGER, and that such MATERIALS AND EQUIPMENT will be of good quality, in conformance with the specifications for the WORK, and free from errors, defects and omissions. SUBCONTRACTOR shall obtain, collect, and deliver to CONSTRUCTION MANAGER all specific warranties available from SUB-SUBCONTRACTORS.

2.5 SUBCONTRACTOR shall be capable of being bonded by an OWNER-approved bonding company in an amount at least equal to the AGREEMENT value. Such bonds shall NOT be required unless directed otherwise by CONSTRUCTION MANAGER. If such bonds are required by CONSTRUCTION MANAGER, they shall name CONSTRUCTION MANAGER and SUBCONTRACTOR dual obliges thereunder and shall be issued by sureties acceptable to CONSTRUCTION MANAGER and SUBCONTRACTOR.

2.6 For WORK performed in states permitting waivers of liens, SUBCONTRACTOR shall execute a waiver of liens with respect to the WORK.

2.7 SUBCONTRACTOR shall commence WORK at the site within three (3) working days after notice from CONSTRUCTION MANAGER and shall supply sufficient materials, workmen and equipment to maintain the progress of the WORK to the satisfaction of CONSTRUCTION MANAGER and perform the same at such times and places as designated by CONSTRUCTION MANAGER, and shall not damage, delay or otherwise interfere with the WORK of CONSTRUCTION MANAGER or any other contractor or SUBCONTRACTOR on the Project.

2.8 In the event the SUBCONTRACTOR, in the sole judgment and discretion of CONSTRUCTION MANAGER, fails or refuses to perform any part of the WORK, or delays or interferes with the progress of the WORK or the furnishing of materials, articles and/or equipment fails in the performance of any of the provisions of this SUBCONTRACT, or employs men or means or uses materials or equipment which may cause strikes or other labor troubles by workmen or other personnel employed by the OWNER or other contractors or suppliers at the project site, or if he should make a general assignment for the benefit or his creditors, or if a receiver should be appointed on account of his insolvency or inability to meet his obligations, or if a petition in bankruptcy is filed by or against SUBCONTRACTOR, CONSTRUCTION MANAGER shall have the right to cancel this SUBCONTRACT upon three days' written notice mailed by Certified Mail, or delivered to SUBCONTRACTOR at its last known address.
2.9 In the event that it becomes necessary for CONSTRUCTION MANAGER to supply labor, either by request or due to SUBCONTRACTOR’s negligence, it is agreed that these costs will be back-charged to SUBCONTRACTOR’s account on the basis of actual cost plus taxes and insurance, fringe benefits, plus twenty (20%) percent.

2.10 SUBCONTRACTOR, at its own expense, shall comply with all federal, state and local laws and ordinances applying or relating to its WORK hereunder, and shall comply with and give to the proper authorities all required notices relating to such WORK and procure and maintain all necessary licenses and permits as required by the SUBCONTRACT Documents or by law.

2.11 SUBCONTRACTOR shall make available to CONSTRUCTION MANAGER and all of its SUBCONTRACTORS, for reasonable periods of time, equipment, ladders, scaffolding, etc., necessary for CONSTRUCTION MANAGER and said SUBCONTRACTORS to complete the WORK to be performed under PRIME CONTRACT.

2.12 CONSTRUCTION MANAGER will not provide any special hoist or elevator service for the raising of SUBCONTRACTOR’s men or materials, unless prior agreement has been reached on such special hoist or elevator service.

2.13 Submittals. SUBCONTRACTOR shall promptly prepare and submit to CONSTRUCTION MANAGER such drawings, details, samples, etc. as may be required; provided, however, that CONSTRUCTION MANAGER shall have no duty to discover any mistake, errors, or deviations therein from the PRIME CONTRACT requirements, and CONSTRUCTION MANAGER’s approval thereof shall not relieve SUBCONTRACTOR from responsibility or liability for any mistakes, errors or deviations, or of SUBCONTRACTOR’s obligation to perform its WORK in strict accordance with the SUBCONTRACT Documents.

2.14 SUBCONTRACTOR shall at all times clean up and remove from the site all debris or rubbish caused by it in the execution of the WORK hereunder and will pay for any breakage or damage, whether to the WORK of SUBCONTRACTOR or that of others, caused by SUBCONTRACTOR; otherwise, CONSTRUCTION MANAGER may remove said debris and replace property so damaged, and charge the cost thereof to SUBCONTRACTOR.

2.15 All WORK materials, equipment and articles of SUBCONTRACTOR shall be protected by SUBCONTRACTOR at its own expense against deterioration, loss, theft, damage and injury and SUBCONTRACTOR (and not CONSTRUCTION MANAGER) shall be responsible therefore until completion and final acceptance of all WORK under the PRIME CONTRACT.

2.16 SUBCONTRACTOR shall, at no cost to CONSTRUCTION MANAGER, re-perform defective WORK, and remedy defects in construction resulting from such defective WORK.

2.17 Within one (1) week of any request therefore from CONSTRUCTION MANAGER, SUBCONTRACTOR shall provide any TIME OF COMPLETION, MILESTONE DATES, or AGREEMENT VALUE impacts in writing. Furthermore, SUBCONTRACTOR shall notify CONSTRUCTION MANAGER immediately of any unforeseen conditions that will result in CHANGES TO WORK. Failure of SUBCONTRACTOR to so provided or so notify shall result in a waiver by SUBCONTRACTOR of a claim for any adjustment to TIME OF COMPLETION, MILESTONE DATES, or AGREEMENT VALUE, related to the impacts.

2.18 Change Authorizations. No additions, deductions, or changes shall be made in the WORK included in this SUBCONTRACT, nor shall there be charges for premium time, except upon prior written order of any authorized representative of CONSTRUCTION MANAGER, other than CONSTRUCTION MANAGER’s superintendent. Said Order shall specify the amount of additional compensation or credit to be applied to the amount of this SUBCONTRACT. Field overtime authorized by CONSTRUCTION MANAGER is to be filled on a cost basis, including insurance and taxes. No allowance for overhead or profit will be approved.

2.19 SUBCONTRACTOR hereby guarantees all labor, materials, articles, supplies and WORK furnished hereunder against all defects which may develop within one (1) year from date of acceptance by OWNER or within the guarantee period set forth in the SUBCONTRACT Documents, whichever is longer.

2.20 Pursuant to such guarantee, SUBCONTRACTOR agrees to remove, repair and/or replace, as CONSTRUCTION MANAGER may require, without charge to CONSTRUCTION MANAGER, at the convenience of the OWNER, any and all defective workmanship, materials, equipment and WORK; to pay any and all costs, expenses and damages, including labor charges, in connection therewith, as well as for the removal, repair and replacement of any other WORK which may be damaged as a
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result thereof; to remedy any defects, latent or patent, except those due to ordinary wear and tear or improper use and
maintenance; and to pay for all damage to the property of the OWNER, the CONSTRUCTION MANAGER or any other party
resulting therefrom.

2.21 All guarantees and warranties herein provided shall extend to the OWNER, or other awarding authority, and to
CONSTRUCTION MANAGER. The foregoing shall be in addition to, and not in lieu of, any and all warranties and remedies
required by the SUBCONTRACT Documents or provided by law.

3. OWNER/PROJECT COORDINATION

3.1 Coordination, Generally. The SUBCONTRACTOR acknowledges that the CONSTRUCTION MANAGER may retain one or more
other Contractors to carry out the Work. The SUBCONTRACTOR also acknowledges that the other Contractors will be
working on the project site at the same time as the SUBCONTRACTOR, carrying out their work before the
SUBCONTRACTOR’s WORK begins, and/or carrying out their work after the SUBCONTRACTOR’s WORK is completed.
Therefore, the SUBCONTRACTOR understands that, to avoid defects in the work as a whole, and to avoid delays and
interferences in completing the work, the SUBCONTRACTOR must cooperate fully and in good faith with the
CONSTRUCTION MANAGER in coordinating its WORK with that of other Contractors, both as to timing of the work and as to
fit-up with adjoining or dependent work of other Contractors.

3.2 Delay. In the event CONSTRUCTION MANAGER shall delay or suspend the commencement or execution of the whole or any
part of the WORK hereunder, or vary the sequence of performance thereof, CONSTRUCTION MANAGER shall not be liable
to SUBCONTRACTOR for any damages, consequential or otherwise, sustained by SUBCONTRACTOR as the result thereof and
the sole remedy of SUBCONTRACTOR with respect to such delay or suspension shall be an extension of time for
SUBCONTRACTOR in completing its WORK under this SUBCONTRACT for a period equal to that of such delay or suspension;
provided that SUBCONTRACTOR shall not be entitled to an extension of time unless claim therefore is made, in writing, to
CONSTRUCTION MANAGER within three (3) working days of the commencement of such delay or suspension.

3.3 In the event that SUBCONTRACTOR should delay the progress of the WORK hereunder so as to cause any damage or loss for
which CONSTRUCTION MANAGER may become liable, including expenses incurred which shall be directly related to the job,
such as superintendent wages, plant tools, etc., SUBCONTRACTOR shall indemnify CONSTRUCTION MANAGER for all such
damages or losses, including consequential damages caused thereby, and such other damages, liquidated or penal, which
might be assessed against the CONSTRUCTION MANAGER under the PRIME CONTRACT as a result thereof.

4. PAYMENT

4.1 On or before the 20th of each month, the SUBCONTRACTOR shall submit draft invoices on the Payment Request form
attached (see ATTACHMENT “C”), representing the value of labor performed and/or material delivered and properly stored
through the end of the month. CONSTRUCTION MANAGER will review and return draft invoice, after which
SUBCONTRACTOR and CONSTRUCTION MANAGER shall negotiate the final content of the invoice. On or before the 25th of
each month, SUBCONTRACTOR shall submit final invoice for the month. On or about the first business day of the
subsequent month, CONSTRUCTION MANAGER will submit SUBCONTRACTOR’s invoice to the OWNER.

4.2 Invoices that are not properly completed and/or received by the CONSTRUCTION MANAGER after the 25th of the month
will not be processed for the current billing. Receipt of payment by the CONSTRUCTION MANAGER from the OWNER for the
SUBCONTRACT WORK is a condition precedent to any payment from the CONSTRUCTION MANAGER to the
SUBCONTRACTOR.

4.3 The SUBCONTRACTOR hereby acknowledges that it relies on the credit of the OWNER, not the credit of the CONSTRUCTION
MANAGER, for payment of SUBCONTRACT WORK.

4.4 The OWNER has represented to the CONSTRUCTION MANAGER that approved invoices will be paid to CONSTRUCTION
MANAGER within 90 days of receipt. If the OWNER has approved the CONSTRUCTION MANAGER’s invoice to the OWNER
containing the SUBCONTRACTOR’s invoice, then the CONSTRUCTION MANAGER will pay the SUBCONTRACTOR within
fifteen (15) calendar days upon receipt of payment from OWNER.
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4.5 SUBCONTRACTOR shall in turn pay each SUB-SUBCONTRACTOR, no later than five (5) calendar days after receipt of payment from CONSTRUCTION MANAGER, the amount to which said SUB-SUBCONTRACTOR is entitled, reflecting the percentage actually retained, if any, from payments SUBCONTRACTOR on account of such SUB-SUBCONTRACTOR WORK. The Construction Manager reserves the right, at its discretion, to issue joint checks to the Subcontractor and its material men, suppliers or subcontractors, or any of the Subcontractor’s creditors having potential lien rights against the work.

4.6 The CONSTRUCTION MANAGER will retain 10% of the value of each application for payment. Retainage will not be held for Time and Material work.

