

CONTRACT PROCEDURES

<u>CONTENTS</u>	<u>PAGE</u>
1. GENERAL.....	2
2. CONTRACTING ETHICS.....	2
3. DEFINITIONS.....	2
4. FUNDAMENTALS OF CONTRACTS.....	4
5. CONSIDERATION PRIOR TO ENTERING CONTRACTS.....	4
6. COMPETITIVE AND NON-COMPETITIVE CONTRACTING.....	9
7. SELECTION OF CONTRACTORS.....	9
8. INVITATION TO QUOTE.....	11
9. LIABILITY INSURANCE.....	14
10. RETAINAGE.....	16
11. OPENING OF SEALED PROPOSALS.....	19
12. LOW QUOTE VS. ACCEPTABLE QUOTE.....	19
13. RECOMMENDATIONS FOR AWARDED CONTRACTS.....	20
14. EXECUTION OF CONTRACT.....	21
15. CONTRACT APPROVALS AND CHANGES.....	23
16. FIELD INSPECTIONS.....	24
17. CONTRACTOR BILLS.....	25

EXHIBITS

1. SW-1887 RECORD OF PROCUREMENT OF GOODS AND SERVICES.....	28
2. SW-9365A&B OUTSIDE PLANT CONTRACT.....	29-30
3. SW-9365C&D GENERAL PROVISIONS.....	31-34
4. SW-9365E CONTINUING NATURE AGREEMENT CONTRACT.....	35
5. SW-9366 WORK REQUEST.....	36
6. SW-9368 NON DISCRIMINATION COMPLIANCE AGREEMENT.....	37-38
7. SW-9368.1 NONDISCRIMINATION COMPLIANCE AGREEMENT FOR SOUTHWESTERN BELL TELEPHONE AS SUBCONTRACTOR OF GOVERNMENT CONTRACTOR.....	39-40
8A SW-9369 CERTIFICATE OF INSURANCE.....	41-42
8B SW-9369B CERTIFICATE OF INSURANCE.....	43-44
9. SW-9367 SUPPLEMENTAL CONTRACT.....	45
10. SW-1853 ACTIVE OF PROSPECTIVE CONTRACTOR QUESTIONNAIRE.....	46-50
11. S-6749 CERTIFICATE OF PAYMENT FOR CONTRACT WORK.....	51
12. SW-9371 BID REQUEST RETURN ENVELOPE.....	52

PROPRIETARY

Not for use or disclosure outside Southwestern Bell
Telephone Company except under written agreement.

1. GENERAL

1.01 This section is reissued to provide Departmental procedures covering Southwestern Bell Telephone Company contracts for the Construction and Maintenance of Outside Plant. This section is subordinate and in no way supersedes with Operating Practice 112 - Purchasing and Contracting Policies. In addition to this section other reference material should include:

- 1. Schedule of Authorizations
- 2. Operating Practice 112 Purchasing and Contract Procedures
- 3. Operating Practice 109 Corporate Insurance and Suretyship
- 4. Operating Practice 56 Bill Payment Procedures
- 5. Operating Practice 128 Minority/Women/Small Business Enterprise Program
- 6. Operating Practice 46 Estimate Routine
- 7. Operating Practice 47 Document Retention Guide
- 8. Operating Practice 92 Procedures for Safeguarding Proprietary Information

1.03 This section is issued to replace 002-011-901SW Issue A, October 1981.

2. CONTRACTING ETHICS

2.01 It is the Company's policy to seek out and buy technically suitable quality products and services at the best overall value and to award business on the basis of merit to qualified suppliers. All suppliers will be treated in a fair and unbiased manner in all transactions with the Company.

2.02 Gifts, loans, unusual hospitality, or any other thing of monetary value that could influence actions, or give the appearance of being capable of influencing actions should be promptly reported to your supervisor and then returned to the donor, if possible, or disposed of in another appropriate manner. Acceptance of a meal or refreshments in the normal course of business relations is permitted as a courtesy and, when practical, should be on a reciprocal basis.

3. DEFINITIONS

3.01 For the purpose of this practice, the following definitions apply:

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

CONTRACT ADMINISTRATOR - Any management person charged with the maintenance of an approved contractor list, the proper implementation of contracts, qualification of contractors, issuance of a contract questionnaire, verification of insurance and all other record keeping and administrative tasks associated with contracts and contractors.

MECHANIZED SYSTEMS - Mini and Personal computer programs developed for contract administration, record keeping, cost analysis and form generation. These systems must not conflict with this practice or any related practices. The documents produced via mechanized programs must conform to the exhibits in this practice and related practices as the only forms approved by the Legal Department.

TELEPHONE COMPANY REPRESENTATIVE - The "Telephone Company Representative" shall be the manager responsible for the letting and supervision of the administration of a contract and shall be specified in the contract.

WRITTEN CONTRACT - A "written contract" may be a "form contract" signed by both parties; a writing signed by both parties, or an exchange of letters, or a letter signed by either party and agreed to by the other. Its purpose is to summarize and record all pertinent facts constituting the agreement. All written contracts using non-standard forms, terms and contractors shall be routed through the appropriate Legal Department for review and advice before submittal for authorization. The basic parts are:

- a. IDENTITY of parties, and the date of agreement - generally, the date on which the last party executes the contract.
- b. Description of the work with appropriate references to attachments and specifications (including drawings) which may be attached to, or otherwise made part of the contract.
- c. Statement of consideration, including the contract price, security (e.g., retainage) as necessary, method of payment, rates of payment and method of calculating payment.
- d. Statement of the time for commencement and completion of the work, or duration of the contract.
- e. Statement of the methods for handling changes.
- f. General conditions, which are detailed statements of rights and obligations of parties to the contract.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell
Telephone Company except under written agreement.

- g. Special conditions, if any, which are detailed statements of the rights and obligations of the parties to the contract which are not covered by the standard general conditions.
- h. Adequate definitions of terms, titles and repetitive phrases which do not have common understanding or are not used in the context of their accepted meaning.
- i. Execution (signed) by the parties.

4. FUNDAMENTALS OF CONTRACTS

Employees whose duties involve handling contracts should understand the following generally accepted essentials of a contract:

- a. The contract should be between competent parties (The parties should be of legal age; of sound mind; and have authority to enter into the contract.)
- b. The contract must be for legal purposes. (It must not violate any statutes, or accepted principles of common law or public policy.)
- c. The contract should include an exchange of valuable consideration by the parties.
- d. The contract should clearly express the terms and conditions of the agreement.
- e. The contract should be clearly understood and accepted by both contracting parties.

5. CONSIDERATIONS PRIOR TO ENTERING INTO CONTRACTS

5.01 TIME FACTORS - Contract work entails a considerable amount of work that must be done by the Telephone Company prior to establishing a contractor on the job, such as:

- a. Right of way acquisition.
- b. The preparation of complete specifications.
- c. The investigation and selection of prospective contractors.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

- d. The review of the job with interested contractors who will be invited to quote.
- e. The preparation, the quoting and the letting of the contract.

Much of this work is sequential in nature and often consumes a considerable period of time. Therefore, it is essential that contract work be planned with sufficient lead time to permit the completion of this important preparatory work.

5.02 CONTRACTOR-TELEPHONE COMPANY RELATIONSHIP - To minimize the liability on the part of the Telephone Company for such things as the negligence of the contractor, it is important that the relationship of the contractor to the Telephone Company be that of an independent contractor and not an employee. Whether an independent contractor relationship exists is determined by the facts in each case. The principal test is whether the person engaging the contractor directly controls the method by or manner in which the contractor performs the work as well as the final result. If this control is exercised, the contractor can be held to be an employee and not an independent contractor. Other commonly recognized factors tending to establish that the contractor is an independent contractor include the following:

- a. The independent nature of the contractors trade, occupation or profession.
- b. The existence of a contract for the performance of a specific piece of work.
- c. The fact that the contractor has employees with the right to supervise their work.
- d. The contractors obligation to furnish tools, supplies and materials.
- e. The fact that the work done or service rendered is outside the usual course of business of the person engaging the contractor.

5.03 CHOICE OF TYPE OF CONTRACT - The various types of contracts are described below. Of these, the Fixed Cost or Flat Sum contract and the Continuing Nature contract are applicable most frequently to the outside plant work. The following sections state certain considerations which should be taken into account in determining which type of contract should be used. Generally, the use of contract forms other than the Telephone Company's

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

standard printed contracts or others prepared by the Legal Department of the Telephone Company must be avoided.

- 5.04 FIXED COST or FLAT-SUM CONTRACTS - Specify the total amount to be paid the vendor for the goods and/or services rendered. When the specifications for the desired goods or services are sufficiently complete these types of contracts are the most desirable because they fix the total cost and in most instances will result in the least overall cost.

This is the most common method of contracting. Once the contract price is fixed at the time of original agreement, it remains unchanged through completion. The only legal considerations warranting a price change under a Fixed Cost-Flat Sum agreements are either a change in the scope of the work or some mutual error. Faulty cost estimates by the contractor are not a mutual error, and legally are not grounds for a price change.

When specifications are less complete, it may be advisable to require a flat sum bid for the major portions of the work and a schedule of unit-cost for the remaining less specific portions of the work; e.g., paving in connection with a conduit job where the full extent of paving required is not completely known. In cases like these, the combined flat sum - unit-cost contract approach reduces the unknowns for the contractor and could result in a lower total cost to the Telephone Company than would a Fixed Cost-Flat Sum contract for the entire job. The contract price is then the flat sum plus the total amount obtained by multiplying the price per unit by the best estimate of the number of units required taken at the time authorization is requested.

- 5.05 UNIT-COST CONTRACT - Specific Jobs - Price-per-unit contracts covering specific jobs specify an amount to be paid to the contractor for each unit of work as related to a particular job. Unit-cost contracts of this kind are executed when the amount of work cannot be determined accurately beforehand except on an estimated basis. These contracts must provide that a representative of the Company has the right to audit and inspect appropriate contractor's records which are related to the contract.

- 5.06 COST-PLUS - Cost Plus contracts provide for work to be paid for on the basis of the contractor's actual cost plus a contractor's fee. The fee may be a specified amount, a percentage of the actual cost, or a combination of the two. Ordinarily, cost-plus contracts are less attractive economically and should be avoided in the absence of a compelling and documented business reason for favoring this type of contract. Each cost-plus contract must be specific as to the fee to be paid the contractor. These

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

contracts must provide that a representative of the Company has the right to audit appropriate contractor's records which are related to the contract. Contract provisions should include that requests for payment by the contractor be substantiated by evidence of expenditures that represent cost of labor, material, and any other items the Company is being billed for.

