

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

SPECIAL CONDITIONS

for

INSTALLATION OF EQUIPMENT

This document supplements the Standard Terms and  
Conditions for Purchase of Equipment)

October 1, 2007

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(This document supplements the Standard Terms and  
Conditions for Purchase of Equipment)

In the event this Purchase Order provides for the Seller to install or erect the equipment supplied under this Purchase Order, the following additional terms and conditions shall apply.

1. Definitions. In these Special Conditions, Seller is referred to as "Contractor," the Purchase Order is referred to as "Contract," "Work" shall mean the installation or erection contemplated by the Contract and all labor and supervision; construction materials, equipment, tools and other aids to installation or erection; equipment, material and structure to be installed or erected; and other things of any nature necessary or proper for the completion of the installation or erection, whether or not expressly specified herein, and "Subcontractor" shall mean any company or person, other than an employee of Contractor, that furnishes any of the Work on behalf of Contractor.

2. Specifications, Plans, and Drawings

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

Contractor shall carefully review all of the Contract documents before performing the Work and shall promptly call to the attention of Con Edison any discrepancy which may exist between any documents or between any parts of the same document and abide by Con Edison's written direction with respect thereto.

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

- B. Con Edison may furnish to Contractor any additional plans, drawings, specifications or other documents which it considers necessary to illustrate or explain the Work in further detail, and Contractor shall comply with the requirements of all such documents.
- C. Contractor shall, throughout the time during which the Work is being performed, keep at the erection site available for inspection by Con Edison one complete and current set of the Contract documents, including, but not limited to, the Contract plans, specifications, and drawings, any additional documents furnished by Con Edison, and all shop and work drawings approved by Con Edison.

### 3. Contractor's Performance

- A. Contractor shall in good workmanlike manner perform all the Work specified or reasonably implied in the Contract, in accordance with its terms and the directions of Con Edison as any may be given from time to time. Contractor's performance shall include, except as otherwise specifically stated in the Contract, everything requisite and necessary to complete the Work properly, notwithstanding the fact that not every item involved is specifically mentioned, including but not limited to all materials, labor, tools, equipment, apparatus, water, lighting, power, transportation, superintendence, temporary construction, and all other services and facilities of every nature necessary or appropriate for the execution of the Work on schedule. Details which are not specified in the Contract shall be performed by Contractor at no extra cost if such details are within the general description of the Work. Contractor shall provide a full time on-site representative who shall be deemed to have full authority to act for Contractor. The continuance of this individual in that role will be subject to the continuing approval of Con Edison.
- B. The Contractor must provide at all times an on-site representative with full authority to act for the Contractor. The representative must be able to read, write, and thoroughly understand both English and any other languages spoken by persons performing work for the Contractor and must be able to effectively communicate with those persons in their own language or languages. In addition, the Contractor's representative must ensure that labeling, log book entries, completion of forms and all other tasks requiring a proficiency in English are performed clearly and correctly. The continuation of the individual selected by the Contractor in this role shall be subject to the continuing approval of Con Edison.

C. Contractor shall perform the Work in accordance with the following:

- (a) All equipment, tools, other construction aids and materials utilized by Contractor shall be of high quality and in good working order. Contractor shall not use hazardous substances. If, in the opinion of Con Edison, any of Contractor's equipment, tools, other construction aids or materials are unsafe or inadequate, Contractor shall remove such items from the site immediately and replace them with safe and adequate substitutes at Contractor's expense. Contractor shall be fully and solely responsible for and shall safeguard its equipment, tools, other construction aids and materials at all times. Contractor shall provide adequate storage for all such items used in connection with the Work.
- (b) The use of public roadways and properties for the parking of employee vehicles, construction equipment, receiving and placement of materials and vehicular access to the site shall be in accordance with the applicable laws and ordinances. Access to all underground facilities, as for example through Con Edison, New York City and telephone company manholes, shall be maintained and allowed during the entire performance of the Work. Adjacent private properties shall not be entered or used for any such purpose without the written consent of the property owners.
- (c) Fire hydrants and stop valves adjacent to the Work shall be kept clear and readily accessible to fire apparatus, and no material or other obstruction shall be placed, parked or stored within fifteen (15) feet of any hydrant or stop valve (or a greater distance if required by local law, rule or regulation). Contractor shall comply fully with all local rules and regulations relative to fire protection, shall keep the structure and premises free from burnable trash and debris, and shall exercise every precaution against fire. This shall include, but not be limited to, posting a fire watch, with appropriate fire fighting equipment, during all welding, burning, stress relief and other heating operations. Contractor shall assure that the fire watch is informed of the site fire control procedures and remains posted during breakfast, lunch and dinner periods and until one hour after such heating operations have stopped.