4.7 With each invoice, and as a condition precedent to payment, the SUBCONTRACTOR shall provide and execute a partial release of liens, in the form provided by the CONSTRUCTION MANAGER, and an affidavit of payment for debts and claims, and all other properly executed waivers or releases as typically provided in the state where the WORK is performed. The Subcontractor specifically acknowledges that the Construction Manager’s willingness to enter into this Agreement shall be deemed sufficient consideration for the enforceability of the partial release of liens form.

4.8 As a condition precedent to final payment, all of the following matters shall have been resolved: all final permits, approvals (including the approval of the OWNER’s insurance company, if required), certificates and affidavit (including without limitation, certificates in respect of elevator, plumbing, sprinklers, electrical systems and life safety systems, required governmental authorities) and authorizations for use of the WORK required by any authority having jurisdiction; all documentation required by the SUBCONTRACT; all guarantees and warranties to which the OWNER is entitled; satisfactory proof that all claims arising out of the WORK and any liens arising out of the same which shall have been filed or recorded have been released or bonded; delivery of all spare parts and consumables required by the SUBCONTRACT.

4.9 If the CONSTRUCTION MANAGER has approved the final payment to the SUBCONTRACTOR, the OWNER has paid the CONSTRUCTION MANAGER’s final invoice, and the CONSTRUCTION MANAGER has received a release of liens form executed by the SUBCONTRACTOR in form acceptable to the CONSTRUCTION MANAGER, the CONSTRUCTION MANAGER will make payment including the retainage promptly to the SUBCONTRACTOR.

4.10 Acceptance of final payment shall constitute a waiver of all claims by the SUBCONTRACTOR except those previously made in writing and identified by the SUBCONTRACTOR as unsettled at the time of final Application for Payment.

4.11 As a condition precedent to final payment, the SUBCONTRACTOR shall provide and execute a Final release in the form provided by the CONSTRUCTION MANAGER. Subcontractor specifically acknowledges that the Construction Manager’s willingness to enter into this Agreement shall be deemed sufficient consideration for the enforceability of partial release of liens form. The Final Release of Liens form shall be included with the FINAL INVOICE prior to the release of SUBCONTRACTOR’s final payment by CONSTRUCTION MANAGER.

4.12 No partial payment shall constitute acceptance by the Construction Manager of the work or material for which the partial payment is made, nor shall any partial payment constitute a waiver of any right to acquire fulfillment of all the terms of this Subcontract.

4.13 Payment of the FINAL PAYMENT shall not be deemed a release of potential claims against SUBCONTRACTOR, and shall not limit CONSTRUCTION MANAGER from pursuing any other remedy available to CONSTRUCTION MANAGER under this AGREEMENT or applicable laws.

4.14 Notwithstanding anything to the contrary contained in this Subcontract, and without any limitation as to time, the Construction Manager shall not be obligated to make payments to the Subcontractor under this Subcontract if the Subcontractor is or with reasonable probability (as determined by the Construction Manager) may become unable to comply with or completely perform this Subcontract.

4.15 To the extent Pennsylvania law applies, in consideration for Construction Manager’s agreement to enter into this Subcontract, the Subcontractor hereby agrees to waive all rights to interest above the legal rate, penalties and/or attorneys’ fees provided by the Contractor and Subcontractor Payment Act, 73 P.S. 501 et. seq.
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4.16 To the extent Pennsylvania law applies, the Subcontractor hereby agrees that if the Owner requires the Construction Manager to waive any or all rights under the Contractor and Subcontractor Payment Act, 73 P.S. 501 et. seq., the Subcontractor hereby agrees to similarly waive its rights under the Act.

4.17 Truth in Negotiations Concept and Defective Pricing Remedy. SUBCONTRACTOR agrees that it is responsible for submitting accurate cost and pricing data to support its proposals for change orders and/or other contract price adjustments under the SUBCONTRACT. SUBCONTRACTOR further agrees that it will certify to the best of his/her knowledge and belief, the cost and pricing data submitted was accurate, complete, current and in accordance with the terms of the SUBCONTRACT with respect to pricing of change orders. SUBCONTRACTOR further represents that he has made reasonable good faith inquiries to appropriate individuals within in his/her organization to confirm that the data submitted was accurate, complete and current. It is agreed that such certifications will be required for all contract price adjustments with a positive or negative component value greater than $2,000.

SUBCONTRACTOR also understands that if it is later determined by audit or otherwise that the cost and pricing data submitted was inaccurate, incomplete, not current or not in compliance with the terms of the SUBCONTRACT regarding pricing of change orders; then an appropriate contract price adjustment will be made.

5. WAIVER OF LIENS

5.1 SUBCONTRACTOR, for itself, its SUB-SUBCONTRACTORs and all parties acting through or under it hereby covenants and agrees not to file any liens or to make any claim against the premises or any part thereof or against any building or buildings or other improvements erected or made to be erected or made thereon, or against any monies due or to grow due to the CONSTRUCTION MANAGER, in accordance with any statute, state or federal, or any cause whatsoever, and further covenants to release and hereby does release the premises upon which the project is located and each and every part thereof and any and all buildings that may now or hereafter be erected thereon, and any monies due or to grow due to the CONSTRUCTION MANAGER from any and every lien, charge or claim of any nature whatsoever that it might otherwise at any time have against the same or any part thereof, for WORK done or to be done, materials furnished or to be furnished or upon any other ground whatever growing out of or in any way connected with or in relation to the erection and construction of any building or buildings upon the said premises, and agrees to indemnify CONSTRUCTION MANAGER and the OWNER for any and all damages, costs and expenses (including attorneys' fees) sustained or incurred in connection therewith.

5.2 SUBCONTRACTOR, as a condition precedent to any payment hereunder, shall furnish all necessary releases, lien waivers, affidavits and other documents required by CONSTRUCTION MANAGER to keep OWNER's premises free from liens, or claims for liens of all materialmen, SUBCONTRACTORs or laborers, as well as complete waivers and releases of any and all claims of any party connected with or related to the performance of this SUBCONTRACT. Acceptance of final payment by SUBCONTRACTOR shall be full and complete discharge and release of CONSTRUCTION MANAGER. No payment hereunder, including final payment, shall be construed to be an acceptance by OWNER or CONSTRUCTION MANAGER of defective WORK or improper materials.

5.3 SUBCONTRACTOR hereby agrees to make prompt payment to all parties furnishing labor, materials, equipment or any other thing to SUBCONTRACTOR in the prosecution of the WORK hereunder, and that such prompt payment is of the essence of this SUBCONTRACT. In the event SUBCONTRACTOR or its SUBCONTRACTORs or materialmen, or any party acting through or under it or them, fails to pay any sum of money due any party furnishing such labor, materials, equipment or other things hereunder, CONSTRUCTION MANAGER is hereby authorized to retain out of any payment due or to become due hereunder said unpaid sum and to pay same directly to the party to whom such sum is due. If at any time there shall be evidence of any lien or claim for which, if established, OWNER or CONSTRUCTION MANAGER, or its sureties, might become liable, and which is chargeable to SUBCONTRACTOR, CONSTRUCTION MANAGER shall have the right to retain out of any payment due or to become due hereunder an amount sufficient to completely indemnify OWNER and CONSTRUCTION MANAGER, and its sureties, against such lien or claim, including damages and any attorneys' fees and other costs and expenses incurred or sustained by CONSTRUCTION MANAGER and/or the OWNER in connection therewith. The provisions of this paragraph shall not require CONSTRUCTION MANAGER to determine or adjust any claims or disputes between those
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parties furnishing labor, materials, equipment or other things hereunder or to withhold any money for their protection; nor shall CONSTRUCTION MANAGER be liable to any party for its failure to do so.

6. PERFORMANCE & PAYMENT BONDS

6.1 CONSTRUCTION MANAGER may, at any time prior to or during the commencement of the WORK hereunder, request that within ten (10) days of the date of such demand, SUBCONTRACTOR deliver to CONSTRUCTION MANAGER, at the expense of CONSTRUCTION MANAGER, duly executed Performance and Labor and Material Payment Bonds issued by a surety company satisfactory to CONSTRUCTION MANAGER, in the amount of this SUBCONTRACT and in a form satisfactory to CONSTRUCTION MANAGER.

6.2 Failure to provide such Bonds shall constitute a basis for CONSTRUCTION MANAGER declaring SUBCONTRACTOR in default under this SUBCONTRACT.

7. INSURANCE

7.1 Unless otherwise specified in this AGREEMENT, SUBCONTRACTOR shall, at its sole expense, procure and maintain in effect at all times during the term of this AGREEMENT insurance coverage with limits as follows:

<table>
<thead>
<tr>
<th>Insurance Type</th>
<th>Limits</th>
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<tbody>
<tr>
<td>Worker’s Compensation</td>
<td></td>
</tr>
<tr>
<td>State or Federal Statutory</td>
<td>(1)</td>
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<tr>
<td>Employer Liability</td>
<td></td>
</tr>
<tr>
<td>Bodily Injury each Accident</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Bodily Injury Disease – Policy Limit</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Bodily Injury Disease – Each Employee</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Commercial General Liability – Occurrence Form (2)</td>
<td></td>
</tr>
<tr>
<td>Combined Bodily Injury/Property Damage per Occurrence</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>General Aggregate</td>
<td>$2,000,000</td>
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<tr>
<td>Contractual Liability</td>
<td>$2,000,000</td>
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<tr>
<td>Comprehensive Automobile Liability (3)</td>
<td></td>
</tr>
<tr>
<td>Combined Single Limit Bodily Injury/Property Damage per Occurrence</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Excess Liability – Umbrella Form (4)</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

(1) Worker’s Compensation Insurance providing for payment of benefits to and for the account of employees in connection with the WORK under this AGREEMENT as required by the statutes of the state where the work is being performed or, if applicable, federal statutory coverage.

(2) Commercial General Liability, including products/completed operations and broad form contractual liability and broad form property damage with limits no less than those indicated above.

(3) Comprehensive Automobile Liability including owned, hired, and non-owned automobiles with limits not less than those indicated above.

(4) Providing additional coverage under Employer Liability, Commercial General Liability and Automotive Liability policies described above.

7.2 The CONSTRUCTION MANAGER will assume no liability or responsibility for material or equipment stored on or off site. It is recommended that the SUBCONTRACTOR purchase and maintain an installation floater for material until it has been incorporated into the WORK and accepted by the OWNER.
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7.3 Before commencing WORK, or delivering any materials, articles and/or equipment hereunder, SUBCONTRACTOR shall furnish a certificate or certificates to CONSTRUCTION MANAGER establishing that all the insurance coverage required hereunder is in full force and effect, with insurers with an AM Best rating of A- or better, and that it will not be canceled, terminated or materially altered with less than thirty (30) days prior written notice thereof by Certified Mail to CONSTRUCTION MANAGER and OWNER. Such insurance shall contain no "exclusions" or "deductibles," except as approved in writing by CONSTRUCTION MANAGER. Failure of CONSTRUCTION MANAGER to require the production of such certificates of insurance shall not absolve SUBCONTRACTOR of its obligations in respect thereto. Should SUBCONTRACTOR fail to procure and maintain such insurance, CONSTRUCTION MANAGER shall have the right to procure and maintain same for and in the name of SUBCONTRACTOR, and charge the cost thereof to SUBCONTRACTOR. No payment shall be made on this SUBCONTRACT agreement prior to receipt of certificate of insurance.

7.4 All policies, with the exception of workers’ compensation and professional liability, shall identify the CONSTRUCTION MANAGER and OWNER as additional insured and shall waive all rights of subrogation against same.

7.5 The SUBCONTRACTOR and CONSTRUCTION MANAGER waive all rights against each other, the OWNER and the Architect and other design professionals, contractors, SUBCONTRACTORS, agents and employees, each of the other, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to the PRIME CONTRACT or other property insurance applicable to the WORK, except such rights as they may have to proceeds of such insurance held by the OWNER as trustee.