- 5.07 ORAL CONTRACT - An unwritten agreement to provide goods or services (estimated in value to be less than \$2,000). In some cases, an oral contract may be an agreement which is evidenced by one or more written documents prepared and/or signed by only one of the parties such as Bills of Lading, purchase orders, repair orders and receipts. Oral contracts are potentially open to misunderstanding and their use should be limited to emergency situations.
- 5.08 AGREEMENTS FOR GOODS OR SERVICES - CONTINUING BASES - There are types of goods and services that are required on a continuing or repetitive bases. To ensure the ready availability of such goods or services at competitive prices and upon agreeable terms and conditions, it may be desirable to enter into agreements with a number of vendors of such goods and services in advance of the actual procurement. Such agreements should incorporate the unit prices the vendor will charge for any work requested to be performed under the agreement. These jobs involve a relatively small amount of work and may be rushed due to the need to provide, protect or restore service. To ensure the availability of a qualified contractor when needed.
- a. Agreements should be entered with several qualified contractors in order to stimulate competition.
 - b. The agreement should cover work in a particular geographical region, such as, the state, part of a state, a city, or other regions as the situation dictates.
 - c. The agreement should contain a schedule of unit rates. The contractor will charge for each unit of work they are willing to perform. The schedule of unit rates should be effective for a specified period of time, e.g., 1 year - 2 years.
 - d. The maximum amount to be paid for any single job request should be stated. However, the agreement should clearly state that no minimum amount of work is promised or required.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

- e. The agreements shall be based on sealed proposals received from the contractors. The proposals should be handled in the manner specified in Section 11. During the period of the agreements, no other proposals should be accepted nor should agreements be made with contractors other than those who submitted sealed proposals.
- f. Specific work to be done under the agreement should be ordered from the contractor by means of a Work Request SW9366. Detailed specifications with or without drawings should be attached to the Work Request as necessary. The Work Request should be approved by the proper level of authority based on the dollar value of the work to be done. (See Exhibit 6 "WORK REQUEST SW9366".)

NOTE: Conditions will arise that make it necessary to request work from the contractor on an oral basis. (e.g., service restoration because of fire, flood, windstorm, other casualty.) Oral requests should then be documented after the fact on the "Work Request."

- g. Agreements utilizing time and material units require comprehensive records of time, material and equipment. It also requires that provisions be made for auditing the contractors books, records, receipts, instructions, vouchers, memoranda, etc. relating to the Agreement.
- h. Contractor selection should be based on a cost comparison of valid unit prices. Frequently one contractor will have the lowest unit cost for one type of work and another contractor will have the lowest unit cost for another type of work. The contractor with the lowest composite cost for all work to be performed under a particular undertaking, should be selected. Files should document this determination.

NOTE: It is not necessary to split work between two or more contractors in order to achieve the lowest unit cost for each work operation to be performed since it may not be practical or desirable to have more than one contractor on site.

If a contractor other than the least cost provider is selected, the reason for the selection should be documented on the cost comparison.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

6. COMPETITIVE AND NON-COMPETITIVE CONTRACTING

6.01 **COMPETITIVE QUOTING** - Competitive quoting involves the solicitation of firm price quotes or proposals from competent contractors, to do work in accordance with a specification. The object of competitive quoting is to obtain the lowest price for work to be performed. Only those contractors fully qualified to carry out the work should be invited to quote.

A sufficient number of qualified contractors should be identified and contacted so at least three quotes are received. When reliable contractors have been requested to submit their quotes and the contract has been awarded to the lowest quote, it is deemed to have been awarded on a competitive basis, even though only one quote might have been received.

6.02 **SINGLE SOURCE NEGOTIATIONS** - should be used when the other contracting procedures are impractical or otherwise inappropriate. Comparison of prices with services of like complexity or similar costs should be used as a substitute for the competitive contracting process (in this method). This method of contracting is used for certain professional services or emergency situations where the needs of the business preclude the use of the competitive proposal process. Procedures for selection and proper documentation of this method are detailed in Operating Practice 112 - Purchasing and Contracting Policies.

6.03 **WHEN IS COMPETITIVE QUOTING REQUIRED** - Goods and services shall be obtained utilizing competitive procurement procedures unless there are documented business reasons showing that another method is preferable. This practice in no way conflicts with the Company Policy outlined in the Operating Practice 128 Minority/Women's and Small Business Enterprise Program. Small business concerns including those owned and controlled by socially and economically disadvantaged individuals shall have maximum practicable opportunity to participate in performing contracts.

7. CONTRACTOR SELECTION/QUALIFICATION

7.01 The following procedures will be followed for Procurement of all goods and services regardless of the type.

Identify Potential Suppliers - In beginning the contractor selection process, a file of potential contractors should be developed and maintained. The information contained in the file should be dated and reviewed on a recurring basis if multiple contracts are anticipated. Any updates or revisions to the original file should also be dated, and become

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

part of the on-going documentation in accordance with company policy. The following items are to be considered and documented on a positive basis prior to qualifying the contractor for Company business. This list is not all inclusive and other items may be considered.

1. Contractor on previous occasions where the Company purchased goods or services or where similar goods or services were provided to other companies.
2. The Firm's financial condition and its ability to secure qualified labor, supervision, and equipment in order to provide the required goods or services. The Procurement and Risk Management Organizations can assist in financial analysis.
3. The ability of the contractor to be insured and to adhere to a nondiscriminatory employment policy in accordance with Southwestern Bell Telephone requirements.

7.02 QUALIFICATION OF NEW CONTRACTORS - The qualifications of each new contractor shall be determined. If work requiring a formal contract is involved, the contractor should be required to complete a questionnaire before being invited to bid on the work, see SW1853 Exhibit 10. The questionnaire, when completed, provides basic information to guide further investigation. After analysis of the questionnaire and a check of other information sources, all new contractors still being considered for major construction projects shall be evaluated first hand by visits to the contractor's office, to representative current job sites, and, as necessary, to completed jobs.

7.03 DEPENDENCY - It is Company policy to conduct business with contractors that are financially sound and can provide continuity of service. Likewise, SWBT business should not be of such an amount that the supplier is overly dependent upon SWBT's business. A current Contractor Questionnaire SW1853 (Exhibit 10) should be used to gather and document information, including financial details, regarding potential and active SWBT contractors. Operating Practice 112 Purchasing and Contracting Policies contains a complete description of financial analysis and risk.

7.04 SOURCES OF INFORMATION CONCERNING CONTRACTORS - Following are some suggested sources from which to obtain relevant information when determining the qualifications of a contractor:

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

- a. Performance of the contractor on previous occasions where the Company purchased services or where similar services were provided to other companies.
- b. Local banks and business establishments, particularly, the firms to whom the contractor is indebted.
- c. Business bureaus, credit bureaus, bonding companies and Dun and Brad Street.
- d. Local chamber of commerce.

7.05 CONTRACTORS OF QUESTIONABLE QUALIFICATIONS - Instances may arise where it is considered advisable to permit a contractor to bid despite questions concerning the contractor's qualifications. Such a contractor should be informed that a bid bond naming the Telephone Company as owner must accompany the contractor's quote. The contractor should also be advised that, if awarded the contract, a performance and/or payment bond will be required. The bond's premium will be paid by the Telephone Company as a separate item not included in the contract price. The cost of the bond should then be considered along with the cost of the proposal when evaluating the bid.

7.06 LIST OF POTENTIAL QUALIFIED SUPPLIERS - A list or file of potential qualified contractors should be developed and maintained by the Contract Administrator. This list should identify minority contractors and be dated and reviewed at least annually. Any updates or revisions to the original list should also be dated.

8. INVITATION TO QUOTE

8.01 CONTRACTORS INVITED TO QUOTE - It is the Telephone Company's policy, in selecting contractors to quote on construction projects, that qualified contractors in the general geographical area of the proposed project desiring to quote shall be given the opportunity to do so. This does not exclude from the selection other qualified contractors outside of the general area who desire to quote on the projects.

SPLIT AWARDS - The policy to prevent overdependence need not eliminate minority or small business contractor from participating in TELCO projects. Split awards or multiple contracts on major projects can be used to ensure that all potential contractors have an opportunity to participate in business that reasonably matches their capabilities. However the use of

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

multiple contracts should not jeopardize the job completion date and should be awarded only to qualified contractors and based on sound economic principles.

8.02 ALLOW SUFFICIENT TIME FOR PROPOSAL - Invitations to bid shall normally be transmitted to contractors by formal letter far enough in advance of the proposed starting date to provide sufficient time for the contractors to prepare their bids. However, when it is necessary because of time limitations to request bids orally, the informal solicitation must be confirmed by letter.

8.03 INFORMATION TO BE FURNISHED FOR PROPOSAL'S- An invitation to a contractor to submit a proposal to do work is not an offer, rather an offer is being requested. The proposal submitted by the contractor is an offer which creates no rights or obligations until accepted. Therefore, the request for quotes must not contain language which could be reasonably construed as an offer on the part of the Telephone Company to enter into a contract with the lowest quote.

The invitation is usually a letter with attachments; however, it could be just a letter. The information needed by the contractor is contained in the letter, in a copy of the contract, in the specification, or in other attachments. Never paraphrase the contract provisions. If necessary to highlight certain things, it should be done by reference.

The information contained in the proposal package for outside plant construction or maintenance may vary in accordance with the type of contract. However, inclusion of the following items will cover most situations:

- a. A letter or transmittal to the contractor which among other things should contain:
 - 1. A description of the nature and the location of the proposed work.
 - 2. Reference to the job number, work print numbers, and any list of general or special provisions that apply to the job to quote.
 - 3. Information advising where, when and how quotes are to be returned.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

4. A statement that the Telephone Company reserves the right to accept any quote or reject any or all quotes.
- b. All invitations should contain identical sets of work prints.
 - c. A set of all Southwestern Bell Telephone Company practices applicable to the work to be performed. (Unless it is known that the Contractor already has an up-to-date set.)
 - d. One copy of the list of Special Provisions that apply to the proposed work. The list of Special Provisions should include:
 1. The name, address and telephone number of the Telephone Company Supervisor responsible for supervising the contract, and the date the supervisor will be available to look over the job site.
 2. The place and date of any pre-quote conference.
 3. A statement that the Special Provisions take precedence over information contained in the work prints and other specifications and that the cost of complying with the Special Provisions should be included in the contractor's quote.
 4. Notes correcting any error found on the work prints or specifications.
 5. Notes including information omitted from the work prints which was discovered during the final field check of the proposed job site e.g., new pavement or landscaping, grade changes, other excavation or contract work in progress, need for select backfill, rock, peat or frozen ground excavation, well pointing, job sequence, etc.
 6. The start and completion dates for the proposed work.
 7. Any other information pertinent to the proposed work which is not covered in the work prints, practices or specifications.
 - e. A pre-addressed envelope for returning the quote. The envelope should be a type that can be sealed and be made of sufficiently heavy and opaque stock so that the contents are not legible through the envelope. Form SW-9371 "Envelope Bid Request Return" has been developed and stocked for this purpose. Should conditions be that use

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

of form SW-9371 is inappropriate, any sealed container may be used. Due to the nature of the quote process and the need to maintain sealed quotes, facsimile transmissions should not be accepted. The addressee should be the one who signed the invitation to quote or the General Manager, as appropriate. In any case, the envelope or container should be conspicuously marked:

QUOTE TO BE OPENED _____
PRIVATE-BID PROPOSAL
WORK ORDER NO. _____
CONTRACTOR
NAME _____
MAIL ROOM - DO NOT OPEN
DELIVER IMMEDIATELY

All contractor bid envelopes should be noted with the date and time received and the name of the Company employee receiving the envelope.