4. Safeguards in Work

- A. The Contractor shall provide and maintain at its own expense safe and sufficient entrance and exit ways, walkways, platforms, barricades, warning lights, scaffolds, ladders, runways for concrete carriers, hoists and all equipment, apparatus and appliances necessary or proper for carrying on the Work safely; shall not load any of the foregoing items or any part of any

structure or equipment with a weight that will make it unsafe; shall make and keep the place of Work and the ways and approaches thereto well lighted, safe and free from avoidable danger, taking into account, without limitation, local conditions; and shall mark any faulty items "unsafe" until repaired or replaced.

- B. Contractor shall provide all permanent and temporary shoring, anchoring and bracing required by the nature of the Work to make all parts absolutely stable and rigid, even when such shoring, anchoring and bracing are not explicitly called for. Contractor shall support and protect all buildings, bridges, roadways, conduits, wires, water pipes, gas pipes, sewers, pavements, curbing, sidewalks, fixtures and other public or private property that may be encountered or endangered in the prosecution of the Work.
- C. In accordance with the rest of this Article 4 and without limitation thereof, the Contractor shall test all areas, excavations, openings, manholes, vaults and boxes, for an adequate supply of oxygen and for any and all toxic, harmful or combustible gases or fumes or other dangerous substances before and during the course of the Work and shall provide all the necessary equipment, including, but not limited to, all oxygen deficiency and gas testing apparatus required for such tests.
- D. Contractor shall strictly observe safety requirements of applicable federal, state and municipal laws and regulations, including, without limitation, the Federal Occupational Safety and Health Act. The Contractor shall cause all equipment and structures, the place of Work and the ways and approaches thereto to meet the requirements of all public authorities. The Contractor shall comply with the requirements of and recommendations in the latest edition of the "Manual of Accident Prevention in Construction," published by The Associated General Contractors of America, to the extent that such provisions are not inconsistent with other provisions of the Contract or applicable laws or regulations. The Contractor shall maintain an accurate record of all cases of death, occupational disease or injury requiring medical attention or causing loss of time from work arising in connection with performance of the Work.
- E. If in the opinion of Con Edison's authorized representative the Contractor's work practices or conditions created by the Contractor are unsafe or fail to comply with applicable laws or regulations, Con Edison may halt the Work until such practices and conditions are corrected. The Contractor shall not be entitled to any additional costs or time for performance due to such work stoppage. If, when Con Edison's authorized representative is not present at the site, a Con Edison employee directs the Contractor to discontinue an operation because it may be unsafe or illegal, the Contractor shall immediately halt the questioned operation and, if the

Contractor disagrees with the employee, shall contact Con Edison's authorized representative for instructions. The Contractor shall obtain the employee's name and employee identification number and report this information to Con Edison's authorized representative.

- F. The Contractor shall be responsible for any failure or neglect on its or its Subcontractor's part to perform the obligations contained in this article, and shall defend and indemnify Con Edison against any liability resulting in whole or in part from such failure or neglect.
- G. If the Work involves pipeline facilities for the transportation of gas, hazardous liquids or carbon dioxide or a liquefied natural gas facility subject to Part 192, 193 or 195 of Title 49 of the Code of Federal Regulations (CFR), the Contractor shall comply, and shall require its employees to comply, with the drug and alcohol testing requirements of 49 CFR Part 199. The Contractor shall maintain and follow written anti-drug and alcohol misuse plans and shall provide the testing, education, and training required by the Regulations. The Contractor shall allow access to its property and records concerning the plans and their implementation to Con Edison, to the Department of Transportation Administrator, and to representatives of federal or state authorities having jurisdiction for the purposes of monitoring compliance with these requirements.

## 5. Labor

- A. Contractor shall, unless otherwise specifically stated herein, provide all labor required to fully complete the Work. This shall include all crafts that are required by the nature of the Work, or by local, contractual, or other rules or regulations. Unless otherwise specifically provided herein, the costs of all labor, including supporting crafts, are included in the Contract price. Contractor will employ on Work at the construction site only union labor from building trades locals having jurisdiction over the Work, to the extent such labor is available. Whenever Contractor knows or believes that any actual or potential labor dispute is delaying or threatening to delay the timely performance of the Work, Contractor shall immediately give Con Edison notice thereof, including all relevant information with respect thereto. If such notice is given orally, Contractor shall confirm it in writing within 24 hours. In the event of any labor dispute which adversely affects the timely and efficient performance of the Work, including, but not limited to, a jurisdictional dispute, the Contractor shall exercise all rights and avail itself of all remedies under collective bargaining agreements and the federal and state labor laws to resolve the dispute and end the adverse effect on the Work, including, but not limited to, the filing of an unfair labor practice charge with the National Labor Relations Board and the seeking of an injunction.