7.6 The SUBCONTRACTOR or CONSTRUCTION MANAGER, as appropriate, shall require from contractors and SUBCONTRACTORS by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated in this PRIME CONTRACT. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

7.7 The OWNER shall purchase and maintain throughout the duration of the WORK a property insurance policy, providing coverage for property in the course of construction, which shall insure against direct physical loss or damage to all property incorporated or to be incorporated in the PROJECT, including on-site temporary buildings used for storage of property to be incorporated into the PROJECT, and which shall cover reasonable compensation for CONSTRUCTION MANAGER’s services and expenses required as a result of such insured loss. Such insurance shall also cover property to be incorporated into the WORK stored off-site (except for storage off-site in a temporary storage facility during transit); provided, however, that CONSTRUCTION MANAGER has provided OWNER with prior written notice thereof if the value of such property exceeds FIVE MILLION DOLLARS ($5,000,000). This insurance shall not include any coverage for CONSTRUCTION MANAGER’s or SUBCONTRACTOR’s machinery, tools, equipment, appliances or other personal property owned, rented, or used by CONSTRUCTION MANAGER or SUBCONTRACTOR or anyone employed by either of them in the performance of the WORK. OWNER shall pay for all deductibles and self-insured aspects of such policy. Such insurance shall be in an amount equal to the value of the WORK, on a replacement-cost basis. Said policy shall apply to property damage resulting from fire, lightning, windstorm, explosion, riot, civil commotion, vandalism, malicious mischief, civil authority, vehicle, aircraft, sonic boom, smoke, molten material, boiler and machinery breakdown, liquid damage, collapse and radioactive contamination (other than due to weapons of war), or any of them, but said policy shall not apply to, inter alia, the negligence or willful misconduct of CONSTRUCTION MANAGER or SUBCONTRACTOR.

8. TERMINATION

8.1 CONSTRUCTION MANAGER shall have the right at any time, with or without cause, to terminate this SUBCONTRACT, in whole or in part, upon three (3) days written notice to SUBCONTRACTOR. On the date of such termination stated in said notice, SUBCONTRACTOR shall stop performance of the WORK. SUBCONTRACTOR shall preserve and protect the tools, construction equipment and facilities at the Site; SUBCONTRACTOR’s materials, supplies, equipment, tools and appliances purchased for or committed to the WORK (whether delivered to the Site or on order); and WORK in progress or completed WORK (whether at the Site or other locations); and if requested by CONSTRUCTION MANAGER, SUBCONTRACTOR shall turn over same to CONSTRUCTION MANAGER or OWNER, including title to said Supplies, Materials and equipment or dispose of same in accordance with CONSTRUCTION MANAGER’s instructions if paid for by CONSTRUCTION MANAGER or OWNER.
8.2 All SUBCONTRACTOR-owned equipment will be removed from the Site. Upon receipt of said notice, SUBCONTRACTOR shall place no further orders or SUBCONTRACTs in connection with the WORK, except as may be necessary for completion of such portion of the WORK as is not terminated. SUBCONTRACTOR shall promptly make every reasonable effort to procure cancellation, upon terms satisfactory to CONSTRUCTION MANAGER, of all orders and SUBCONTRACTs to the extent they relate to the performance of WORK terminated; or shall take such other action relative to such orders or SUBCONTRACTs as may be directed by CONSTRUCTION MANAGER.

8.3 CONSTRUCTION MANAGER shall pay to SUBCONTRACTOR for WORK performed prior to the effective date of such termination an amount equal to that percentage of the Price that the WORK completed prior to the effective date of termination bears to the total WORK plus reasonable costs incurred for demobilization; provided that the performance for which payment is to be made is strictly in accordance with the SUBCONTRACT Documents and to CONSTRUCTION MANAGER’s and OWNER’s satisfaction. There shall be deducted from the amount determined above, all payments previously made by CONSTRUCTION MANAGER and all amounts which CONSTRUCTION MANAGER is entitled to charge SUBCONTRACTOR under the SUBCONTRACT Documents.

8.4 In no event shall the amount to be paid plus all amounts previously paid, plus all amounts which CONSTRUCTION MANAGER is entitled to charge SUBCONTRACTOR, exceed the Price, plus reasonable costs incurred for demobilization, as adjusted. The payments set forth herein shall be SUBCONTRACTOR’s sole remedy upon termination for convenience. All requests for compensation under this Article shall be submitted to CONSTRUCTION MANAGER in accordance with the provisions herein. In no event shall SUBCONTRACTOR be entitled to any prospective profits or any damages of any type. As set forth herein, the provisions of this Article shall survive termination of the SUBCONTRACT and shall remain in full force and effect after such termination.

8.5 In case of such termination, CONSTRUCTION MANAGER may take possession (and for this purpose SUBCONTRACTOR does hereby assign title thereto) of all of the materials, articles, supplies, tools and equipment of SUBCONTRACTOR on said premises and finish the WORK by whatever method CONSTRUCTION MANAGER may deem expedient, and SUBCONTRACTOR shall not be entitled to receive any further payments under this SUBCONTRACT until the performance of the PRIME CONTRACT has been completed by CONSTRUCTION MANAGER or others engaged by CONSTRUCTION MANAGER, at which time, if the unpaid balance due SUBCONTRACTOR hereunder exceeds the sum of the expense (including overhead and profit) of completing SUBCONTRACTOR’s WORK, plus such other costs (including, but not limited to, consequential damages for delay, or otherwise), damages and expenses (including, but not limited to, attorneys’ fees) as CONSTRUCTION MANAGER may suffer or incur by reason of SUBCONTRACTOR’s conduct, said excess amount shall be paid to SUBCONTRACTOR in full payment of any and all claims of SUBCONTRACTOR under this SUBCONTRACT: provided, however, that in the event such costs, damages and expenses exceed such unpaid balance, then SUBCONTRACTOR (a) agrees that it is not entitled to any further payments hereunder, or for any other claims it may have under this SUBCONTRACT, but on the contrary, (b) agrees to assume entire responsibility and liability for and to indemnify and save harmless the CONSTRUCTION MANAGER from such excess costs, damages, and expenses. Time of completion of the WORK under this SUBCONTRACT is of the essence.

8.6 It is understood and agreed that OWNER and/or Architect has the right to approve or disapprove this SUBCONTRACT or the employment of this SUBCONTRACTOR, and in the event that OWNER and/or Architect do not approve same, this SUBCONTRACT shall become null and void.

9. CLAIMS FOR CONSEQUENTIAL DAMAGES

9.1 The SUBCONTRACTOR and the CONSTRUCTION MANAGER waive Claims against each other for consequential, indirect, special, or incidental damages arising out of or relating to this Subcontract whether based on contract, negligence, or other theory of law. This waiver is applicable, without limitation, to all consequential damages due to the Subcontractor’s termination in accordance with this agreement.
10. DISPUTES

10.1 In the event of any dispute between the Construction Manager and the Owner which involves the work required to be performed by the Subcontractor under this Subcontract, or in the event of any dispute between the Construction Manager and the Subcontractor which involves a claim against the Owner for either additional compensation and/or an extension of time under the Contract Documents, the Subcontractor agrees to be bound to the Construction Manager and the Construction Manager agrees to be bound to the Subcontractor to the same extent that the Construction Manager is bound to the Owner by the terms of the Contract Documents and by all decisions or findings made thereunder by the persons so authorized in the Contract Documents, or by an administrative agency or court of competent jurisdiction, whether or not the Subcontractor is a party to the proceedings before said person, agency or court. In addition, at the Construction Manager’s sole determination, the Subcontractor agrees to consolidate any dispute it may have against the Construction Manager with any proceeding or dispute that the Construction Manager may have with the Owner.

10.2 If any dispute or claim is prosecuted or defended by the Construction Manager and the Subcontractor is not directly a party or litigant, the Subcontractor agrees to cooperate fully with the Construction Manager and shall pay or reimburse the Construction Manager for all expenses and costs, including reasonable attorney’s fees, incurred in connection therewith to the extent of the Subcontractor’s interest in such claim or dispute.

10.3 It is expressly understood and agreed in connection with the determination of such claims or disputes that the Construction Manager shall never be liable to the Subcontractor to any greater extent than the Owner is liable to the Construction Manager.

10.4 In the event of any claim or dispute between the Construction Manager and the Subcontractor, it is further specifically agreed by the parties hereto that no claim shall interfere with the performance of work required to be performed under this Subcontract.

10.5 In any instance in which a claim exists between the Construction Manager and the Subcontractor, the claim, at the sole exclusive option of the Construction Manager, shall be subject to non-binding mediation as a condition precedent to arbitration or the Institution of legal or equitable proceedings by either party. Prior to the mediation the parties agree to an exchange of documents pursuant to requests for production of documents. The mediation shall be presented to the American Arbitration Association pursuant to the mediation rules then in effect. The cost of the mediation shall be shared evenly by both parties. Unless otherwise agreed to by the Construction Manager, the mediation shall take place in Philadelphia, Pennsylvania.

10.6 Claims not resolved by mediation shall, at the sole and exclusive option of the Construction Manager, be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. Notwithstanding the current rules of the American Arbitration Association, the parties agree to limited discovery including the exchange of documents pursuant to requests for production of documents and the taking of no more than two (2) depositions of the other party’s representatives. Unless prohibited by law or otherwise agreed to by the Construction Manager, the arbitration shall take place in Philadelphia, Pennsylvania.

10.7 A demand for arbitration shall be made within the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitations.

10.8 Notwithstanding anything contained in this agreement, in the event the Construction Manager elects to resolve any claim through the institution of litigation, the proceeding shall be filed in any state or federal court having jurisdiction over the parties and the claim and the selection of the court shall be at the sole exclusive option of the Construction Manager.

10.9 In the event that a civil action or arbitration is commenced by either the Construction Manager or the Subcontractor against the other, the Construction Manager shall be entitled to its attorneys’ fees and costs, if the Construction Manager recovers any claimed amount against the Subcontractor or successfully defends any claim(s) brought by Subcontractor.
11. INDEMNIFICATION

11.1 The SUBCONTRACTOR shall be responsible to the CONSTRUCTION MANAGER for compliance with all safety laws, rules and regulations during SUBCONTRACTOR’s performance of WORK in connection with this project. SUBCONTRACTOR shall indemnify the CONSTRUCTION MANAGER for any and all costs and expenses incurred by CONSTRUCTION MANAGER for fines, penalties and corrective measures resulting from acts of commission or omission by SUBCONTRACTOR, its SUB-SUBCONTRACTORS, materialmen, agents, employees or assigns, resulting from their failure to comply with such safety laws, rules and regulations.

11.2 SUBCONTRACTOR assumes entire responsibility and liability for any and all claims and/or damages of any nature or character whatsoever for which CONSTRUCTION MANAGER shall be liable under the PRIME CONTRACT, or by operation of law, with respect to the WORK covered by this SUBCONTRACT and agrees to indemnify and save CONSTRUCTION MANAGER and OWNER harmless from and against all claims, demands, liabilities, interest, loss, damage, attorneys’ fees, costs and expenses of whatsoever kind or nature, whether for property damage, personal injuries (including death) to any and all persons, whether employees of CONSTRUCTION MANAGER or others, or otherwise, caused or occasioned thereby, resulting therefrom, arising out of or therefrom, or occurring in connection therewith to the same extent and obligation to which CONSTRUCTION MANAGER has assumed towards OWNER under the PRIME CONTRACT, or as imposed by law, limited to the scope of the subject matter of this SUBCONTRACT.

11.3 SUBCONTRACTOR further agrees to indemnify and save CONSTRUCTION MANAGER and OWNER harmless from all manner of claims, damages, or suits for infringement or violations of patents or patent rights, including all costs and expenses (including attorneys’ fees) which CONSTRUCTION MANAGER and/or the OWNER may incur or sustain in connection with the same.