Any quotes received after the quote due date should be returned unopened to the quoter with a written explanation for its return.

(Example)

Quotes for this job were requested by _____
(date and time). This quote was received _____
which was too late for consideration.

8.04 SPECIFICATIONS AND CONTRACT SHOULD AGREE - In furnishing specifications or other instructions to a contract, care should be taken to see that nothing in the specifications, work prints, or instructions conflicts with any of the terms and conditions of the contract which the contractor will be required to sign. Contract material should be in the contract and specification material should be in the specification. They should not be intermixed.

Special attention is required to see that the instructions, specifications, drawings, description of the work, contract terms and conditions sent to each contractor is identical.

9. INSURANCE

9.01 GENERAL CONSIDERATIONS - It is the policy of Southwestern Bell Telephone Company that any contractor, when working for the Company, shall agree to

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

defend the Company against any claims for personal injury or property damage resulting from any acts of the contractor or contractor's subcontractors, employees, agents or representatives or any failure to act on their part to indemnify and hold SWBT harmless from any liability arising from such claims. The purpose of these requirements is to protect the public and to protect the Telephone Company's public image as well as its financial position from such claims. To ensure compliance with this policy each contractor is required to carry adequate liability insurance with a company or companies acceptable to the Telephone Company. Under normal circumstances, inquiry should be made to ascertain what liability insurance a contractor carries before inviting the contractor to bid. The contractor shall be informed of the types and amounts of liability insurance that the contractor will be required to carry.

- 9.02 LIABILITY INSURANCE REQUIREMENTS - The range of financial risk to the Telephone Company when contracting with others is great, and the amount of liability is not necessarily related to the dollar amount of the contract. Southwestern Bell Telephone Company is to be named as an additional insured on the General Liability Policy and evidence of the insurance in effect furnished to the Company on a Certificate of Insurance. The minimum monetary limits and types of insurance for the usual contract situations are described below. (Ref; OP 109 Corporate Insurance and Suretyship)
- 9.03 Worker's Compensation and Employers Liability/Worker's Compensation - Statutory amount, Employers Liability - \$100,000 for Bodily Injury by accident, \$100,000 for Bodily Injury by disease per employee, and \$500,00 for Bodily Injury by disease, policy aggregate.
- 9.04 Commercial General Liability - \$1,000,000 each occurrence regardless of whether occurrences consists of personal injury, death, property damage or combination thereof. The following coverages are included in the 1986 CGL Insuring Agreement unless deleted by exclusionary endorsement.

Explosion: This coverage is for Property Damage arising out of "blasting" or "explosion". Blasting is an intentional act and the contractor and/or SWBT will know when the contract will require blasting. This coverage can be excluded if no intentional blasting is contemplated.

Collapse: Coverage is for Structural Property Damage defined as the collapse of or structural injury to any building due to the grading of land, excavating, burrowing, filling, backfilling, tunneling, pile driving cofferdam or caisson work.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

Underground: Coverage is for Property Damage to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, caused by and occurring during the use of mechanical equipment for the purpose of grading, filling, back-filling or pile driving.

Certain working conditions may require these not to be excluded from the Commercial General Liability Agreement. Even if the above coverage is not excluded from the policy there is no coverage for property damage arising out of operations performed for the named insured by independent contractors.

- 9.05 Commercial Automobile Liability for Owned, hired and Non-owned Autos - \$1,000,000. Each occurrence regardless for whether occurrence consist of personal injury, death, property damage or combination thereof.
- 9.06 Owners and Contractors Protective Liability - \$1,000,000 each occurrence regardless of whether occurrence consists of personal injury, death, property damage, or combination thereof. The insurance shall be written in the name of Southwestern Bell Telephone Company and obtained from the same insurance company which carries the contractors Commercial General Liability Insurance to eliminate inter-company disputes.
- 9.07 Any deviations from these limits increase financial risk for the Company and require fifth level management approval with Legal Department and Corporate Insurance Risk Management consultation.
- 9.08 REPORT OF ACCIDENTS TO OTHERS RESULTING FROM CONTRACT WORK - All accidents resulting in injury to or death of persons or damage to property of others arising out of the performance of work by contractors under contract with the Telephone Company as well as all claims made or suits instigated against the Company or one of the other companies named arising out of such accidents shall be reported promptly. Accidents resulting in personal injury, death, property damage as well as claims and suits shall be reported promptly via the District level manager to the Legal or Security Department.

10. RETAINAGE

- 10.01 PURPOSE OF RETAINAGE - Normally Southwestern Bell Telephone Company does not require a performance bond. Instead, the Company withholds money from the payments to the contractor, at a rate stipulated in the contract, for the following reasons:

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

- a. To motivate the contractor to complete the work as specified in the contract in accordance with the schedule.
- b. To provide money for payment of subcontractors, materialmen and laborers in the event that the contractor defaults and to preclude the complications of liens.
- c. To comply with state statutes which require retainage when the contract exceeds a certain amount.

10.02 AMOUNT OF RETAINAGE - Southwestern Bell Telephone Company's standard contract provides flexibility in establishing appropriate levels of retainage. The retainage percentage should be set at an effective level to avoid unnecessary increased cost which the contractor may pass on to the Telephone Company.

Southwestern Bell Telephone Company generally retains 15 percent of the periodic payment. However, it has proved satisfactory on certain jobs to retain at the rate of 15% of the total payment until a predetermined amount, usually about 10 percent of the contract price, is reached.

10.03 FINAL RELEASE OF RETAINAGE - In general the Telephone Company shall retain the money withheld from the total payment to the contractor until final payment is due. At which time the following events shall have occurred:

- a. All work designated by the contract has been completed to the Telephone Company's satisfaction.
- b. The retention period specified in the contract or, where applicable, by state statute has terminated.
- c. A contractor's affidavit has been received.
- d. Waivers have been received from all subcontractors and major suppliers.
- e. Any further documentation and releases requested by the Legal Department have been obtained.
- f. All property owner complaints related to the Contractor have been satisfied or an agreement regarding the settlement has been reached.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

10.04 EARLY RELEASE OF RETAINAGE - If retainage is released at any time prior to the completion of items (a) through (f) in paragraph 10.03, it is considered early release of retainage.

Retainage is never released or reduced automatically, but only upon request. Close competent supervision must be given to all phases of the construction job in the field as well as in the office to be capable of evaluating a contractor's request for early release of retainage. The status and quality of the work, outstanding property owner complaints, other claims, the contractor's financial status, the status of payments to all subcontractors, suppliers and materialmen, the requirements of the state law, etc. must be considered when evaluating a contractor's request for early release or reduction of retainage. If retainage monies are released or reduced imprudently, the very purpose for having retainage in the first place is nullified.

The Contractor may apply for partial release of the amount retained providing the request is accompanied by:

- a. A complete release or waiver of all lien rights, or receipts in full in lieu thereof, arising out of the work completed at the time of the application, and
- b. An affidavit stating that so far as the Contractor has knowledge or information, the releases, waivers, or receipts include all the labor or materials, for which a lien could be filed.

The Telephone Company at its sole discretion can release or not release the retained monies.

Further, the Telephone Company determines the amount and the terms and conditions under which retainage can be released or reduced early.

Early release or reduction of retainage must be concurred in by the same authority that executed the contract by the District Level or higher manager responsible for the administration of the contract if delegated by the authority who executed the contract and by the Legal Department.

On those jobs in which the Telephone Company has requested the Contractor to purchase a performance and/or payment bond, retainage may not be released prior to final payment, either in whole or in part, without prior approval of the bonding company.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

10.05 INCREASED RETAINAGE - The Telephone Company may withhold sums in excess of the retainage specified in the contract if suits have commenced, liens have been filed, demands or claims of any kind have been made against either the Contractor or the Telephone Company in excess of the total amount being retained.

11. OPENING OF SEALED PROPOSALS

11.01 SAFE CUSTODY - Sealed proposals shall be held in safe custody until the date they are to be opened in the presence of a committee. The committee shall comprise of not less than three members, one being a minimum of third level or one from another work group or department. Proposal opening results should be documented on Form SW-1887 "Record of Procurement of Goods or Services" and transmitted with the contract for approval.

11.02 CONTRACTORS PRESENT AT QUOTE OPENING - It may be appropriate to permit contractors to be present for the opening of quotes, however, it is not mandatory that this be done.

Contractors shall only be advised who is the successful bidder. They shall not be advised of their rank order in quoting or of the dollar amount of the contract awarded. The information contained in the proposals is Proprietary and shall be treated as such.

12. LOW QUOTE VS. ACCEPTABLE QUOTE

12.01 EVALUATION OF PROPOSALS - The apparent low quote does not always provide the lowest cost job even though the contractor is qualified and the proposed work is in accordance with the specifications. The reason for this is that the method of pricing and of billing used in the contractors proposal is designed to provide the contractor the most favorable bid position while providing the contractor the greatest possible return for the total contract. The contractor develops pricing strategy on personal knowledge of the Telephone Company's method of doing business and capitalizes on opportunities involving our specifications, contract administration, poor job knowledge, etc. Therefore, the total proposal must be evaluated - the lump sum - the unit-prices - labor and equipment prices - overhead - profit - changes - etc.

12.02 HANDLING OF UNUSUALLY LOW-PRICED PROPOSALS - If after evaluation by the responsible District level manager a proposal appears to be priced excessively low compared to the other proposals submitted and to the Telephone Company's cost estimate, it should be referred back to the

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

contractor to ascertain if some factors or costs were possibly overlooked when computing the quote. If such a possibility becomes apparent, the contractor should be given an opportunity to reconsider the quote, and to withdraw it, if desired. The contractor should not, however, be permitted to submit a revised quote. If on the other hand, the contractor decides to let the quote stand, it must be made clear to the contractor that the Company will not accept any supplementary or adjustment billing for extras, supervision, increased costs or similar items within the terms of the contract to compensate for any loss sustained by the contractor. The contractor should furnish to the Telephone Company the name of contractors bonding company at this time, and if awarded the contract, contractor may be required to furnish a performance and payment bond.

There are considerations other than cost and adequacy of the proposal which indicate that other than the lowest quote be awarded the contract; i.e., sometimes conditions develop or information becomes available between the time the invitation for proposals is sent out and the time the proposals are opened which would make a formerly acceptable Contractor now undesirable at any price.