- B. The Immigration Reform and Control Act of 1986 Pub.L. No. 99-603 (the “Act”) makes it illegal for an employer to hire or employ an illegal alien. The Act also makes it a legal requirement for employers to establish an employment verification system which includes the employer’s checking specified documents to establish both an individual’s identity and legal authorization to work. Contractor represents and covenants that Contractor has complied and will comply with all the requirements of the Act with respect to all persons assigned or employed by Contractor in the performance of the Work. Contractor agrees to defend, save harmless and indemnify Con Edison, its trustees, officers, agents and employees against any and all liability under the Act arising in any way out of services performed by or Con Edison’s use of persons furnished by Contractor.
  
- C. The Contractor shall not employ any Con Edison or Orange and Rockland Utilities, Inc. employee to perform any Work without the prior written permission of Con Edison.

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

7. Changes in Work (Including Extra Work). Supplementing Article 11, Changes of the Standard Terms and Conditions for Purchase of Equipment

- A. Con Edison shall have the right at any time, by written notice to Contractor and without notice to any of Contractor’s sureties, to direct changes in the Work, including direction to do extra work or work outside of normal hours (when such work is not already the responsibility of the Contractor under the Contract) or to delete part of the Work. If any such change causes an increase or decrease in the cost or time required for performance

hereunder, an equitable adjustment shall be made in the Contract price or schedule, or both, as follows: If the change involves work of the kind for which unit prices are contained in the Contract, such work shall be paid for at those prices. Otherwise, the parties shall endeavor to agree on a lump sum price for the change. If the change is not defined well enough for a fixed price, or if there is not enough time to negotiate one, or if the parties do not agree on one, the Contractor shall perform the change on a time-and-materials basis at the rates for labor, equipment and materials approved by Con Edison. In the case of deletion of any portion of the work for which no unit price is established, the Contract price shall be reduced by the decrease in the Contractor's cost of performance and profit thereon.

B. The following time and material rates are approved by Con Edison for Work performed on a time and materials (T&M) basis:

a) Labor

The Contractor will be compensated for each hour of Work performed at the straight and premium time rates (as applicable) specified in Con Edison's schedule of rates entitled "New York City" and Westchester County Labor Rates for Time and Materials Work" or "Maintenance Agreement Labor Rates -- New York City and Westchester County" as applicable, in effect at the time the Work is performed, except that an additional 10% will be paid for the straight time portion of labor performed by an approved Subcontractor. The labor of superintendents, non-working foremen, timekeepers and clerical employees is not compensable.

b) Materials

The Contractor will be compensated for all material<sup>5</sup> used for the Work at the actual net cost plus ten percent.

c) Equipment

The Contractor will be compensated for equipment employed in the Work at 70% of the rates, in effect at the time the Work is performed, in the "Rental Rate Blue Book for Construction Equipment" or the "Rental Rate Blue Book for Older Construction Equipment," whichever is applicable.

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

paid for hours during which equipment is actually being used in the performance of the Work.

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

- C. Any claim by Contractor for adjustment under this article shall be deemed waived unless asserted in writing within thirty (30) days from receipt by Contractor of the direction to make the change. In the event any such adjustment is not agreed upon promptly, Contractor shall, nevertheless, proceed diligently to effect the change at the time it is directed to do so by Con Edison. Any price increase or decrease or extension or acceleration of time for performance shall not be binding on Con Edison unless evidenced by a Contract modification or change order signed and issued by Con Edison. Contractor shall not have the right to make changes in the Work without the prior written approval of Con Edison.
- D. Prices agreed upon for, or applicable to, changes (including extra work), include all impacts of the changes on the Work, including, but not limited to, delay, loss of productivity, demobilization, remobilization and idle time, and Contractor shall have no other claim for other effects on the Work due to such changes.

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

9. Subsurface Conditions Found Different. Con Edison shall not be obligated to show any subsurface conditions on any drawing, plans or specifications it furnishes Contractor, and if none are shown that is not to be interpreted as indicating that there are none of significance to the Work. Should Contractor encounter subsurface conditions at the site materially different from any that are shown on the drawings, plans or specifications, it shall immediately give notice to Con Edison of such conditions before the conditions are disturbed. Con Edison will thereupon promptly investigate the conditions, and if it finds that they materially differ from those shown on the plans or indicated in the specifications it will make any changes in the plans and/or specifications it deems necessary. Any increase or decrease in the cost of or time required for performance resulting from such changes shall be dealt with in accordance with the provisions of Article 7, Changes In Work.