11.4 SUBCONTRACTOR, for the price provided in the SUBCONTRACT, hereby accepts and assumes full and exclusive liability for, and shall indemnify and save CONSTRUCTION MANAGER harmless against the payment of any and all taxes, contributions or premiums for unemployment insurance, workmen’s compensation, retirement, health and welfare or disability, and any similar benefits, which may now or hereafter be imposed by law or by collective bargaining agreement measured upon the payroll, income, wages, salaries or other remuneration of employees, by whomsoever, employed, engaged in the performance of the WORK included in this SUBCONTRACT, and all Sales, Use or other taxes levied or assessed against OWNER, CONSTRUCTION MANAGER or SUBCONTRACTOR, arising out of the SUBCONTRACTOR’s WORK, including, but not limited to, taxes on any kind of materials, supplies, articles or equipment, CONSTRUCTION MANAGER may, in its sole discretion, request production by SUBCONTRACTOR of evidence satisfactory to CONSTRUCTION MANAGER that all obligations contained in the within paragraph have been paid in full as a condition to making any payment whether final or otherwise hereunder.

12. THIRD PARTY BENEFICIARY RIGHTS

12.1 All WORK required to be performed hereunder by SUBCONTRACTOR shall be in strict accordance with the SUBCONTRACT Documents applicable to the WORK to be performed and materials, articles and/or equipment to be furnished hereunder. SUBCONTRACTOR shall be bound to CONSTRUCTION MANAGER by the terms of this SUBCONTRACT and of the PRIME CONTRACT between the OWNER and CONSTRUCTION MANAGER and shall assume toward CONSTRUCTION MANAGER all of the obligations and responsibilities with respect to the WORK to be performed hereunder by SUBCONTRACTOR which CONSTRUCTION MANAGER, by the PRIME CONTRACT, assumes toward the OWNER. Notwithstanding that specific WORK set forth in the PRIME CONTRACT is not described or specified in this SUBCONTRACT, SUBCONTRACTOR shall perform all WORK normally construed to come within the scope of his activities, as required by the CONSTRUCTION MANAGER under the PRIME CONTRACT. All WORK shall be performed to the complete satisfaction of the CONSTRUCTION MANAGER, the Architect and OWNER. Unless specified herein, SUBCONTRACTOR shall not be entitled to any benefits, financial or otherwise, incorporated on behalf of the CONSTRUCTION MANAGER under the PRIME CONTRACT between the OWNER and CONSTRUCTION MANAGER.

12.2 All SUB-SUBCONTRACTOR agreements and purchase orders and other agreements that SUBCONTRACTOR may execute or enter into with respect to the WORK shall contain the provisions set forth below for the purpose of including OWNER as a
third party beneficiary under all such agreements, so that OWNER’s rights to enforce any and all provisions of such agreements are, before any WORK has been performed, fully vested and enforceable in accordance with the terms thereof.

“CONSTRUCTION MANAGER and SUBCONTRACTOR hereby recognize that OWNER is owner of the PROJECT and that the obligations and duties of performance of SUBCONTRACTOR obligations hereunder are expressly intended to benefit OWNER, as a third party beneficiary to this AGREEMENT or PURCHASE AGREEMENT”.

“CONSTRUCTION MANAGER and SUBCONTRACTOR agree that as a third party beneficiary, OWNER may exercise any and all rights and remedies which may flow from any breach or failure on the part of SUBCONTRACTOR (or supplier) to perform fully any or all of its obligations hereunder, whether such rights and remedies may arise or exist in law or equity or from or under any provision or provisions of this SUBCONTRACT or PURCHASE AGREEMENT”.

The above stipulations in favor of OWNER shall be without prejudice to any other right or recourse that OWNER may have against SUBCONTRACTOR whether available under the terms of this SUBCONTRACT or otherwise available by law.

12.3 This AGREEMENT shall not bind, nor purport to bind OWNER, but assignment of CONSTRUCTION MANAGER’s right and obligations thereunder may be made to OWNER at OWNER’s direction. CONSTRUCTION MANAGER has the absolute right of assignment.

13. ASSIGNMENT

13.1 SUBCONTRACTOR agrees: (a) that it will not assign this SUBCONTRACT or any of the monies due or to become due it hereunder, nor sublet any portion of its WORK without first obtaining written consent of the CONSTRUCTION MANAGER, and (b) that CONSTRUCTION MANAGER shall have the right to set off against any monies due any other SUBCONTRACT or SUBCONTRACTS between the parties hereto, or otherwise. Where CONSTRUCTION MANAGER consents to subletting, such consent shall not be construed to create any rights in such SUB-SUBCONTRACTOR against CONSTRUCTION MANAGER, and all the obligations and responsibilities assumed hereunder by SUBCONTRACTOR shall likewise be assumed by such SUB-SUBCONTRACTOR to the extent of the WORK sublet.

14. ETHICS / CONFLICT OF INTERESTS

14.1 In its performance of this AGREEMENT, SUBCONTRACTOR shall adhere to business practices that are in accordance with the letter and spirit of applicable laws and ethical principles as follows:

14.2 All transactions in connection with this AGREEMENT will be accurately reflected in SUBCONTRACTOR’s records, and no funds or other assets shall be paid directly or indirectly to government officials or persons acting on their behalf for the purpose of influencing government decisions or actions with respect to OWNER’s business.

14.3 SUBCONTRACTOR shall conduct its activities hereunder and it’s dealing with CONSTRUCTION MANAGER, OWNER, and third parties so as to avoid loss or embarrassment to OWNER due to any real or apparent conflict of interest, and to require that all SUB-SUBCONTRACTORS comply with such policy in connection with this AGREEMENT.

14.4 CONSTRUCTION MANAGER shall have the right to terminate this AGREEMENT upon violation of said business practices on the part of the SUBCONTRACTOR, its employees, agents, representatives, or SUB-SUBCONTRACTORS.

14.5 If so provided, SUBCONTRACTOR shall access and use the Internet from OWNER’s network only in accordance with OWNER’s Internet Guideline.

15. EQUAL OPPORTUNITY EMPLOYMENT

15.1 SUBCONTRACTOR shall comply with the Equal Employment Opportunity provisions in Section 202, Paragraphs 1 through 7 of Executive Order 11246, as amended, and Executive Order 11701 relative to equal employment opportunity and the employment of veterans, and the Rehabilitation Act of 1973, as amended, with respect to equal employment opportunity and the employment of disabled individuals, and the Vietnam Era Veterans Readjustment Assistance Act of 1972, as
FORM OF SUBCONTRACT AGREEMENT
Form Date April, 2015
(PURSUANT TO OWNER/CONSTRUCTION MANAGER PRIME CONTRACT)

amended, with respect to equal employment opportunity and the employment of disabled veterans and veterans of the
Vietnam Era, and the implementing rules and regulations thereunder are incorporated herein by specific reference.

15.2 No discrimination shall be made against any employees, or in the employment of any applicant, because of age, race, sex,
color, creed, national origin or handicap, and SUBCONTRACTOR agrees to be bound by and to comply with Section 711(a) of
Title VII of the Civil Rights Act of 1964, all Executive Orders dealing with Equal Employment Opportunity, as the same may
be amended from time to time, and any and all other Federal, State or Municipal laws or regulations regarding hiring and
employment practices, and further agrees to comply with all of the provisions of the PRIME CONTRACT pertaining thereto,
including the filing of any and all certificates of compliance or other documents required by any governmental agency.

16. ADDITIONAL OWNER REQUIREMENTS

16.1 SUBCONTRACTOR is required to comply with the letter and the spirit of OWNER’s policies and procedures, including, but
not limited to,

16.1.A SCREENING FOR CONTROLLED SUBSTANCES, as set forth in ATTACHMENT “D”
16.1.B SAFETY STANDARDS, as set forth in ATTACHMENT “E”

16.2 No Smoking Policy. Under no circumstances shall any employee, worker, agent, or representative of the SUBCONTRACTOR
be allowed to smoke anywhere on property owned, leased or rented by OWNER, including without limitation in vehicles,
trailers or open areas.

16.3 OWNER’s requirements that CONSTRUCTION MANAGER institute such policies and procedures for its employees and
SUBCONTRACTOR’s performing the WORK does not establish, nor is it intended to establish, any “joint employer” or any
direct or indirect employer/employee relationship between OWNER, and CONSTRUCTION MANAGER or SUBCONTRACTOR,
respectively.

17. AUDIT RIGHTS

17.1 SUBCONTRACTOR shall prepare and maintain RECORDS, which shall be open to inspection and subject to audit and/or
reproduction, during normal working hours, by CONSTRUCTION MANAGER or its authorized representatives for evaluation
and verification of any invoices, payments, or claims submitted by SUBCONTRACTOR or any of its payees, required by
governmental authorities, or desirable for any other valid business purpose. CONSTRUCTION MANAGER’s authorized
representative shall have access to SUBCONTRACTOR’s facilities and shall be provided adequate and appropriate work
space, in order to conduct audits in compliance with this ARTICLE. CONSTRUCTION MANAGER or its authorized
representatives shall give SUBCONTRACTOR reasonable advanced notice of intent to audit. SUBCONTRACTOR shall make
available all RECORDS as listed herein to enable CONSTRUCTION MANAGER to audit all reimbursable items excluding the
make-up of any agreed upon lump sum amounts, fixed rates, or unit prices.

17.2 SUBCONTRACTOR shall preserve the RECORDS and CONSTRUCTION MANAGER or its authorized representatives shall have
access to the RECORDS for a period of five (5) years after the satisfaction of SUBCONTRACTOR’s obligations under this
AGREEMENT, or for such longer period as may be required at law or in equity.

17.3 If an audit inspection or examination conducted in accordance with this ARTICLE discloses overpricing or overcharges (of
any nature) by SUBCONTRACTOR or any of its SUB-SUBCONTRACTORS, to CONSTRUCTION MANAGER, any adjustments
and/or payments to CONSTRUCTION MANAGER shall be made by SUBCONTRACTOR within a reasonable amount of time
not to exceed ninety (90) days from presentation of CONSTRUCTION MANAGER’s findings to SUBCONTRACTOR.

17.4 SUBCONTRACTOR shall cause the provisions of this ARTICLE to be incorporated into the provisions of each
SUBCONTRACTOR AGREEMENT, mutatis mutandis, such that CONSTRUCTION MANAGER shall have the right, upon
reasonable notice to SUBCONTRACTOR and SUB-SUBCONTRACTOR, to audit all such RECORDS and accounts required to be
maintained by SUBCONTRACTOR in accordance with this AGREEMENT.
18. SUBCONTRACT DOCUMENTS, DEFINED

18.1 Notwithstanding anything to the contrary contained in the PRIME CONTRACT, in the event of a conflict between the provisions of this SUBCONTRACT and the provisions of the PRIME CONTRACT, the provisions of this SUBCONTRACT shall prevail.

18.2 This SUBCONTRACT constitutes the entire agreement of the parties hereto and supersedes and rescinds any and all prior understandings between the parties, either written or oral relative thereto. Neither the SUBCONTRACT nor any part hereof shall be changed, modified, amended or altered, except in writing signed by the parties hereto.

18.3 In the event of a conflict between the provisions of this SUBCONTRACT and of the remaining SUBCONTRACT Documents, the provisions of this SUBCONTRACT shall prevail.

18.4 This SUBCONTRACT shall be binding upon the parties hereto and upon their respective heirs, executors, administrators, successors and assigns.

19. NOTICES

19.1 Written notice, where required by the terms of this Subcontract, may be accomplished by personal delivery of said notice or by use of the United States mail or by facsimile. The written notice shall become effective upon the date stated therein, or, if no such date is stated, upon the date upon which delivery is complete.