13. RECOMMENDATION FOR AWARDING CONTRACT

13.01 PREPARATION OF RECOMMENDATION FOR AWARDING CONTRACT - The recommendation for awarding a contract shall be prepared, dated and certified by the committee which witnesses the opening of the proposals. The recommendation shall include the following and any other information that may be appropriate. (FORM SW-1887)

- a. The date the proposals were opened.
- b. A list of all contractors invited to submit and that submitted. A proposal showing the name of the contractor, the contract amount or monetary ceiling, the type of contract, the pricing arrangements and any additional pertinent information. Any low priced proposal which has been withdrawn by a contractor or rejected by the Telephone Company shall also be included.
- c. Indicate the recommended contractor and compare the amount of the recommended proposal to the amount provided in the estimate or job order or other authorization and to the most recent Telephone Company cost estimate, and provide an explanation of any appreciable difference between them.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

- d. The reasons for selecting and recommending the award of the contract to other than the contractor submitting the least cost proposal.

13.02 SURETIES - Southwestern Bell Telephone Company does not generally require Bid, Performance and Payment Bonds. However, consideration should be given to procuring these bonds for major contracts or construction operations.

BID BONDS: Bid or proposal bonds guarantee that a successful bidder will enter into final contract at the price bid and will post Performance and Payment Bonds. The bond amount is usually stated as percentage of the contract being bid.

PERFORMANCE BONDS: A Performance Bond guarantees that a contractor will complete the job in accordance with the contract plans and specifications. The bond amount should be 100% of the contract price.

PAYMENT BOND: A Payment Bond guarantees that a contractor and his subcontractors will pay labor and material bill incurred in the performance of a contract. The bond amount is usually 50% of the contract price.

14. EXECUTION OF CONTRACT

14.01 PROCEDURE - After the quote opening committee has evaluated the proposals and determined which contractor is the successful bidder, execution by the Telephone Company requires the following steps:

- a. The management employee responsible for the performance of the work or the Contract Administrator shall prepare two copies of a proposed contract. The Southwestern Bell Telephone Company standard form contract shall be used for this purpose. The contract price (and unit prices, if any) must be accurately transcribed from the contractors proposal into the contract document along with other pertinent information. Each copy of the proposed contract shall be attached with its Special Provisions, General Provisions, Specifications and Work Prints.
- b. The Telephone Company Contract Administrator must notify the successful contractor by letter that he/she has been selected subject to execution of the contract covering the work to be performed. Both copies of the proposed contract should accompany the letter along with instructions for their signing and return.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

- c. Both copies of the executed contract and the Certificate of Insurance should then be forwarded to the Telephone Company Manager with the proper level of authority of signing (in accordance with Schedule of Authorizations.)
- d. An executed original of the contract is then transmitted to the contractor. After copies are made for office and field use, the original should be retained in file by the Telephone Company Contract Administrator.

14.02 NOTIFYING SUCCESSFUL CONTRACTOR - The successful contractor should only be advised they are the successful bidder. They should not be told they are the low bidder.

14.03 NOTIFICATION TO OTHER CONTRACTORS WHO SUBMITTED PROPOSALS - After the contract has been awarded, each of the other contractors who submitted a proposal should be informed as to the name of the contractor awarded the contract. The contractors shall not be advised of their rank order in bidding, or of the dollar amount of the contract awarded.

14.04 CORRECT NAME AND STATUS OF TELEPHONE COMPANY AND CONTRACTOR - The full correct name and status of the Southwestern Bell Telephone Company and the Contractor shall be typed into the preamble of any contract. It should be noted that "John Doe and Co." is not the same as "John Doe and Company" or "ABC Incorporated" is not the same as "ABC Inc."

Examples of the form to use for the various types of business entities follows:

- a. If the contractor is a corporation, the contract should contain the contractor's full corporate, together with the state in which incorporated, e.g., the Blue Construction Company, a New Jersey Corporation. No abbreviation of the corporate name should be used.
- b. If the contractor is an individual, the contract should contain the given name, middle initial (if any) and the family name of such individuals, e.g., John R. Eaton, an individual, doing business as the R. E. Smith Contracting Company.
- c. If the contractor is a partnership, the contract should contain the full name of the partnership together with the trade or partnership name, if any.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

- d. If the contractor is a joint venture, the contract should contain the full name of the joint venture, together with the trade name of the joint venture, if any.

14.05 FORM OF EXECUTION OF CONTRACT OF CONTRACTORS - The individual executing a contract on behalf of a contractor should be required to demonstrate that he/she has authority to bind the contractor. The legal department should be consulted with respect to any questions regarding the authority of the individual executing the contract for the contractor.

In the case of a corporation: If an individual, who is not president or vice president, signs for a corporation, his signature should be attested by the secretary of the corporation, and we should be furnished a certified resolution from the Board of Directors of the contracting corporation, providing that the individual has the power and right to bind the corporation.

If the president or vice president executes on behalf of a contracting corporation, the contract should be attested by the secretary.

15. CONTRACT APPROVALS AND CHANGES

15.01 SCHEDULE OF AUTHORIZATIONS: The management levels required to authorize contracts are set forth in the Schedule of Authorizations as related to the type and cost of contract expenditures. Contracts for work to be performed under authority of a specific estimate, routine or custom work order should not be approved or executed prior to approval of the related estimate or advance approval within the provisions of Operating Practice 46 and Schedule of Authorizations.

15.02 APPROVAL OF CHANGES - All changes that do not affect the contract price, need the minimum approval of the Telephone Company Representative and the engineer responsible for the job. When it becomes evident that proposed additional expenditures will exceed the executed contract price the Telephone Company Contract Administrator should prepare a letter containing:

1. A detailed accounting of all additional expenditures incurred under the contract to date.
2. An estimate of all anticipated expenditures and the reasons for them.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

3. A recommendation covering the remaining needs of the contract.

The letter should be forwarded via the line of organization to the manager with the appropriate authority for approving the increased expenditures, as set forth in the schedule of authorizations.

When the price specified in an executed contract is decreased, concurrence by the contractor to the change should be obtained in writing. This may be by letter agreement or otherwise. (See Exhibit 9 for "Supplemental Contract".)

15.03 COST PLUS - UNIT COST - For Cost Plus and Unit Cost Type contracts that cover a specific undertaking, a memorandum advising of the estimated total amount to be paid under the contract, must be prepared to accompany the contract when submitted for approval and execution.

15.04 AGREEMENTS - CONTINUING BASIS - Agreements Continuing Basis shall be authorized in accordance with the Schedule of Authorizations. The total amount to be paid under the agreement shall be considered as the maximum amount limited per job request as stated in the "LIMITATION ON CONTRACT AMOUNT" of the agreement. This amount should be in accordance with the Schedule of Authorizations.

16. FIELD INSPECTIONS AND REPORTS OF CONTRACT WORK

16.01 FIELD INSPECTIONS - GENERAL - Field inspection by designated field employees or contract personnel and recurring field inspections by Company supervisors in charge of the work should be made to insure that the quality and cost of contract work are satisfactory and that the work is being carried out in accordance with the terms of the contract. Additional inspections for administrative purposes may be made by representatives from the Department responsible for the performance of the work or other interested Departments including the Internal Auditor.

16.02 QUALIFICATIONS OF INSPECTORS - Employees and contract personnel assigned to inspection work should be qualified to determine the quality and progress of the work being performed. They should be thoroughly versed in the complete contract and should have the necessary authority or instructions to insure compliance with the terms of the contract and the ability to quickly obtain higher authority review and concurrence or rejection as needed. Training Course D-406 "Outside Plant - Contract Technical" should be required before assuming the duties of a Contract Work Inspector.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

16.03 DETAILS TO BE CHECKED - Inspections should include checking progress of work, quality of work and material, adherence to specifications, disposition of this Company's surplus and salvaged material, and subcontractors and materialmen on the job. In addition, on cost reimbursement contracts, the field inspection reports should show in detail the labor hours, equipment, and material used. Where rental equipment is involved, reports should also show the time the equipment is in use, the idle time and the time used in transporting the equipment when the Telephone Company is paying for such time.

Inspectors should mark on the work prints the actual measurements and locations of bores, backhoe work, cut and repair work, hand and rock digging, additional depth, etc. The marked work print can then be used to verify the contractor bill. The marked work print along with a copy of the bill should be retained at the placing supervisors office or the unit office for a period of one year. In cases involving continuing services, it is impractical or impossible to get 100 percent inspection and certify that all work was performed. Sampling of completed work such as buried drop wire are acceptable; however, specific work operations inspected should be indicated on the bill where practical.

16.04 FORWARDING OF INSPECTION REPORTS - Inspection prints, reports or time and material data sheets shall be forwarded to the Contract Administrator at intervals commensurate with the magnitude of the job and the need of the Contract Administrator but in sufficient time to be reconciled with the contractors bill (statement of estimate).

16.05 SUMMARY OF PROGRESS AND PAYMENTS - A chart or summary of progress and payments made under each contract should be maintained by the Contract Administrator, or district, or division, in charge of the work. Particular attention should be given the progress of the work as described in field reports furnished by contractors and field inspectors, with the view of meeting scheduled completion dates and to prevent partial payments out of proportion to the amount of work completed.

17. CONTRACTOR BILLS

17.01 BILL PAYMENT REFERENCE - The authorization of supplier bills should be made in accordance with the limits established in the Schedule of Authorizations and procedures outlined in Operating Practice No. 56, Bill Payment Practice.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

17.02 REFERENCES ON BILLS - Bills and vouchers covering expenditures for work performed under a contract shall bear a reference to the date and amount of the contract and a notation indicating whether the amount billed is the initial, partial or final payment due under the contract. Field inspection reports and any details required to support payments made to the contractor shall be identified by reference and entered on the bill or voucher. These reports and data shall be maintained by the Contract Administrator for the contract and shall be made available for review by higher management or Comptrollers.

17.03 CERTIFICATION AND APPROVAL OF BILLS - Bills for contract work should be certified for correctness. Correctness means that the pricing is in accordance with the contract, that the work listed has been completed satisfactorily, that the material or equipment and labor listed has been used or incorporated into the work as stated. The inspection print or equivalent shall be reconciled with the details furnished on the contractor's bills. After certification, the bill shall be approved by the authorized management employee.

Early and/or late payment of bills can be costly to the Telephone Company, therefore, bills shall be processed so that they reach the contractor on or before the date due, which is usually specified in the contract.

17.04 REQUEST FOR RELEASE OF RETAINAGE - Retainage shall be released only after the receipt of a written request stating the amount of retainage to be released and approved by the appropriate management employee. (See Section 10.)

17.05 PAYMENTS TO OTHER THAN CONTRACTOR - Payments required under a contract shall be paid directly to the contractor unless the Legal Department concurs in payment to a third party. Third party payments may arise through assignments by the contractor with notice to and approval by the Company, through court ordered payment such as attachments levied against monies due the contractor, or through the Company's decision to pay subcontractors and materialmen directly when the contractor has failed to pay these debts. The Legal Department shall assist in preparing the necessary documents for a revised payment arrangement.