10. Permits, Codes, Laws and Regulations. Contractor shall obtain and pay for all permits required for the Work except those which can be obtained only by Con Edison and those which the Contract specifically requires Con Edison to obtain. Contractor

shall comply with all federal, state, and local laws, executive orders, regulations, ordinances, rules, and safety codes insofar as they relate to the Work (including but not limited to the giving of notices and the payment of fees) and shall defend, save harmless and indemnify Con Edison, its trustees, officers, agents and employees against all liability arising out of Contractor's failure to do so. Contractor shall promptly examine all Contract documents and notify Con Edison in writing if it appears that any of them may fail to conform to any such code, law, ordinance, rule or regulation. Contractor shall provide Con Edison with the original or a copy of permits, certificates, receipts and other evidence establishing its compliance with the obligations imposed by this Article. Without limiting the generality of the foregoing, Contractor agrees to comply with the Fair Labor Standards Act and, as applicable, with the provisions contained in Appendix A hereto, which is incorporated in these Special Conditions as if fully set forth herein. It contains clauses applicable to, certifications required to be provided by, subcontractors to contractors of the federal government.

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

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

13. Con Edison's Authority

- A. Con Edison shall have the authority to decide any and all questions which arise in connection with the Work, and Con Edison's decisions shall be conclusive and final. Con Edison shall be the final judge of the meaning and intent of the Contract and all provisions thereof. Con Edison shall have the authority to conclusively resolve any disagreements which may arise between Contractor and any other contractor.
- B. Con Edison shall have the right to maintain a representative at the site of installation or erection. Such representative may, on request, give Contractor reasonable assistance in interpreting the Contract drawings,

specifications and plans, but such assistance shall not relieve Contractor of any duties (including, without limitation, those of giving notice to or securing the approval of Con Edison) arising under the Contract.

14. Liens. Contractor shall save harmless and indemnify Con Edison against all claims, liens or attachments growing out of the demands of Subcontractors, mechanics, workmen, materialmen and furnishers of machinery, equipment, tools, or supplies, including commissary, in connection with the Work. Contractor shall deliver the Work to Con Edison free and clear of all liens, claims, and encumbrances, and shall furnish Con Edison a certificate to that effect upon request. Contractor shall furnish Con Edison a Waiver of Liens in full with the presentation of Contractor's final invoice for payment. Neither the final payment, nor payment of any part of the retained percentage shall become due until Contractor furnishes a Waiver of Lien. Contractor may, if any of its Subcontractors or suppliers refuse to furnish a Waiver of Lien, furnish a bond satisfactory to Con Edison indemnifying Con Edison against any lien. If required by Con Edison, Contractor shall furnish Con Edison, in addition to the Waiver of Lien, an affidavit that so far as Contractor has knowledge, the Waiver of Lien includes all labor and material for which a lien could be filed. Con Edison may withhold from payment an amount sufficient to protect Con Edison against any claims, liens or attachments. If any lien remains unsatisfied after final payment has been made to the Contractor, Contractor shall refund to Con Edison all monies that Con Edison may be compelled to pay in discharging such lien, including all costs and attorneys' fees.

15. Protection of the Work. The risk of loss or damage to the Work prior to full completion of all Work hereunder and final acceptance thereof by Con Edison shall be borne by Contractor. Contractor shall comply with all reasonable requests of Con Edison to enclose or specially protect the Work. Contractor shall provide and maintain in good working order at all times an adequate, approved system for promptly extinguishing fires.

16. Protection of Persons and Property; Notice of Accidents (Supplementing Article 36, Protection of Persons and Property; Notice of Accidents of the Standard Terms and Conditions for Purchase of Equipment)

A. Safety hats shall be worn at all times in the work area by Contractor's employees.

B. Contractor shall provide at the Work site such equipment and medical facilities as are necessary to supply first aid service to any persons who may be injured in the course of performance of the Work and shall have standing arrangements for the removal and hospital treatment of such persons. If any claim is made by any person against Contractor or any other contractor on account of any accident, Contractor shall promptly report it in writing to Con Edison, giving full details of the claim.

C. If in the reasonable opinion of Contractor greater precautions than those

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

17. Bonds. Contractor shall furnish performance or payment bonds, or both, that may be required by law or requested at any time by Con Edison. Any and all such bonds shall be in a form and in an amount and shall have a surety or sureties, acceptable to any governmental authority having jurisdiction and to Con Edison. The premiums for all such bonds which are required by law or which have been requested by Con Edison prior to the time of the execution of the Contract or which are required by the Contract itself shall be deemed to be included in the Contract price, and no additional compensation shall be payable to Contractor with respect to such bonds. If a bond is required by Con Edison after the Contract is executed, Contractor shall be reimbursed the cost thereof, if it has been previously approved by Con Edison, upon submission by Contractor of satisfactory evidence of payment therefor. No change order, extension of the time for completion, failure to enforce any rights arising under the Contract, or other act or forbearance of Con Edison shall operate to release or discharge any surety or sureties under any such bonds, and such bonds shall so provide.

18. Other Contractors

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

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

20. No Third Party Rights. Unless specifically provided elsewhere herein, nothing contained in this Contract is intended for the benefit of any third parties.

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

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