SUBCONTRACTOR:  

CONSTRUCTION MANAGER:  

{TOCOMPANY.NAME}  

IPS-INTEGRATED PROJECT SERVICES CORP  

BY:  

BY:  

TITLE:  

TITLE:  {Contracts.FromSignedByTitle}  

ATTEST:  

ATTEST:  

DATE:  

DATE:  

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ATTACHMENT A
WORK

EXHIBIT A-1: SCOPE OF WORK
EXHIBIT A-2: ALTERNATES, CLARIFICATIONS, AND EXCLUSIONS
EXHIBIT A-3: DRAWINGS AND SPECIFICATIONS
EXHIBIT A-4: BASIS OF COMPENSATION
EXHIBIT A-5: COST CODE BREAKDOWN
EXHIBIT A-6: SCHEDULE OF WORK
A. Administrative Responsibilities

1. The Subcontractor shall furnish all the supervision, labor, tools, material, equipment, support, scaffolding, hoisting, and other services as required to perform and complete the work described in the contract documents in a safe, timely, workmanlike manner.

2. The Subcontractor shall pay all taxes, fees, bonds, and insurance required to perform and complete the work described in the contract documents in a safe, timely, workmanlike manner.

3. The Subcontractor shall submit a Schedule of Values within one (1) week of award of the contract for the Work as required by the Contract Documents. The approved Schedule of Values will be in accordance with an itemized breakdown, and shall establish the format for subsequent Subcontractor invoices, which shall be approved based on actual percentage of the Work in place against the agreed upon value for each item of Work. The generation and approval of the detailed Schedule of Values is a General Conditions item and is required prior to the submission of any Subcontractor invoices.

4. The Subcontractor shall submit a detailed schedule of submittals and shop drawings within one (1) week of award of the contract. The schedule of submittals shall include a list of each submittal required by the contract documents, the date that each submittal is scheduled to be submitted for review, the actual date the submittal was submitted, anticipated lead time for fabrication and delivery after return of approved submittals, and the names of vendors and suppliers providing the submittal data. The Subcontractor shall maintain the schedule of submittals and shop drawings and shall be prepared to review the status of submittals at each coordination and progress meeting. Where the Work of this Subcontractor requires submittal information concerning Work being performed or equipment being provided by others, such required information shall be indicated. The generation of approved submittal listing and the subsequent preparation of such submittals is a General Conditions item and shall be evaluated as such on Subcontractor invoices. This list will be updated and submitted by each Subcontractor to IPS on a weekly basis.

5. The Subcontractor shall produce and submit shop drawings, vendor prints, catalog cuts, and equipment data in accordance with the requirements of the Contract Documents and in a sequence consistent with the needs of the Project and/or coordination requirements. Unless otherwise noted, six (6) copies of all documents are to be submitted.

6. The Subcontractor shall provide competent supervisory personnel authorized to act on behalf of the Subcontractor. The Subcontractor’s supervisory personnel shall be present on site at all times that work is being performed by the Subcontractor or by the Subcontractor’s sub-subcontractors. The Subcontractor shall dedicate the supervisory personnel to the project and shall not remove or replace the supervisory personnel until the Subcontractor’s work is deemed complete by IPS. The Subcontractor shall remove any supervisory personnel deemed incompetent or unacceptable by IPS or the Owner from the project.

7. The Subcontractor shall coordinate the performance of the Work of this Contract, including the delivery and installation of built-in items, to ensure that such items are furnished in sufficient time for other trades involved to accomplish their work. This Subcontractor shall be fully responsible for any additional costs incurred by others as a result of failure to fully coordinate the Work and/or provide such items in a timely manner.

8. The Subcontractor shall perform all work in full cooperation with other trades and coordinate the schedule and sequence of all work with other trades under the direction of IPS. When so directed, the Subcontractor shall temporarily omit portions of work or perform portions of work out of normal sequence in order to accommodate coordination requirements.

9. The Subcontractor shall participate in scheduled PM coordination meetings with other subcontractors in order to develop a comprehensive, detailed project schedule. The project schedule will be distributed to the subcontractors. The Subcontractor is responsible for monitoring and updating their status on the project schedule. The Subcontractor shall provide weekly updates to the project schedule for the duration of their contract.

10. The Subcontractor shall attend all coordination meetings, safety meetings, and progress meetings as directed by IPS. Failure to attend required meetings the first time will result in a written warning letter by IPS. Failure to attend required meetings after a written warning letter will result in back charges to the subcontractor’s supervision scheduled value in the contract, based on an hourly basis including IPS time plus markup.
11. It is the Subcontractor’s responsibility to make up time lost to maintain scheduled delivery date, including expediting costs, due to any shop drawings/vendor prints received as “Rejected”, or “Revise and Resubmit” due to non-compliance with the Contract Documents.

12. This Subcontractor is required to submit Operations & Maintenance Manuals as well as all specified documentation and literature for all equipment and building systems. Contractors are required to submit to IPS, Inc. six (6) copies of O&M Manuals. Presentation of O&M Manuals to be reviewed and approved by IPS, Inc. All As-buils and O&M’s are to be completed and submitted no later than (2) weeks after completion of work.

B. General Responsibilities

1. The Subcontractor shall schedule and coordinate all required shutdowns, tie-ins, or road closures with the IPS prior to commencement of that work. Premium time/overtime for all tie-ins/shutdowns, road closures or road crossings is part of this Scope. The owner requires a 2 week notifications for all utility and process system shutdowns

2. The Subcontractor shall perform all testing and prepare all test reports and/or certifications required by the Contract Document, and fully cooperate with any testing and/or inspection agencies retained by the Owner or IPS. The Subcontractor shall implement any remedial work recommended as a result of tests or inspections conducted on behalf of the Owner or IPS.

3. The Subcontractor shall provide sufficient manpower to maintain the progress of the work to the satisfaction of IPS and the Owner and shall not transfer any personnel from the project without the prior consent of IPS. This Subcontractor shall commit to providing sufficient labor, material, and equipment to work multiple shifts if need be, and in multiple areas, to achieve the schedule requirements. The Subcontractor recognizes that this commitment will include additional shift crews of sufficient size to keep pace with the progress of the project. The additional crews, second and third shifts, or extended hours, will be provided by this subcontractor, for the performance of Contract Work, at no additional cost. All work shall be performed by skilled craftsmen experienced in their respective trade. The Subcontractor shall remove any employee deemed to be in violation of any safety or security requirements, or deemed incompetent, by IPS or the Owner from the project. The Subcontractor shall perform all Work in full cooperation with other trades and coordinate the schedule and sequence of all Work with other trades under the direction of IPS. When so directed, the Subcontractor shall temporarily omit, or perform certain portions of the Work out of normal sequence, in order to accommodate coordination requirements. The Subcontractor shall provide temporary floor protection for all work over finished floors due to ill-timed work.

4. The Subcontractor shall perform all work in accordance with applicable Federal, State, and local regulations and ordinances, in addition to Owner site regulations and ordinances. All work shall be performed in accordance with the requirements of the Department of Labor, the Occupational Safety and Health Administration (OSHA), and equal opportunity employment practices. The Subcontractor shall obtain all required permits and licenses required to perform the scope of work.

5. The Subcontractor shall perform work using materials, equipment, and methods of the type and quality required. Any work found to be improperly installed, deficient, in non-conformance with the specifications, or of any otherwise unsatisfactory quality, shall be immediately removed and replaced by the Subcontractor. IPS shall retain the right to withhold payment for work that is not in conformance with the contract documents until the subject work is corrected.

6. The Subcontractor recognizes and acknowledges that certain areas of the Project may be, as such areas are executed and completed, designated as restricted areas to which access by Subcontractor may be limited or prohibited. Subcontractor also recognizes and acknowledges that such designated areas may interfere with the orderly plan and schedule of its operations and performance of the Work. Accordingly, Subcontractor shall not assume there will be unrestricted access to or use of any area and must, prior to the commencement of the Work and as the Work progresses, assure to its satisfaction the access and other conditions affecting the Work.

7. Site conditions may be limited. Drive-in vehicles are not guaranteed. Drive-in access will be determined by IPS, Inc.’s Field Project Team. Subcontractor shall thoroughly review the project requirements in regard to site access, storage trailer locations, office trailer locations, and on site communication available. Light, telecommunication and power for any trailer is this Subcontractor’s responsibility. Owner approval is required before any office or storage trailer is permitted on site.
EXHIBIT A-1
SCOPE OF WORK

8. Subcontractors must submit samples of all materials for approval as described in the Specifications. The materials used on the project shall match the approved samples in all situations and shall be in strict accordance with the approved ranges to assume uniformity and appearance.

9. All materials delivered to the site shall be protected from weather at all times and shall be received and stored at the job site in an approved manner as established by IPS. (Specific concerns are items such as laboratory ductwork, electrical equipment, panels, etc.). All deliveries to the project site must be scheduled 48 hours in advance with IPS. Also, the subcontractor must provide flagmen for all deliveries as applicable. IPS reserves the right to reject material or equipment that is delivered to the site unprotected or in a condition unacceptable with respect to the industry standard.

10. The Subcontractor will protect existing construction and the work and equipment of others while performing this work. Any work performed by others that is damaged by this Subcontractor or his employees or agents, shall be the responsibility of this Subcontractor to replace or repair at no additional cost to the Owner or IPS.

11. The Owner’s representative and IPS reserves the right to be present during any test or inspection. The Subcontractor shall provide three working days notice in advance of each. The Subcontractor shall be responsible for all labor and materials required for all tests, including retesting due to failure. Records of all inspections and examinations performed shall be made available to the Owner’s Representative and IPS, Inc. Components shall not be released for shipment until defects have been corrected to the inspector’s satisfaction. Equipment and components will also be subject to re-inspection at the jobsite.

12. The Subcontractor is to field measure final connections to all equipment.

13. The scope includes all cutting and patching for all openings required by this Subcontractor, unless noted otherwise.

14. The scope also includes documentation of when equipment is required to be serviced, such as bearings greased, etc. Subcontractor is required to submit to IPS, Inc., procedure and documentation of equipment which was maintained during construction prior to turnover to Owner. If documentation is not submitted and equipment malfunctions and or warranty is voided, all repair of equipment is part of this scope.

15. The subcontractor shall complete and submit on a daily bases a work force hours form and other safety forms to the IPS construction Manager.

C. Safety Responsibilities

1. ALL SUBCONTRACTOR AND SUB-SUBCONTRACTOR PERSONNEL WORKING ON-SITE MUST BE DRUG TESTED AND MERCK SAFETY TRAINED PRIOR TO BEGINNING ANY WORK ON-SITE. MERCK OFFER’S THESE SERVICES DAILY AT THE CONTRACTOR PROCESSING CENTER, CPC, LOCATED ON THE WEST POINT, PA FACILITY AT A COST TO THE SUBCONTRACTOR OR SUB-SUBCONTRACTOR.

2. The Subcontractor shall submit employee information to the IPS representative at least one day before any employee scheduled to work on site. The information requested is, First Name, Last Name, Craft or Trade, Anticipated Start Date, and Duration of Stay. If the employee has been on site and has completed the Merck drug and safety session within one year, the subcontractor shall supply the date the employee last attended the drug and safety session.

3. Prior to performing any work, the Subcontractor shall submit a safety manual outlining all of the procedures that will be implemented to ensure that their work will be performed safely and completely. In particular, safety procedures for lock-out/tag-out, control of hazardous energy sources, line breaking, hot work, confined space entry, crane lifts, and fall protection will be submitted to IPS. The Subcontractor shall implement and enforce the Merck Contractor site safety program. All Subcontractors must comply with IPS & Merck safety regulations/requirements, which are available per Section 8.0.