Copies of documents requiring or authorizing payment to parties other than the Contractor shall be obtained by the Contract Administrator. When the Contractor has assigned monies due under the contract or when payments to third parties are compelled by court order, the Contract Administrator shall indicate on all vouchers certifying such payments that the check or

PROPRIETARY

Not for use or disclosure outside Southwestern Bell
Telephone Company except under written agreement.

draft be made payable as follows: (Payee's name) for credit under (Contractor's name) assignment dated (Date of Assignment or Court Order). A copy of the assignment or other document shall accompany the first voucher. When the Company decides to pay subcontractors and materialmen directly, the Contract Administrator shall prepare the vouchers in accordance with the instructions furnished by the Legal Department and Comptrollers.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 1
FORM SW 1887

RECORD OF PROCUREMENT OF GOODS AND SERVICES
REGARDING THE CONTRACTORS QUOTE PROPOSAL. THIS FORM CAN BE USED AS A ROUTE SHEET AND SHOULD BE MADE A PART OF ALL CONTRACTS WHEN SUBMITTED FOR AUTHORIZATION WITHIN THE TELEPHONE CO.



Southwestern Bell Telephone

SW-1887
(Rev. 5-81)
Reference: O.P. 112

Retention Period: same as contract

RECORD OF PROCUREMENT OF GOODS AND SERVICES

Name _____ Date _____

State _____ Dept. _____ Division _____ District _____

Reference: Number _____ Date Approved _____

Description of Procurement: _____

Method: Competitive Quotes Competitive Proposals Single Source Negotiations

Reason for Method: _____

Type Contact: By Telephone In Person By Letter

	*M/W/SBE Supplier		Date of Response	Date of Contact	Price
	Yes	No			
1. _____					
2. _____					
3. _____					
4. _____					
5. _____					
6. _____					

Comments re: availability, quality, quote opening, attendance, insurance, explanation, etc. for the above suppliers

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Sealed Quotes: Date of Quote List _____ Date/Time of Opening _____ Location _____

Witness: _____ Title: _____ Date: _____

Witness: _____ Title: _____ Date: _____

Witness: _____ Title: _____ Date: _____

Recommended Supplier _____

Explanation if lowest price is not selected _____

Transmittal:

Recommended: _____ Title: _____ Date: _____

Approved: _____ Title: _____ Date: _____

*Minority/Woman/Small Business Enterprise [use other side if additional space is required]

Official File Copy, unless reproduced

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 2A
 STANDARD FORM CONTRACT FOR OUTSIDE TELEPHONE PLANT CONSTRUCTION
 FORM 9365A



SW-9365a
 (Rev. 6-91)

Division	Project			Contract Number
District	Area Code	Account Code	Amount	Job Number
Exchange				Total Cost

CONTRACT FOR OUTSIDE TELEPHONE PLANT CONSTRUCTION

THIS AGREEMENT is made between SOUTHWESTERN BELL TELEPHONE COMPANY, a Missouri Corporation, (hereafter, "The Telephone Company") and the following named Contractor (hereafter, "Contractor"):

IN CONSIDERATION of the Telephone Company's agreement to pay Contractor the Contract Price for the complete and satisfactory performance of the work herein specified at or in vicinity of the designated Project Location, it is mutually agreed:

1. **CONTRACT PRICE:**
2. **PROJECT LOCATION:**
3. **SCOPE OF WORK:** The Contractor shall do the following work (hereafter, The "Project"):

4. **TIME FOR PERFORMANCE:** The Contractor shall commence performance under this Agreement upon request of the Telephone Company to proceed and shall thereafter proceed to completion with reasonable dispatch. The Project shall be complete within _____ days after the Telephone Company's request to proceed. Time is of the essence in the performance of this Agreement.
5. **MATERIAL FURNISHED BY THE TELEPHONE COMPANY:** The Telephone Company shall furnish the following material:

Contractor shall pick up and transport such material from its place of storage to the job site as needed. Contractor shall transport and return to a place of storage designated by the Telephone Company all empty cable and wire reels and all reusable and unused material belonging to the Telephone Company. Contractor shall dispose of salvage class material as the Telephone Company may direct.

Page 1 of 2 Pages

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 2B

FORM SW9365B

SW-9365b
(Rev. 6-91)

6. AGREEMENT DEFINED: This Agreement consists of this Contract For Outside Telephone Plant Construction, the General Provisions Applying To All Telephone Plant Construction Contracts, Form SW-9365C,D, Nondiscrimination Compliance Agreement, Form SW-9368, and the following:

7. SPECIAL PROVISIONS:

a. Telephone Company personnel may test all cable sheath for sheath continuity and ground prior to certification for payment of bills. Contractor will pay the cost of uncovering and covering cable requiring repairs caused by Contractor during the placing operation whether by trenching, plowing, pulling or and other method.

IN WITNESS WHEREOF, Contractor and the Telephone Company have caused this Agreement to be executed in duplicate by their duly authorized representatives as of the latest date written under their signatures.

FOR TELEPHONE COMPANY USE ONLY

Submitted by _____
Name and Title

Concurred by _____

Approved as to Form _____
Attorney

Name of Contractor

By _____
Name

Title

Date _____

SOUTHWESTERN BELL TELEPHONE COMPANY

By _____
Name

Title

Date _____

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 3

FORM SW9365 C-D EXHIBIT A

FORMS SW9365 C AND D ARE THE GENERAL PROVISIONS THAT APPLY TO ALL OUTSIDE TELEPHONE PLANT
CONTRACTS

SW-9365C
(Rev. 6-81)
EXHIBIT A

**GENERAL PROVISIONS APPLYING TO ALL TELEPHONE
PLANT CONSTRUCTION CONTRACTS**

1. **CHANGES IN THE PROJECT:** The Telephone Company may make changes in the Project by altering, adding to or deducting from, the Project. If the contract sets forth a unit or quantitative price, the price shall be adjusted for such change on the basis of such unit or quantitative price. No change in the contract price shall be made for minor changes not involving extra cost. All other adjustments in the contract price by reason of any change shall be as agreed to by the parties.
2. **ORDER IN WHICH WORK PERFORMED:** The Contractor shall commence and perform the work at such points or between certain specified places, in the order of precedence as the Telephone Company may designate.
3. **DELAY IN COMPLETION:** The Contractor shall not be liable for failure to complete the Project within the time specified if caused by delay due to hurricane, tornado, flood, fire, war, riot, strikes, or unavoidable casualty, or by reason of other delay not due to the fault or neglect of the Contractor. The Telephone Company shall not be liable for its delays in supplying material to the Contractor.
4. **MATERIAL FURNISHED BY CONTRACTOR:** The Contractor shall furnish all supervision, labor, tools, equipment, power, transportation, material and supplies required to perform the Project, except those items specifically listed in the Agreement to be furnished by the Telephone Company.
5. **INSPECTION OF MATERIAL:** It shall be the duty of the Contractor to inspect all material used in the performance of the Project, whether or not furnished by the Telephone Company, for defects or hazardous conditions which could cause property damage or personal injury. The Contractor shall not use any material in the performance of the Project found to be defective when to do so would result in an unreasonable risk of harm to persons or property.
6. **EASEMENTS AND PERMITS:**
 - a. For outside plant construction and outside maintenance work, the Telephone Company shall procure at its expense all right of way easements, licenses to come upon land to perform the work, permits for opening sidewalks, streets, alleys and highways, and construction permits, but the Contractor shall be responsible for independently ascertaining before commencing work, that all permits, licenses, easements, and permission of landowners have been obtained. Any bond necessary to obtain said license or permit shall be obtained by the Contractor at its expense.
 - b. For building remodeling and building maintenance work, the Contractor will procure at its expense all permits and inspections required by applicable laws and ordinances.
 - c. For tree trimming work, the Contractor shall procure at its expense all permits and licenses required by applicable laws and ordinances for the work performed; and the Contractor shall procure from each property owner permission to do the trimming, cutting, chemical treating, cleaning and clearing of the trees and brush provided for in the Agreement and shall be solely responsible and accountable for the validity of the permission given.
7. **LAWS AND REGULATIONS:** The Contractor shall comply with all federal, state, county, municipal laws, ordinances and regulations applicable to the performance of the work and give all notices that may be required. If the Contractor observes that the work to be performed is at variance with any law, ordinance or regulation it shall promptly notify the Telephone Company. The Contractor shall defend, indemnify and hold the Telephone Company harmless against any loss, liability, damage or expense (including attorney's fees and court costs) incurred by the Telephone Company as a result of the Contractor's noncompliance with applicable laws and regulation.
8. **GOVERNMENT AND RAILROAD INSPECTORS:** The Contractor shall perform work to be done on city, county, state, federal or railroad right-of-way and property in accordance with the regulations and requirements of the governmental agency or railroad company involved. The Contractor shall pay all fees, if any, for inspection of work on government or railroad right-of-way and property. Work that is rejected by any inspector shall be corrected by the Contractor so as to pass inspection at its expense.
9. **INSPECTION OF WORK:** The Telephone Company may maintain inspectors at the job site for the purpose of inspecting the performance and quality of the work and compliance by the Contractor with the plans and specifications of the Project and the terms and provisions of this Agreement. However, such inspectors or other employees or agents of the Telephone Company shall have no authority to direct or advise the Contractor or its employees and agents concerning the method or manner by which the work is to be performed. The Contractor has sole authority, responsibility, and control over the method and manner by which the work is to be performed and shall remain in all respects an independent contractor.
10. **DEFECTS IN WORK:** Contractor warrants that it is knowledgeable and proficient in performing all work required under this Agreement. All work shall be performed in a first class workmanlike manner and all materials furnished by the Contractor shall be of first quality unless a different quality is specified. The Contractor shall correct at its expense all defects and deficiencies in the Project which are discovered within one year from the date the Project is accepted, whether said defects or deficiencies result from material furnished by the Contractor or its subcontractors, or are the result of poor workmanship or failure to follow the plans, drawings or other specifications made a part of this Agreement. Notwithstanding that the work to be performed under this Agreement has been accepted by the Telephone Company, and that full or partial payment therefor has been made by the Telephone Company, Contractor agrees that the Contractor's work and operations under this Agreement shall not be deemed to have been completed until one year after the Contractor's work has been accepted by the Telephone Company. Acceptance of the Project by the Telephone Company shall not constitute a waiver of any such defects or deficiencies. The Telephone Company at its option may remedy any defects and deficiencies and the Contractor shall pay the Telephone Company the cost of making such corrections.
11. **RIGHT TO COMPLETE WORK:** The Telephone Company reserves the right to take over the material, tools, and equipment used in the Project and complete the work under this Agreement without prejudice to any other right or remedy it may have, upon forty-eight hours written notice by mail to the last known business address of the Contractor, if:
 - a. The Contractor fails to diligently prosecute the work;
 - b. A delay in the work occurs by reason of strike, lockout or operation of any law, whether or not the Contractor is excused by reason of such delay;
 - c. The Contractor is brought into bankruptcy proceedings, whether voluntary or involuntary, or makes an assignment for the benefit of his creditors, or is no longer financially responsible; or
 - d. The Contractor breaches any of the terms of this Agreement.
 Where the Telephone Company completes the Project, the Contractor shall not be entitled to further payments under the Agreement until the Project is completed. If the unpaid balance exceeds the cost and expenses of completing the Project, the excess shall be paid to the Contractor. If such cost and expense exceeds the unpaid balance, the Contractor shall pay the difference to the Telephone Company. The completion of the Project by the Telephone Company shall not terminate any other obligation of the parties under the Agreement.