4. All Subcontractors are required to perform their work in accordance with Merck Safety Policies and Procedures. Subcontractors shall provide all required safety materials, PPE, safety equipment, temporary railings, opening covers, etc.
EXHIBIT A-1
SCOPE OF WORK

5. The Subcontractor shall continually maintain neat and clean work areas, staging areas, and lay-down areas. The Subcontractor shall regularly clean up and properly dispose of debris generated during the execution of the work. IPS will monitor the cleanliness of the site. If the Subcontractor does not clean their work environment within 24 hours of receiving written notice of deficient cleanliness from IPS, IPS may rectify the unacceptable conditions. The cost incurred by IPS to clean or neaten the Subcontractor’s work area shall be borne by the Subcontractor. Each subcontractor is responsible for maintaining clean work areas. Each subcontractor is responsible for daily clean up.

6. The Subcontractor shall fully comply with all Project specific safety and loss prevention procedures, and appoint a full-time designated, working safety representative for the Project to implement and coordinate safety efforts, provide appropriate employee safety training and protective equipment, maintain all necessary first aid equipment, conduct regularly scheduled Tool Box Safety Meetings, and fully cooperate with IPS., the Owner, and other Project Contractors to establish and maintain safe working conditions. The Subcontractor shall take all necessary precautions to prevent accidents, injuries or property damage.

7. All Subcontractors are required to assure that their extension cords are safe and protected by GFCI breakers at all times. All Contractors shall utilize GFCI protection whips as needed.

8. The Subcontractor will coordinate with IPS and Merck & Company, Inc. during all demolition and new connection work. Appropriate PPE must be included in the scope to accomplish this task. All work must conform to NFPA-70E requirements. All electrical panels and gear shall be confirmed at a “zero” energy state prior to starting work. The contractor shall coordinate with Merck to identify breaker or disconnect locations and coordinate all shutdown activities.

9. The Subcontractor is required to prepare work specific JSA’s for the job. The JSA’s will be referenced on the Daily JSA checklist each day of work.

10. The Subcontractor is required to complete the daily safety JSA checklist and the daily safety checklist every day for the entirety of the job. The completed forms shall be available for pick by the end of the work day.

11. The Subcontractor is required to participate in the JSA Review Process as follows:
   a. Contractor or Project Manager (PM), Construction Superintendent (CS) will send the JSA to IPS Safety.
   b. IPS Safety will review and send back to the contractor, PM, CS with needed revisions (if any).
   c. Contractor, PM, CS will resend back to IPS Safety for review and approval.
   d. IPS Safety will then send the JSA to GES Safety for a QC check. After it has been reviewed and no further revisions needed, GES Safety will digitally sign and date as so, and resend to IPS Safety.
   e. At this point it will be “approved” by IPS Safety and sent back to the Contractor, PM, CS.

D. General Scope Items

1. The drawings included in the contract documents are diagrammatic in nature and do not necessarily indicate or describe all of the work required for complete performance of the work in this contract. The Subcontractor shall furnish and install all miscellaneous materials, supports, devices, temporary construction, appurtenances, procurement, expediting, or any other work or services required or obviously necessary to affect the full performance of the work.

2. The scope of work includes, but is not limited to: furnishing, installing, starting up, commissioning assistance, servicing during construction, and warranting all materials, equipment, specialty items, and appurtenances associated with producing complete and operational systems.

3. The Subcontractor shall provide all tools and temporary protection as required to perform the work in a safe manner.

4. The Subcontractor shall perform all work in accordance with the Project Schedule. All end dates for tasks detailed in the scope of this subcontract must be adhered to. Any changes in start/end dates indicated in the attached schedule will be coordinated with Subcontractor.
EXHIBIT A-1
SCOPE OF WORK

5. The Subcontractor must be prepared to mobilize and begin work within one week of award of contract and notice to proceed.

6. Subcontractor is responsible for completing as-built drawings and maintaining weekly updates of all work that differs from the contract drawings.

7. The scope of work described herein does not exclude responsibility for the completion of the scope of work shown on the contract drawings specifications.

8. Perform all work as per the project schedule. Subcontractor shall be responsible for ALL overtime as required to meet the project schedule. It will be the responsibility of the subcontractor to add additional manpower or additional shifts as required to maintain the project schedule. While the project is phased from a construction perspective, the progress of the work will be consecutive. The subcontractor shall maintain a dedicated crew to this project and will not switch personnel for convenience.

9. Upon completion of the work contained in this package but prior to final invoicing the Subcontractor shall submit a marked up set of record drawings detailing any changes not notated on the original contract drawings.

10. Subcontractor shall provide a (1) year “Scope of Work Warrantee” on this Scope of Work starting on the date of the Owner’s signoff of Substantial Completion Certificate to IPS at the end of the project.

11. The Subcontractors shall adhere to the attached Safety Policy – Progressive Disciplinary Program and the Preconstruction Safety Checklist, including submitting all items marked on the checklist prior to the commencement of construction.

12. The Subcontractor shall coordinate with IPS and Merck and follow all cGMP work guidelines.

E. Detailed Scope Items

1. Provide the (Insert specific Discipline identified on matrix, example sprinkler or Buyout Group) work as listed in the referenced B14 MRL Scope Responsibility Matrix, Bulletin 2, Revision 6 dated 25 July 2014.

{Contracts.ScopeOfWork}
EXHIBIT A-2
ALTERNATES, CLARIFICATIONS & EXCLUSIONS

1. The following list of Alternates have been accepted and are included as part of the WORK:

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
<th>Deduct/Add</th>
<th>Bid Alternate #</th>
</tr>
</thead>
</table>

2. The following list of Clarifications are included as part of the WORK:

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>{ContractInclusions.ItemNumber}</td>
<td>{ContractInclusions.Description}</td>
</tr>
</tbody>
</table>

3. The following list of Clarifications and Exclusions are not included as part of the WORK:

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>{ContractExclusions.ItemNumber}</td>
<td>{ContractExclusions.Description}</td>
</tr>
</tbody>
</table>
The following lists of documents are included as part of the WORK and are already in SUBCONTRACTOR’s possession:

<table>
<thead>
<tr>
<th>Discipline</th>
<th>By</th>
<th>Drawing Number</th>
<th>Title</th>
<th>Rev</th>
<th>Description</th>
<th>Rev Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>{LU_Discipline.Description}</td>
<td>{DwgsSpecs.Headers.DesignCompanyID}</td>
<td>{DwgsSpecsHeaders.DrawingNumber}</td>
<td>{DwgsSpecsHeaders.Title}</td>
<td>{DrawingsSpecs.RevisionNumber}</td>
<td>{DrawingsSpecs.PackageReference}</td>
<td>{DrawingsSpecs.RevisionDate}</td>
</tr>
</tbody>
</table>
EXHIBIT A-4
BASIS OF COMPENSATION

1. The Basis of Compensation for this Subcontract Agreement is {Contracts.Type}.

2. Compensation and procedures for Time and Material subcontracts or Extra Work outside the WORK in this agreement will be based on Appendix “A” and/or Appendix “B” listed below:

   APPENDIX A

   EXTRA WORK

The Subcontractor proposes to supply labor, material, tools, and supervision, and mark up the work performed to execute approved changes in scope as indicated below (The subcontractor shall not proceed with extra work unless authorized by IPS):

A. Labor Rates: Proposed labor rates inclusive of all direct cost, taxes, insurance, fringe benefits, overhead, and profit are to be in accordance with the subcontractor’s attached SCHEDULE A for all extra work executed throughout the course of the project schedule.
### SCHEDULE A

**Cost Reimbursable Billing Rates and Fee Structure**

*The required format is as follows:*

<table>
<thead>
<tr>
<th>Contractor:</th>
<th>Trade:</th>
<th>Position:</th>
<th>Project Name:</th>
<th>Project No:</th>
<th>Union Local No:</th>
<th>Merit Shop:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**HOURLY LABOR RATE BREAKDOWN**

<table>
<thead>
<tr>
<th>Contract Position</th>
<th>Project Name:</th>
<th>Project No:</th>
<th>Union Local No:</th>
<th>Merit Shop:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2nd Shift</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3rd Shift</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Straight Time</th>
<th>Overtime</th>
<th>Double Time</th>
<th>2nd Shift</th>
<th>3rd Shift</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Hour</td>
<td>Per Hour</td>
<td>Per Hour</td>
<td>Per Hour</td>
<td>Per Hour</td>
<td>Per Hour</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Base Wage Rate (BHWR)</th>
<th>$________</th>
<th>$_______</th>
<th>$_______</th>
<th>$_______</th>
<th>$_______</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overhead (On base rate only)</td>
<td>$_______(d)</td>
<td>(a)</td>
<td>(a)</td>
<td>(a)</td>
<td>(a)</td>
</tr>
<tr>
<td>Profit (On base rate only)</td>
<td>$_______(d)</td>
<td>(a)</td>
<td>(a)</td>
<td>(a)</td>
<td>(a)</td>
</tr>
<tr>
<td>FICA</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
</tr>
<tr>
<td>FUI</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
</tr>
<tr>
<td>SUI</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
<td>$_______(b)</td>
</tr>
<tr>
<td>Workers Comp.</td>
<td>$_______(c)</td>
<td>$_______(c)</td>
<td>$_______(c)</td>
<td>$_______(c)</td>
<td>$_______(c)</td>
</tr>
<tr>
<td>Health &amp; Welfare</td>
<td>$_______(i)</td>
<td>$_______</td>
<td>$_______</td>
<td>$_______</td>
<td>$_______</td>
</tr>
<tr>
<td>Pension</td>
<td>$_______(i)</td>
<td>$_______</td>
<td>$_______</td>
<td>$_______</td>
<td>$_______</td>
</tr>
<tr>
<td>Vacation</td>
<td>$_______(i)</td>
<td>$_______</td>
<td>$_______</td>
<td>$_______</td>
<td>$_______</td>
</tr>
<tr>
<td>Holiday</td>
<td>$_______(i)</td>
<td>$_______</td>
<td>$_______</td>
<td>$_______</td>
<td>$_______</td>
</tr>
<tr>
<td>Other Union Fringes</td>
<td>$_______(i)</td>
<td>$_______</td>
<td>$_______</td>
<td>$_______</td>
<td>$_______</td>
</tr>
</tbody>
</table>

**Explain:**

Total Charge Per Hour $ \; $ h)
The straight time rate listed in SCHEDULE A applies during:

The overtime rate listed in SCHEDULE A applies during:

Other rates that may apply and the times they are applicable are listed below (i.e., 2x, Holidays):

B. **Labor Units**: Units to be based on Time and Materials Work Procedure as outlined below, built into the unit pricing indicated in Appendix B, or based on quantities by a nationally recognized trade publication for lump sum extra work.

C. **Material Prices**: Price to be based on Time and Materials Work Procedure as outlined below, built into the unit pricing indicated in Appendix B, or based on quantities by a nationally recognized trade publication for lump sum extra work. All monthly invoices to be provided with copies of material supplier invoices capable of being audited as required on all T&M material costs.

D. **Equipment Prices or Rentals**: Price to be based on Time and Materials Work Procedure as outlined below, built into the unit pricing indicated in Appendix B, or based on quantities by a nationally recognized trade publication for lump sum extra work. All monthly invoices to be provided with copies of equipment supplier invoices capable of being audited as required on all T&M equipment costs or rentals.

E. **Contractor Owned Equipment Rental Rates**: Rates to be based on Schedule “B” as outlined below if applicable.

**NOTES:**

(a) The overhead and profit mark-ups shall be applied to the straight time portion of premium billing rates only.

(b) State the average annualized payroll tax rate. Payroll burden items to be reimbursed on an average annualized cost. The cost for the average annualized rate for each statutory tax (FICA, FUI and SUI) shall be calculated using the following formula:

\[
\text{Average Annual \%Rate} = \frac{\text{Previous Year statutory tax paid}}{\text{Previous Years Payroll}}
\]

For Example: 1999 FICA paid $50,000 = 5% 
1999 Payroll $1,000,000

The average annualized rate for FICA for the Year 2000 would be 5%.

(c) The method of calculating Worker’s Compensation insurance must state if the subcontractor is self-insured.

(d) The overhead and profit percentages are to be applied to the unburdened Base Hourly Wage Rate (BHWR).

(e) The General Conditions amount and percentage shall be specified on the purchase order and shall include small tools and equipment typically used by these crafts having an individual value of $1000 or less, consumables, field overhead, field supervision, project management, pickup trucks, automobiles, liability insurance, clothing allowances, home office overhead.

(f) Subcontractors for all tiers shall abide by the same markups for overhead and profit on labor and materials and third party rentals as are listed for the Subcontractor.
EXHIBIT A-4
BASIS OF COMPENSATION

(g) The following maximum markups shall apply:
(h) Overhead and profit on labor at any subcontract tier- 10%+5% on the Hourly Wage Rate (BHWR).
(i) Materials and Equipment at any Subcontract tier 7.5%. The 7.5% markup on materials shall be applied to the purchase of materials exclusive of sales taxes.
(j) Third party equipment rentals at any subcontract tier no mark up allowed.
(k) Lower tier subcontractors 5%.
(l) The maximum aggregate markup for overhead and profit for all subcontract tiers (including overhead and profit on labor and materials shall not exceed 21%.
(m) All rates are subject to Audit and based on Actual Cost.
(n) Documentation from the Union local or a source capable of being audited must be submitted for Union fringe benefits for each trade classification.
SUPPLIER: (Complete)

SCHEDULE "B"

Contractor Owned Equipment Rental Rates

<table>
<thead>
<tr>
<th>Detailed description of equipment (brand, capacity, model, etc.)</th>
<th>Hourly Rate $</th>
<th>Daily Rate $</th>
<th>Weekly Rate $</th>
<th>Monthly Rate $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTES:

1) Rates shall include mobilization and demobilization charges, including cost of transportation to and from the jobsite.

2) If it is found to be more economical for Owner to purchase a piece of equipment in lieu of renting it, the Contractor shall be responsible to make this recommendation to Merck’s Engineering Representative in order to obtain approval to purchase this equipment. Any equipment purchased by Contractor and reimbursed by Owner shall become the property of, and turned over to, Owner upon completion of this Project.
EXHIBIT A-4
BASIS OF COMPENSATION

F. Extra Work Authorization Procedure:

In the event that extra work (work not specified in the subcontract) is required, the following procedure will be implemented. The Subcontractor shall adhere to this procedure during the performance of all extra work:

- When the extra work is identified, either by IPS or by the Subcontractor, the Subcontractor shall prepare a request to proceed with the extra work.
- The Subcontractor shall prepare the request to proceed with extra work in a timely manner (the duration of this task shall be agreed upon by the Subcontractor and IPS when the extra work is identified).
- IPS and the Subcontractor shall agree upon the terms of the extra work.
- Authorization to proceed with extra work that exceeds the scope of the subcontract shall be obtained from the IPS Project Manager in writing. No other member of the IPS project team may issue authorization to proceed with extra work.
- Authorization to proceed with extra work will be issued by IPS in the form of a Pending Change Order (PCO)
- No extra work shall be performed without a fully executed PCO.

G. Time And Materials Extra Work Procedure:

In the event that schedule constraints dictate that the extra work be executed on a Time and Material basis, the following procedure shall be adhered to. This procedure is in addition to the procedure outlined above and is only applicable to work performed on a Time and Materials (T&M) basis.

- At the end of each workday or shift, the Subcontractor’s foreman or superintendent shall prepare a T&M worksheet (IPS Format Attached) that shall describe, in detail, the work that was performed on a T&M basis during the subject workday or shift, the personnel that were used to perform the subject work, and the material that was used to perform the subject work.
- The fully prepared T&M worksheet shall be presented to the IPS superintendent at the end of the workday or shift.
- The IPS superintendent will review the work, personnel, and material with the Subcontractor. All discrepancies must be resolved before the end of the workday or shift. The IPS superintendent will sign the Subcontractor’s T&M worksheet indicating that the scope of the work is appropriately described and that the listed personnel and material were used during the execution of the subject scope of work. This signature is for verification of labor and material expended and does not constitute authorization nor confirmation of any costs or pricing.
- The Subcontractor shall issue a copy of the fully executed T&M worksheet to the IPS superintendent on the day that the work is performed, and the IPS superintendent will forward a copy of the fully executed T&M worksheet to the IPS Project Manager.
- The Subcontractor shall retain copies of these tickets for their records and shall include copies of the signed T&M worksheets with each invoice for work performed on a T&M basis.
- The signature of the IPS superintendent constitutes acknowledgement that the personnel, material and equipment listed on the T&M worksheet were utilized during the execution of the subject work only. The IPS Project Manager is solely responsible for determining whether the cost of work is outside of the Subcontractor’s scope of work and in compliance with the use of T&M work procedures. Labor shall be billed in accordance with the agreed-upon labor rate Schedule A provided above.
## EXHIBIT A-5
### COST CODE BREAKDOWN

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
<th>BUDGET CODE</th>
</tr>
</thead>
</table>
EXHIBIT A-6
SCHEDULE OF WORK

(Manually insert either a. Microsoft Project Schedule; b. Specific milestone tasks, durations, and dates from Bidder’s Form of Proposal; or c. provide written narrative of schedule items and durations)
ATTACHMENT B
CONFIDENTIALITY & NONDISCLOSURE AGREEMENT

WHEREAS, IPS-Integrated Project Services, Corporation (hereinafter the “CONSTRUCTION MANAGER”) on behalf of Merck & Company, Inc., Inc. (hereinafter the “OWNER”) has contracted with SUBCONTRACTOR to perform the work set forth in the Contract Documents (hereinafter the “Work”), of which this Agreement is a part, and in order to facilitate same, it may be necessary or desirable for OWNER or CONSTRUCTION MANAGER on behalf of the OWNER to disclose to SUBCONTRACTOR information or ideas which it deems secret, proprietary, or confidential, (collectively “Confidential Information”), which Confidential information OWNER or CONSTRUCTION MANAGER on behalf of the OWNER would not disclose to SUBCONTRACTOR/VENDOR, unless an obligation of confidentiality protected such Confidential Information:

WHEREAS, SUBCONTRACTOR desires to be bound by the obligation of confidentiality to ensure the free flow of confidential Information to it in order to properly undertake the Work;

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, OWNER and CONSTRUCTION MANAGER on behalf of the OWNER and SUBCONTRACTOR agree as follows:

1. When Confidential Information is disclosed, either as a written or oral communication, OWNER or CONSTRUCTION MANAGER on behalf of the OWNER shall use reasonable efforts to adequately identify it as confidential for SUBCONTRACTOR to treat it as such. Additionally, SUBCONTRACTOR shall mark its work product in connection with the Work, whether Internal to SUBCONTRACTOR or delivered to OWNER or CONSTRUCTION MANAGER on behalf of the OWNER, with an appropriate restrictive legend to identify it as Confidential Information.

2. Confidential Information shall be used solely for the purpose of performing SUBCONTRACTOR’S Work, unless OWNER or CONSTRUCTION MANAGER on behalf of the OWNER first authorizes its use for other purposes.

3. SUBCONTRACTOR’S employees and those employees of its affiliates who are exposed to Confidential Information shall be bound by this Agreement. SUBCONTRACTOR shall ensure that they maintain the confidentiality of the information for the term of this Agreement.

4. Subject to the exceptions that may be contained in their Agreement, SUBCONTRACTOR shall not disclose to any third party, for a period of ten (10) years from completion of the Work and confidential Information.

5. This Agreement shall not apply to any Confidential Information that:
   a. Is already rightfully in the possession of SUBCONTRACTOR or its affiliates without obligation of nondisclosure, but was not obtained directly or indirectly from OWNER or CONSTRUCTION MANAGER on behalf of the OWNER or its affiliates:
   b. Is independently developed by SUBCONTRACTOR or its affiliates not as part of the Work;
   c. Is or becomes available to the public without breach of this Agreement:
   d. Is rightfully received by SUBCONTRACTOR from a third party who is not under obligation of nondisclosure, but who did not obtain the information directly or indirectly from OWNER or CONSTRUCTION MANAGER on behalf of the OWNER or its affiliates:
   e. Is required to be disclosed pursuant to law or court order.

6. SUBCONTRACTOR understands and acknowledges that certain Confidential Information may have been disclosed or licensed by OWNER or CONSTRUCTION MANAGER on behalf of the OWNER to one or more third parties under separate confidentiality and nondisclosure agreements. SUBCONTRACTOR nevertheless shall maintain such information as Confidential Information in accordance with this Agreement.

7. Unless further work to which this Agreement applies is authorized by OWNER or CONSTRUCTION MANAGER on behalf of the OWNER to be performed by SUBCONTRACTOR, upon completion of the Work, SUBCONTRACTOR shall return all Confidential Information to OWNER or CONSTRUCTION MANAGER on behalf of the OWNER, except for one record copy which SUBCONTRACTOR may retain for its records subject to the provisions of this Agreement.

8. This Agreement shall be governed by, and construed in accordance with, the law of the State where the Project is located, and the courts of that State shall be the venue for resolution of any disputes arising here from.

9. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

10. This is the entire Agreement between OWNER or CONSTRUCTION MANAGER on behalf of the OWNER and SUBCONTRACTOR relative to the exchange of Confidential Information; it supersedes any prior or contemporaneous written or oral agreements thereon; and it may not be amended or modified except by subsequent agreement in writing by duly authorized officers or representatives of OWNER or CONSTRUCTION MANAGER on behalf of the OWNER and SUBCONTRACTOR.
ATTACHMENT C
PAYMENT REQUEST AND LIEN WAIVER FORMS

PARTIAL RELEASE

FROM: ____________________________________________________________
(The Person or Firm Giving Release)

TO: ______________________________________________________________
(The Contractor)

PROJECT: ________________________________________________________
(Name) (Number)

_______________________________________________________________
(General Description of Property)

_______________________________________________________________
(Address of Project)

OWNER: __________________________________________________________

1. Through the date of this partial release, the undersigned {ToCompany.Name} does hereby release any and all claims,
   including but not limited to Mechanic’s Liens Rights, Miller Act Claims (40 USC 270), Stop Notices, Equitable Liens and Labor and
   Material Bond Rights resulting from any contract balances or credits owed to {ToCompany.Name} for any labor and/or materials,
   subcontract work, equipment or other work, rents, services or supplies heretofore furnished in and for the construction, design,
   improvement, alteration, additions to or repair of the above described project, pursuant to the contract between the Parties, dated
   , (the “Contract”). Notwithstanding anything to the contrary, the Parties specifically acknowledge that {ToCompany.Name} does not
   release any legal or equitable remedy available to it which a
   rise out of the any and all claims identified on the attached Exhibit “A”.

2. This release is given for and in consideration of the sum of $__________________________ and other good and valuable
   consideration.

3. In further consideration of the payment made or to be made as above set forth, and to induce the contractor to make said
   payment, the undersigned agrees to defend and hold harmless the owner, contractor and/or lender, and/or the principal and surety
   from any claim or claims, other than those referenced in Paragraph 1, hereinafter made by the undersigned and/or its material
   suppliers, subcontractors or employees, servants, agents or assigns of such persons against the project. The undersigned agrees to
   indemnify or reimburse all persons so relying upon this release for any and all sums, including attorney’s fees and costs, which may
   be incurred as the result of any such claims.