Not for use or disclosure outside Southwestern Bell
Telephone Company except under written agreement.

EXHIBIT 3 (CONT'D)

12. **SEPARATE CONTRACTS:** The Telephone Company reserves the right to let other contracts in connection with this Project. The Contractor shall afford other contractors opportunity for the execution of their work and shall cooperate and coordinate its work with other contractors.
13. **ASSIGNMENT:** The Contractor shall not assign this Agreement or any moneys due or to become due hereunder without the previous written consent of the Telephone Company. Any assignment without written consent shall be void. Where an assignment of accounts receivable or contract rights for money due or to become due under this Agreement may be effected by law without written agreement of the Telephone Company, the Contractor agrees as follows: To immediately give the authority executing this Agreement on behalf of the Telephone Company (a) separate written notice of each contract assigned that specifically refers to each separate contract assigned by contract job number, project, location and contract price, and (b) a written statement from its assignee affirming that assignee has been given a copy of this Agreement.
14. **SUBCONTRACTS:** Where a portion of the Project is subcontracted, the Contractor remains fully responsible for the proper performance and shall be responsible to the Telephone Company for the acts and omissions of subcontractors and their employees. Use of subcontractors must be approved before commencement of the Project. Contractor shall obtain and maintain insurance for acts and omissions of subcontractors and their employees as well in accordance with Paragraph 22 hereof. Nothing contained in this Agreement shall create any contractual obligation or other liability of the Telephone Company to subcontractors or their employees. The Contractor agrees to bind every subcontractor to the terms of this Agreement and, specifically, compliance with the insurance provisions of Paragraph 22 of this Agreement.
15. **SERVICE PIPES AND UNDERGROUND STRUCTURES:** If Contractor encounters concealed conditions below the surface of the ground which materially add to the amount of work required to complete the Project, Contractor shall perform such work after first negotiating with the Telephone Company the reasonable additional consideration to be paid therefor. However, Contractor shall not be entitled to additional consideration if the concealed condition is apparent from the Agreement (including any specifications and drawings) or if the concealed condition would have been apparent from a thorough inspection of the Project Location, or if the concealed condition is ordinarily encountered in the type of work being performed.
16. **WORK DONE IN STREETS OR SIDEWALKS:**
- DEPTH:** Unless this Agreement or the plans and specifications otherwise provide, the depth of the top of any cable or conduit system shall be measured from the established grade of the alley, street, road or highway involved. Where the grade of the alley, street, road or highway has not been established, and same has not been obtained by the Telephone Company or included in this Agreement, the Contractor shall ascertain and obtain the final grade from the proper authority and lay the cable or conduit accordingly. Unless this Agreement or the plans and specifications otherwise provide, where the grade of the alley, street, road or highway is below the proper grade and is to be raised, any cable or conduit shall be laid at a depth measured from the existing grade. All cable and conduit that is to be laid behind a curb, in a parkway or under a sidewalk, shall be laid at a depth measured from the proper alley, street, road or highway grade.
 - MAINTENANCE:** Where it is necessary in the performance of the work to open sidewalks, driveways, curbing, alleys, streets, roads, highways, or other property, the Contractor shall restore to its former condition and maintain same for a period of one year after the completion of the Project. The Contractor must satisfy Federal, State, County, City, and other highway, road and street departments in restoring surfaces, shoulders and back slopes and receive approval from each. All backfill and tamping work shall be in accordance with specifications of Telephone Company and applicable Federal, State, County municipal, and other laws, ordinances and regulations.
 - TRAFFIC CONTROL:** Work done in public right-of-way shall be performed in accordance with the rules and regulations of the governmental agency with supervisory responsibility for public safety. The Contractor shall give notice of commencement of work operations and provide such traffic control personnel and safety devices as may be required. On major thoroughfares and highways, the Contractor will observe any government rules limiting the hours during which work operations may be performed in the public right-of-way.
17. **RISK OF LOSS:** The Contractor agrees to protect the Project and materials furnished by the Telephone Company and shall bear the risk of loss or damage to the Project and risk of loss, theft or damage to materials or other items furnished to the Contractor by the Telephone Company until all the work is completed and accepted by the Telephone Company, except such loss or damage as may be caused solely by the Telephone Company.
18. **DUTY OF SAFE PERFORMANCE:** The Contractor shall take every measure to protect all persons and property, including property of the Telephone Company, from injury arising out of the performance of the Project. The Contractor shall make such inspections, safety checks, and tests, and shall provide such equipment, personnel and supervision as is necessary to insure the safe performance of the Project. Where a possibility of injury to persons or damage to property is ascertained, the Contractor shall take such remedial action, including the stoppage of work when necessary, as will prevent such injury or damage. If such possibility of injury or damage has been caused or claimed to have been caused by the Telephone Company or its employees, the Contractor shall give the Telephone Company prompt notice thereof confirmed in writing, and shall not resume work until the Telephone Company gives written permission to do so. Without limiting the foregoing, the Contractor shall take particular care to avoid coming in contact with or causing damage to any water, sewer, steam, gas, fuel, and other pipe lines, mains or service pipes, electrical, communications and other energy transmission conduits, cables, wires or service connections, other private, utility or governmental facilities and any hazardous condition or thing, whether located upon, below, or above the ground surface; and the Contractor shall take proper measures to determine the presence of noxious, combustible or explosive gases and to prevent all manner of ignition in and around manholes, excavations and openings.
19. **CONDITION OF JOB SITE:** Existing Telephone Company Plant must be safeguarded at all times. The Contractor shall take all necessary and customary precautions to prevent injury to persons or property from open manholes, pole holes, excavations, ditches, and from materials and equipment left on the job site, by placing signs and lights, erecting barricades, or doing other things as prudence requires. All openings shall be covered where practicable. The Contractor shall continue to maintain such precautionary measures as long as the condition created exists, whether or not the Project has been accepted by the Telephone Company for payment purposes. All openings shall be permanently filled and the property restored to its former condition as soon as possible. When the Project has been completed, the Contractor shall clean up the job site to the satisfaction of the owner. No material, equipment, or debris shall be left on any sidewalk, parkway, street, highway, alley or other way, without approval of the proper officials. Any material, equipment or debris so left shall be properly marked and lighted, and protected by barricades as required to prevent injury to persons or property. Where work is done inside buildings the Contractor shall keep the work area neat, orderly, accessible and safe for persons in the building using and passing through the work area, and on completion of the Project shall leave the premises clean.
20. **CONTRACTOR'S RESPONSIBILITY:** The Contractor is responsible for the safe performance of all work done under this Agreement. The Telephone Company does not undertake to provide the Contractor, subcontractors, or their employees with a safe place to work, and the Contractor is responsible for providing such a safe place to work. The Contractor shall not rely upon, nor shall the Contractor be relieved of its duties in regard to the safe performance of the work, by reason of: the presence, purported instructions or advice of any Telephone Company inspector, employee, or representative; any requirements, specifications, or information contained in any maps, plans, drawings or instructions, whether furnished by the Telephone Company, its agents, or an independent contractor; any materials, supplies, tools, equipment or other items having been furnished by the Telephone Company; or the Telephone Company's failure to furnish inspectors, employees, advice, maps, plans, drawings, instructions, material or other items.

Exhibit A, Page 2 of 4 Pages

PROPRIETARY

Not for use or disclosure outside Southwestern Bell
Telephone Company except under written agreement.

EXHIBIT 3 (CONT'D)

SW-9365D
(Rev. 6-81)

21. **COMPLIANCE WITH LAWS:** The Contractor agrees to comply with the provisions of the Fair Labor Standards Act, the Occupational Safety and Health Act, and all other applicable federal, state, county, and local laws, ordinances, regulations and codes in Contractor's performance under this Agreement. Contractor further agrees, during the term, hereof, to comply with all applicable Executive and Federal regulations as set forth in Form SW-9368, a copy of which is attached hereof, to comply as Appendix (or Exhibit) and by this reference incorporated herein. Contractor will defend, indemnify and hold the Telephone Company harmless from and against any loss, liability, damage or expense (including attorney's fees and court costs) sustained by the Telephone Company because of Contractor's noncompliance herewith.
22. **INSURANCE:** With respect to performance hereunder, Contractor shall secure and maintain in effect the following insurance coverage and any additional insurance required by law:
- Worker's Compensation insurance as prescribed by the law of the state in which the Project is performed.
 - Employer's Liability insurance with limits of at least \$100,000 for Bodily Injury by accident, \$100,000 for Bodily Injury by disease per employee and \$500,000 for Bodily Injury by disease, policy aggregate.
 - General Liability insurance with the following minimum limits: i) \$1,000,000 per occurrence and aggregate for bodily injury and property damage arising out of premises operations, and which insurance shall extend coverage for property damage arising out of explosion, collapse and/or underground hazard for operations identified by a classification code number which includes the symbol(s) "x," "c" and "u." ii) \$1,000,000 per occurrence and aggregate for injury or damage arising out of Products/Completed Operations. iii) \$1,000,000 per occurrence and aggregate blanket contractual, independent contractor's liability, broad form property damage and personal injury.
Any or all of the coverages described in c.i)-iii) above may be acquired through separate policies with added endorsements, or a single policy, as may be available.
This policy shall name Southwestern Bell Telephone Company as an additional insured.
 - Automobile Liability insurance with minimum limits of \$1,000,000 each occurrence for Bodily Injury, and Property Damage combined. Said coverage shall extend to all owned, hired and non-owned automobiles and not limit any vehicle with respect to a radius of operation or exclude from coverage any vehicle to be used in connection with the work.
 - Owners and Contractors Protective Liability insurance naming Southwestern Bell Telephone Company as the insured with minimum limits of \$1,000,000 each occurrence for Bodily Injury and Property Damage, combined. The designation of the Contractor in this policy shall be in the name of the Contractor, "and its Subcontractors", and shall remain in effect for one (1) year following acceptance of the Project.
 - Insurance Companies affording coverage shall be acceptable to the Telephone Company and have Best's Rating of B+VII or better. Contractor shall, prior to the start of work, furnish certificates or other adequate proof of the foregoing insurance, if so requested. Southwestern Bell Telephone Company is to be notified in writing at least thirty (30) days prior to cancellation of, or any material change of, the foregoing insurance coverages.
23. **NOTIFICATION OF INJURY OR DAMAGE:** The Contractor shall promptly notify the Telephone Company of any injury, death, loss or damage to persons, animals, or property which is in any way related to the work performed under this Agreement, even though such occurrence was not caused or contributed to by the Contractor, its employees and agents.
24. **INDEMNIFICATION:** The Contractor will defend, indemnify and save harmless the Telephone Company including its officers, directors, agents, and employees from all liability, causes of action (including without limitation causes of action in tort or otherwise for bodily injury or property damage), claims, suits or expenses (including without limitation attorney fees and court costs) arising from or in any way connected with work performed by Contractor under this Agreement or work Contractor was obligated to perform under the Agreement but failed to perform. This obligation shall arise even if it is alleged and/or proved that any such injury or damage was caused by the combined actions or omissions of the Telephone Company and Contractor or by the sole actions or omissions of the Telephone Company. The Contractor further agrees that this obligation in its entirety shall apply whether or not Telephone Company inspected, tested, paid for and/or accepted the work performed by the Contractor as long as the alleged and/or proved injury or damage occurred within one year of the date of acceptance of the Project by Telephone Company.
25. **TAXES:** The Contractor shall pay all Social Security, Unemployment, Excise, Sales, Use, or other taxes applicable to the work, except such Sales and Use taxes applicable to material and other items furnished by the Telephone Company.
26. **PAYMENT:** The Telephone Company agrees to pay the Contract Price to the Contractor for the complete and satisfactory performance of the work. Partial payment shall be made not later than thirty (30) days after completion of the Project and final acceptance by the authority executing this Agreement for the Telephone Company, subject to the special provisions in paragraph 7 of SW 9365B.
27. **PROGRESS PAYMENTS:** Upon written application by the Contractor, the Telephone Company may make progress payments to the Contractor at thirty (30) day intervals of up to ninety percent (90%) of the value of the completed Project as determined by the Telephone Company. The Contractor agrees to use the money advanced to pay his bills and expenses incurred for labor, material, equipment and services used in performing work on the Project for the Telephone Company or to reimburse itself for money previously so expended.
28. **LIENS:** The Telephone Company shall have the right to require satisfactory proof of payment by the Contractor of bills for labor, material, or other things furnished or done for the performance of the Project, before making payment to the Contractor. The Telephone Company may request that Contractor furnish an affidavit that all such bills have been paid in full and that there are no outstanding claims, admitted or disputed, except as stated. The Telephone Company may request to be furnished with receipts, releases and lien waivers or a bond satisfactory to the Telephone Company indemnifying it against any lien. The Telephone Company reserves the right to pay any undisputed bill directly to the person to whom it is owed and deduct the amount from the payment due the Contractor.
29. **AUDIT:** If any part of the Project is to be performed on a unit rate basis, the Contractor shall maintain, in accordance with generally accepted accounting principles, complete and accurate records, including but not limited to records of labor, material and equipment. These records shall be supported by payroll records, invoices, purchase orders and contracts in convenient form for inspection and audit by the Telephone Company's representative at reasonable times.
30. **DEDUCTIONS AND WITHHOLDING OF PAYMENTS:** The Telephone Company may withhold payment or deduct and set-off from payment to Contractor, sums of money that the Contractor owes the Telephone Company, the cost of completing work not performed or correcting work not satisfactorily performed, bills and claims from third parties for labor, materials, equipment and services furnished in connection with the Project, claims of third parties for personal injury or property damage suffered in connection with the Project, cost of repair of Telephone Company property damaged by the Contractor, and such other sums as may be subject to reimbursement to the Telephone Company by the Contractor for matters arising under this or other contracts and transactions.
31. **SUBSEQUENT AGREEMENTS AND NOTICES:** No subsequent agreement made between the Contractor and the Telephone Company and no notice to the Telephone Company by the Contractor or its assignees shall be effective or binding against the Telephone Company unless it is made in writing and is executed by or personally delivered to the authority executing this Agreement on behalf of the Telephone Company.

Exhibit A, Page 3 of 4 Pages

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 3 (CONT'D)

32. **CONFLICT OF INTEREST:** Contractor represents and warrants that no officer, director, employee, or agent of the Telephone Company has been or will be employed, retained, paid a fee, or otherwise has received or will receive any personal compensation or consideration by or from Contractor, or any of Contractor's officers, directors, employees or agents in connection with the obtaining, arranging, or negotiation of this Agreement or other documents or agreements entered into or executed in connection herewith.
33. **PROPRIETARY INFORMATION:** The Contractor agrees that the Telephone Company's plans, plans, specifications, drawings, instructions, methods, practices, models, samples, data, or other technical or business information furnished or disclosed to Contractor are the property of the Telephone Company and, when in tangible form, shall be returned to the Telephone Company on request. The Contractor agrees that all the foregoing is to be considered proprietary information and shall be held in confidence by Contractor and shall be used only for the purpose of performing its work under this Agreement, and may be used for other purposes only upon such terms and conditions as may be mutually agreed by the parties in writing.
34. **TERMINATION:** The Contractor's work under this Agreement may be terminated by the Telephone Company by giving seven (7) days written notice to the Contractor by mail. Upon termination, the Telephone Company's liability shall be limited to the lesser of the Contract Price or the reasonable value of the work performed by the Contractor prior to the notice of termination.
35. **CHOICE OF LAW:** This Agreement will be governed by the laws of the State of Missouri.
36. **NON-EXCLUSIVE DEALING:** It is expressly understood and agreed that this Agreement does not grant Contractor an exclusive right to perform the work described herein and that the Telephone Company may itself perform, or contract with other suppliers to perform work.
37. **NON-WAIVER:** No course of dealing or failure of either party to strictly enforce any term, right or condition of this Agreement will be construed as a waiver of such term, right or condition. The waiver by the Telephone Company in one instance of any default of Contractor hereunder will not be deemed a waiver of any other default of the Contractor. The express provision herein for certain rights and remedies of the Telephone Company are in addition to any other legal and equitable rights and remedies to which it would otherwise be entitled.
38. **PUBLICITY:** The Contractor agrees not to advertise, or otherwise make known to others, any information regarding this Agreement. The Contractor further agrees not to use in any advertising or sales promotion, press releases or other publicity matters any endorsements, direct or indirect quotes, or pictures implying endorsement by the Telephone Company or any of its employees without the Telephone Company's prior written approval. The Contractor will submit to the Telephone Company for written approval, prior to publication, all publicity matters that mention or display the Telephone Company's name and/or marks or contain language from which a connection to said name and/or marks may be inferred or implied.

Exhibit A, Page 4 of 4 Pages

PROPRIETARY

Not for use or disclosure outside Southwestern Bell
Telephone Company except under written agreement.

EXHIBIT 4
FORM SW9365E

FORM SW9365E "CONTINUING UNIT PRICE AGREEMENT" IS USED WITH FORMS SW9365
B,C,D WHEN NEGOTIATING AN "AGREEMENT CONTINUING BASIS."



SW-9365e
(Rev. 10-81)

Retention period — see J. p. 47

Southwestern Bell Telephone Company Agreement With

Division _____

District _____

Exchange _____

Dated _____

Agreement Number _____

CONTINUING UNIT PRICE AGREEMENT FOR—

1. **GENERAL:** Upon receipt of each written request for work to be performed given to the Contractor by the Telephone Company, the Contractor shall promptly commence work and prosecute it to completion with reasonable dispatch. Regardless of whether reference is made to this agreement, all work performed for the Telephone Company by the Contractor shall be subject to the provisions of this agreement unless such work is performed under a separate written contract. Where the work requested is not specifically provided for in the unit price schedule, the price shall be as mutually agreed between the parties, but otherwise the work shall be subject to all the terms and provisions of this agreement. The Telephone Company may make changes in the work by altering, adding to or deducting from, the work. The contractor price shall be adjusted for such change on the basis of the appropriate work unit price. No change in the contract price shall be made for minor changes not involving extra cost. All other adjustments in the contract price by reason of any change shall be agreed to by the parties. The Telephone Company does not commit itself to order any specific quantity of work under this agreement and may have the same or similar work performed by its own employees or other contractors; but, so long as this agreement continues in existence, the Contractor agrees to perform for the Telephone Company, at the scheduled prices and in the geographic locations listed in the Continuing Unit Price Schedule attached hereto and incorporated herein by this reference, such work as is specified in job requests as may be issued from time to time by the Telephone Company.
2. **BILLING STATEMENT AND AUDIT:** The Contractor shall submit a billing statement to the Telephone Company covering completed work. The billing statement shall itemize invoices for each separate job, state dates work was performed and show the Telephone Company's Estimate, Routine Order or other work order number to which each job relates. The Contractor shall maintain, in accordance with generally accepted accounting principles, complete and accurate records including but not limited to records of labor, material and equipment. These records shall be supported by payroll records, invoices, purchase orders and contracts in convenient form for inspection and audit by the Telephone Company's representative at reasonable times.
3. **LIMITATION ON CONTRACT AMOUNT:** The maximum amount to be paid for each job request is limited to the amount stated below, including extras, unless such job request is made in writing and signed by the Assistant Vice-President or higher level Telephone Company Official.

Any single job request:
4. **TERMINATION:** This agreement may be terminated by either party giving thirty days written notice to the other party. Jobs in progress at the time of termination will be continued under this agreement until completed by the Contractor and accepted by the Telephone Company.
5. **UNIT PRICE SCHEDULE:** At the conclusion of the TERM of the CONTINUING UNIT PRICE SCHEDULE, the prices in effect in said schedule shall automatically continue in effect until either party terminates the agreement as provided herein.

Official File Copy, unless reproduced

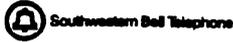
PROPRIETARY

Not for use or disclosure outside Southwestern Bell
Telephone Company except under written agreement.

EXHIBIT 6
FORM SW9366

FORM SW9366 A "WORK REQUEST" USED TO REQUEST WORK FROM A CONTRACTOR WITH WHOM AN "AGREEMENT CONTINUING BASIS" HAS BEEN EXECUTED. TELEPHONE COMPANY AUTHORIZATION IS BASED ON THE ESTIMATED EXPENDITURE OF THE REQUEST IN ACCORDANCE WITH THE SCHEDULE OF AUTHORIZATIONS.

PRESS HARD WHEN WRITING



Retention - See J.P. 47

SW-9366
(Rev. 11-86)

WORK REQUEST

Work Request No. _____ Job Number _____
Date _____

1. **CONTRACTOR:**
Attention _____

2. **PRICE:** Unit Price Schedule _____ Estimated Cost \$ _____
Contract No. _____
Dated _____

3. **PROJECT LOCATION:** Plats Attached: _____ Yes _____ No
Plat Numbers _____

4. **WORK REQUESTED:**

_____ Bury drop	_____ Place Conduit	_____ Place poles/anchors	_____ Wreck aerial plant
_____ Bury cable	_____ Rod and wire conduit	_____ Remove poles/anchors	_____ Fiber optic
_____ Spl. Pits	_____ Joint Trench	_____ Delivery Service	_____ U.G.
_____ Reprographics	_____ Other (Specify)		

Applicable plans and specifications:

5. **MATERIAL FURNISHED BY SWBT:**
Location for Pickup _____

6. **TIME FOR PERFORMANCE:** Start date: _____
Complete by: _____

7. **TERMS AND CONDITIONS:** This work request is subject to the provisions of the written agreement between the Contractor and Southwestern Bell Telephone Company for unit price work.