4. It is acknowledged that the designation of the above project constitutes an adequate description of the property and
   improvements for which the undersigned has received consideration for this release.

5. It is further warranted and represented that all such claims against the undersigned or the undersigned’s subcontractors
   and/or material suppliers' have been paid or that arrangements, satisfactory to the owner and contractor, have been made for such
   payments.

6. It is acknowledged that this release is for the benefit of and may be relied upon by the owner, the contractor, any
   construction lender and the principal and surety on any labor and material bond for the project.

7. In addition to the foregoing, this instrument shall constitute a partial release of all debts, rights, claims, damages and
   demands of the undersigned against the contractor, owner and surety, if any, in law or in equity arising out of or pertaining to the
   above referenced project. All rights and claims on the project are released with respect to any Contract balances or credits owed to
ATTACHMENT C
PAYMENT REQUEST AND LIEN WAIVER FORMS

{ToCompany.Name}, as more specifically referred to in Paragraph 1.

DATE:

SUBCONTRACTOR:

BY:

TITLE:

STATE OF:

COUNTY OF:

The foregoing release was subscribed and sworn to before me this ___ day of _____, 20__, by _________ (as __________ of __________.)

My Commission expires:

__________________________
Notary Public
ATTACHMENT C
PAYMENT REQUEST AND LIEN WAIVER FORMS

FINAL UNCONDITIONAL WAIVER AND RELEASE

Project: 14887 Merck B71 QO Lab Cards

Property Owner/Customer Name: Merck & Company, Inc.

Property Location: 2278 SE Side Highway
Elkton, VA 22827

Subcontract / Vendor: {ToCompany.Name}

The Undersigned represents and warrants that they have been paid and has received payment in full on the above-referenced Project for all work, materials and equipment the Undersigned furnished and does hereby waive and release any notice of lien, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to payment rights that the undersigned has on the above-described Property or IPS - Integrated Project Services Corp. to the following extent.

The Undersigned waives and releases any and all rights it has against any labor, material, payment, performance or lien discharge bond pertaining to the Project, including but not limited to statutory bond, retainage and/or Miller Act rights; and waives and releases any and all claims, causes of action, suits, damages, judgments and demands of any kind, character and description, whether known, unknown, asserted or unasserted against IPS-Integrated Project Services, Inc., IPS’ bonding company, the Owner and their respective directors, officers, principals, general and limited partners, employees, agents, subsidiaries, parents and related corporations, successors and assigns, arising out of or in connection with the Subcontract/Purchase Order or the performance of the Work or the supply of the goods and the performance of the services (as applicable and as defined in the Subcontract/Purchase Order).

The Undersigned warrants that he either has already paid or will use the money he receives from this payment promptly to pay in full all his laborers, subcontractors, materialmen and suppliers for all work, materials or equipment that are the subject of this waiver and release and that such laborers, subcontractors, materialmen or suppliers has any claim or demand or right of lien against IPS or the land and improvements.

Furthermore, the Undersigned stipulates that he is an authorized partner, owner or officer with full power to execute this waiver of liens and that the IPS, the Owner or any lender or title insurer may rely upon this waiver and release.

Dated: _______________________

Subcontractor/ Vendor Name

(Corporate Seal)

By: ________________________________

Its: ________________________________

(Signature of Partner, Owner or Corporate Officer)

This document waives rights unconditionally and states that you have been paid for giving up those rights. This document is enforceable against you if you sign it, even if you have not been paid. If you have not been paid, use a conditional release form.

STATE OF: SS
COUNTY OF:

The foregoing release was subscribed and sworn to before me this ____ day of __________, 20___, by ______________ (as _________________ of ________________.)

My Commission expires:

_____________________________________
Notary Public
OWNER may, in its sole discretion, require that CONSTRUCTION MANAGER screen, to the extent permitted by applicable law, any SUBCONTRACTOR personnel, who perform or are expected to be performing WORK on OWNER premises for an aggregate of five (5) days or more per calendar year, before entering OWNER premises by means of urinalysis for the controlled substances set forth in The Federal Comprehensive Drug Abuse Prevention and Control Act of 1970, including without limitation the following: Amphetamines, Barbital, Barbitalates, chloral hydrate, cocaine, Codeine, Egonine, Heroin, L.S.D., Marijuana (hashish), Meprobamate, Mescaline, Methadone, Methamphetamine, Morphine, Opium, Peyote, Phenobarbital, Psilocybin, and Psilocyn. OWNER may add to or delete substances from such list. If OWNER requires SUBCONTRACTOR to screen personnel as aforesaid, testing of the urine samples must be performed by a laboratory licensed for such purposes and in accordance with government regulation. The SUBCONTRACTOR warrants that all personnel performing Service or WORK on OWNER premises will have been screened in accordance with the provisions of this EXHIBIT and such screening has not identified such personnel as having urine concentrations of the controlled substances in excess of the limits established by OWNER unless such controlled substances have been prescribed for such personnel for medical purposes by a physician. If controlled substances have been so prescribed and are known to adversely affect the ability to safely perform Services or WORK, OWNER shall be so notified and may require medical evaluations to determine whether restrictions are required.

If CONSTRUCTION MANAGER or OWNER determines, based on reasonable cause, that personnel may have unlawfully used or possessed a controlled substance, SUBCONTRACTOR will have such personnel screened for controlled substances, to the extent permitted by applicable law. In the event of a positive test result, OWNER reserves the right to terminate such personnel from performing Services or WORK under this AGREEMENT without further notice.

SUBCONTRACTOR is responsible for adhering to any applicable legal requirements for screening, including without limitation applicable privacy law requirements, providing appropriate notification to personnel and obtaining adequate consent from personnel prior to screening. SUBCONTRACTOR shall maintain records of screening, which shall be made available to OWNER for inspection solely to ensure compliance with the requirements of this EXHIBIT. SUBCONTRACTOR shall ensure that any such notices and consents adequately inform individuals that OWNER may inspect such records.

SUBCONTRACTOR shall protect, defend, indemnify and save OWNER, its AFFILIATES and their respective officers, directors, employees, and agents, and their respective successors and permitted assigns harmless from any and all claims, actions, causes of action, liabilities, losses, damages, cost or expenses, including reasonable attorney fees, which directly or indirectly arising out of the screening of personnel and any matter related to such screening, the results thereof, and actions taken or not taken in connection therewith.
The following Merck & Company, Inc. Safety Procedures shall be followed by all subcontractors. The below list will cover all general requirements for most projects, however, specific safety procedures not shown may apply based on the work scope required. The procedures listed below will be provided upon request, however, it is assumed that this subcontractor has these procedures in their possession.

<table>
<thead>
<tr>
<th>PROCEDURE NUMBER</th>
<th>PROCEDURE TITLE</th>
<th>PROCEDURE REVISION DATE</th>
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<tbody>
<tr>
<td>1</td>
<td>Respiratory Protection</td>
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<td>Confined Space Entry</td>
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<td>6</td>
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<td>8</td>
<td>Hazard Communication</td>
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<td>Procurement, Placement &amp; Inspection of Fire Extinguishers</td>
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<td>10</td>
<td>Fire Protection System Shutdown / Modification</td>
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<td>11</td>
<td>Hearing Conservation</td>
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<td>12</td>
<td>Contractor Safety</td>
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<td>Hazard Identification &amp; Risk Assessment</td>
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<td>Injury &amp; Illness Management</td>
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<td>Department Self-Assessment Program</td>
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<td>Asbestos</td>
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<td>24</td>
<td>Safety Awards</td>
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<td>25</td>
<td>Proper Use of Fume Hoods, Glove Boxes and Ventilated Weigh Booths</td>
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<td>35</td>
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<td>36</td>
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<td>42</td>
<td>W.P. Site Crane Operating Procedure</td>
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</table>
First-Aid Kit Requirement

Effective December 6, 2009 Global Engineering Services will require all contractors to provide a first-aid kit that complies with ANSI standards for their employees.

Objective: To make readily available the necessary supplies to handle any minor injuries that may occur during normal work activities (splinters, bee stings, small cuts, etc.).

First-Aid Kit Policy

All Contractors while working on a Merck GES project/site are required to have an ANSI Compliant First-Aid kit available onsite for minor first-aid injuries. First-aid kits must be inspected monthly with documentation. Use of first-aid kit must be documented as well.

First-aid kit requirements;

OSHA standard 1910.151 (b) also states an employer must have "adequate first aid supplies...readily available," although specific first aid supplies are not listed.

OSHA does not have a minimum requirement, but references ANSI Z308.1-2003 Minimum Requirements for Workplace First Aid Kits. According to the ANSI document, a basic workplace first aid kit should include:

- At least one absorbent compress, 32 sq. in. (81.3 sq. cm.) with no side smaller than 4 in. (10 cm)
- At least 16 adhesive bandages, 1 in. x 3 in. (2.5 cm x 7.5 cm)
- One roll of adhesive tape, 5 yd. (457.2 cm) total
- At least ten packets of antiseptic, 0.5g (0.14 fl oz.) applications
- At least six applications of burn treatments, 0.5 g (0.14 fl. oz.)
- Two or more pairs of medical exam gloves (latex or non-latex)
- At least four sterile pads, 3 in. x 3 in. (7.5 x 7.5 cm)
• One triangular bandage, 40 in. x 40 in. x 56 in. (101 cm x 101 cm x 142 cm)

Additional (but optional) items include:

• Four 2x2 inch bandage compresses
• Two 3x3 inch bandage compresses
• One 4x4 inch bandage compresses
• One eye patch
• One ounce of eye wash
• One chemical cold pack, 4x5 inch
• Two roller bandages, two inches wide
• One roller bandage, three inches wide
• CPR barrier device

These items are intended to be the minimum for a workplace first aid kit. Depending on the potential for injury, a more complete kit may be necessary. OSHA recommendations do not include an automated external defibrillator (AED), but current emergency cardiac care guidelines from the American Heart Association recommend AEDs in most public places.

Material Safety and Data Sheets (MSDS) Requirement

Effective December 2, 2009 Global Engineering Services will require MSDS to be present at locations where materials are being used.

Objective: To insure that all the information concerning a material in use is immediately available to anyone who is working with or may be impacted by the work a particular substance or material.

MSDS Policy

MSDS for materials used on all jobs must be present where work is being performed.

Safety Observation Report Program

Effective April 1, 2011 all subcontractors working for IPS on Merck projects will be required to participate in the Merck SOR (Safety Observation Report) program. Each subcontractor firm will be required to complete one SOR per week for each active project that they have been awarded on Merck’s sites.

SOR forms can be obtained from any IPS construction superintendent working on site at Merck. The SOR cards can also be found on each IPS project work area at Merck.

Completed cards shall be turned in to an IPS construction superintendent by the end of each week.

The SOR program is meant to be a proactive safety program to catch items before they become hazards and lead to injuries i.e. cords laying on the ground leading to a trip or a fall, exposed sharp edges potentially causing a cut. If someone sees these items and writes up an SOR, the items can be eliminated making the area safer for all.

A safety observation can be positive and recognizing good work practices and plans of an individual and group. There are things that we do every day to make the workplace safe. We need to capture these items and share this information with others to help improve our safety awareness across the site. The SOR program helps to improve our safety awareness level.
IPS and Merck would like every craft person to take the time to think about safety all the time so we can all go home without an incident every day. Your participation is the key for a successful program. IPS and Merck would like each subcontractor to be proactive and help to make the SOR program a great safety initiative that protects everyone from workplace accidents and injuries.

The Project Site Logistics & Safety Plan: Rev {ContractAttachments.Revision}, dated {ContractAttachments.RevisionDate}, is included as part of the SUBCONTRACT and is already in SUBCONTRACTOR's possession.