8. **SPECIAL PROVISIONS:**
Invoices must reflect Section Number, Item Number, and the Unit Price.

FOR TELEPHONE COMPANY USE ONLY		
Date Complete	C Amount	Inspected By
Invoice No.	X Amount	Date Inspect
Invoice Date	R&M Amount	
Voucher Date	Total Cost	

SOUTHWESTERN BELL TELEPHONE COMPANY

By _____
Name and Title _____
Address _____
Tel. No. _____

OFFICIAL FILE COPY; Retention _____

CMC Copy

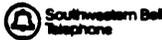
PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 7A

NONDISCRIMINATION COMPLIANCE AGREEMENT

FORM SW9368 IS REQUIRED AS A PART TO ALL PLANT CONTRACTS NEGOTIATED
WITH OUTSIDE CONTRACTORS - WHO PERFORM WORK FOR SOUTHWESTERN BELL TELEPHONE CO.



SW-9368
(Rev. 6-85)

Exhibit _____

NONDISCRIMINATION COMPLIANCE AGREEMENT

Contractor recognizes its responsibility to comply with all federal and state laws governing performance of this contract including, but not limited to: Executive Order 11246, Executive Order 11625, Executive Order 12138, Section 503 of the Rehabilitation Act of 1973 as amended and the Vietnam Era Veteran's Readjustment Assistance Act of 1974.

I. EQUAL EMPLOYMENT OPPORTUNITY DUTIES OF GOVERNMENT CONTRACTORS (APPLICABLE TO CONTRACTS AND SUBCONTRACTS EXCEEDING \$10,000)

During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance. *Provided* however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

II. CERTIFICATION OF NON-SEGREGATED FACILITIES (APPLICABLE TO CONTRACTS AND SUBCONTRACTS EXCEEDING \$10,000)

The Contractor certifies that it does not and will not maintain any facilities it provides for its employees in a segregated manner, or permit its employees to perform their services at any location under its control where segregated facilities are maintained; and that it will obtain a similar certification, prior to the award of any nonexempt subcontract.

III. EMPLOYER INFORMATION REPORT (APPLICABLE IF VALUE OF CONTRACT IS \$50,000 OR MORE AND CONTRACTOR HAS 50 OR MORE EMPLOYEES)

Contractor agrees and certifies that it will file complete and accurate report (EEO-1) per the current instructions and file such other compliance reports as may be required under Executive Order 11246, as amended, and rules and regulations adopted thereunder.

IV. WRITTEN AFFIRMATIVE ACTION PROGRAM (APPLICABLE IF VALUE OF CONTRACT IS \$50,000 OR MORE AND CONTRACTOR HAS 50 OR MORE EMPLOYEES)

Contractor will develop an affirmative action compliance program for each of its establishments as required by 41 C.F.R. Part 60-1.40 and 60.2.

V. CERTIFICATION OF COMPLIANCE WITH VETERAN RESPONSIBILITIES (APPLICABLE TO CONTRACTS AND SUBCONTRACTS OF \$10,000 OR MORE)

In accordance with the Vietnam Veteran's Readjustment Assistance Act of 1974 and 41 C.F.R. Part 60-250, as amended, the parties incorporate by reference the "Affirmative Action For Disabled Veterans and Veterans of the Vietnam Era" clause and such other regulations and contract clauses required to be made part of government contracts and subcontracts.

VI. EMPLOYMENT OF THE HANDICAPPED (APPLICABLE TO CONTRACTS AND SUBCONTRACTS OF \$2,500 OR MORE)

In accordance with the Rehabilitation Act of 1973, as amended, Executive Order 11758 and 41 C.F.R., Part 60-741, the parties incorporate by reference the "Affirmative Action For Handicapped Workers" clause and all other regulations and contract clauses required to be made part of government contracts and subcontracts.

VII. UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL DISADVANTAGED BUSINESS CONCERNS (APPLICABLE WHEN GOVERNMENT CONTRACT IS EXPECTED TO BE OVER \$500,000)

(a) It is the policy of the United States that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency.

(b) The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

(c) As used in this contract, the term "small business concern" shall mean a small business as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern—

(1) Which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

PROPRIETARY

Not for use or disclosure outside Southwestern Bell
Telephone Company except under written agreement.

EXHIBIT 7A (CONT'D)

(2) Whose management and daily business operations are controlled by one or more of such individuals.

The Contractor shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Asian-Indian Americans and other minorities, or any other individual found to be disadvantaged by the Administration pursuant to section 8(a) of the Small Business Act.

(d) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.

VIII. SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PLAN (IF SUBCONTRACT OF GOVERNMENT CONTRACT EXCEEDS \$500,000)

Contractor will adopt a subcontracting plan similar to the plan agreed to by Southwestern Bell Telephone Company.

IX. UTILIZATION OF WOMEN-OWNED SMALL BUSINESSES

(a) "Women-owned small businesses," as used in this clause, means businesses that are at least 51 percent owned by women who are United States citizens and who also control and operate the business.

"Control," as used in this clause, means exercising the power to make policy decisions.

"Operate," as used in this clause, means being actively involved in the day-to-day management of the business.

(b) It is the policy of the United States that women-owned small businesses shall have the maximum practicable opportunity to participate in performing contracts awarded by any Federal agency.

(c) The Contractor agrees to use its best efforts to give women-owned small businesses the maximum practicable opportunity to participate in the subcontracts it awards to the fullest extent consistent with the efficient performance of its contract.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 7B
FORM SW-9368B

NONDISCRIMINATION COMPLIANCE AGREEMENT FOR SOUTHWESTERN BELL TELEPHONE
AS SUBCONTRACTOR OF GOVERNMENT CONTRACTOR



SW 9368
(Rev. 3-66)

NONDISCRIMINATION COMPLIANCE AGREEMENT FOR
SOUTHWESTERN BELL TELEPHONE AS SUBCONTRACTOR OF GOVERNMENT CONTRACTOR

Exhibit _____

Southwestern Bell Telephone Company, hereinafter called the "Contractor," certifies to _____ hereinafter called the "Company", that during the performance of this contract, the Contractor will comply with Executive Order No. 11246, Executive Order No. 11625, Executive Order No. 12138, Section 503 of the Rehabilitation Act of 1973 as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974 and other state and federal laws, to the extent they are applicable.

I. EQUAL EMPLOYMENT OPPORTUNITY DUTIES OF GOVERNMENT CONTRACTORS (APPLICABLE TO SUBCONTRACTS EXCEEDING \$10,000)

During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such

action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance. *Provided, however,* that in the event the Contractor becomes involved in or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

II. CERTIFICATION OF NON-SEGREGATED FACILITIES (APPLICABLE TO SUBCONTRACTS EXCEEDING \$10,000)

The Contractor certifies that it does not and will not maintain any facilities it provides for its employees in a segregated manner, or permit its employees to perform their services at any location under its control where segregated facilities are maintained, and that it will obtain a similar certification, prior to the award of any nonexempt subcontract.

III. EMPLOYER INFORMATION REPORT (APPLICABLE IF VALUE OF FIRST TIER SUBCONTRACT IS \$50,000 OR MORE)

Contractor agrees and certifies that it will file complete and accurate report (EEO-1) per the current instructions and file such other compliance reports as may be required under Executive Order 11246, as amended, and rules and regulations adopted thereunder.

IV. WRITTEN AFFIRMATIVE ACTION PROGRAM (APPLICABLE IF VALUE OF SUBCONTRACT IS \$50,000 OR MORE)

Contractor will develop an affirmative action compliance program for each of its establishments as required by 41 C.F.R. Part 60-1.40 and 60.2.

V. CERTIFICATION OF COMPLIANCE WITH VETERAN RESPONSIBILITIES (APPLICABLE SUBCONTRACTS OF \$10,000 OR MORE)

In accordance with the Vietnam Veteran's Readjustment Assistance Act of 1974 and 41 C.F.R. Part 60-250, as amended, the parties incorporate by reference the "Affirmative Action For Disabled Veterans and Veterans of the Vietnam Era" clause and such other regulations and contract clauses required to be made part of government contracts and subcontracts.

VI. EMPLOYMENT OF THE HANDICAPPED (APPLICABLE TO SUBCONTRACTS OF \$2,500 OR MORE)

In accordance with the Rehabilitation Act of 1973, as amended, Executive Order 11758 and 41 C.F.R. Part 60-741, the parties incorporate by reference the "Affirmative Action For Handicapped Workers" clause and all other regulations and contract clauses required to be made part of government contracts and subcontracts.

VII. UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL DISADVANTAGED BUSINESS CONCERNS (APPLICABLE WHEN SUBCONTRACT EXCEEDS \$500,000)

(a) It is the policy of the United States that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency.

(b) The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 7B (CONT'D)
FORM SW-9368B

(c) As used in this contract, the term "small business concern" shall mean a small business as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern--

(1) Which is at least 51 percent owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

(2) Whose management and daily business operations are controlled by one or more of such individuals.

The Contractor shall presume the socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Asian-Indian Americans and other minorities, or any other individual found to be disadvantaged by the Administration pursuant to section 8 (a) of the Small Business Act.

(d) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.

VIII. SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PLAN (IF SUBCONTRACT EXCEEDS \$800,000)

Contractor will adopt a subcontracting plan similar to the plan agreed to by the Company.

IX. UTILIZATION OF WOMEN-OWNED SMALL BUSINESSES

(a) "Women-owned small businesses," as used in this clause, means businesses that are at least 51 percent owned by women who are United States citizens and who also control and operate the business.

"Control," as used in this clause, means exercising the power to make policy decisions.

"Operate," as used in this clause, means being actively involved in the day-to-day management of the business.

(b) It is the policy of the United States that women-owned small businesses shall have the maximum practicable opportunity to participate in performing contracts awarded by any Federal agency.

(c) The Contractor agrees to use its best efforts to give women-owned small businesses the maximum practicable opportunity to participate in the subcontracts it awards to the fullest extent consistent with the efficient performance of its contract.

AGREED TO AND CERTIFIED BY THE CONTRACTOR:

SOUTHWESTERN BELL TELEPHONE CO.

BY _____
SIGNATURE

TITLE

DATE

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 8A
FORM SW9369
CERTIFICATE OF INSURANCE



SW-9369
(Rev. 6-78)
PAP V61.400

CERTIFICATE OF INSURANCE
(See reverse side for "Instructions to Contractors")

RETENTION PERIOD SEE JP47

THIS IS TO CERTIFY to Southwestern Bell Telephone Company that the Policies of Insurance (including endorsements) described herein have been issued to the insured named below by the

_____ (INSURANCE COMPANY)
of _____ (HOME OFFICE AND STATE OF INCORPORATION)
with limits of liability as set forth herein in the State of _____ covering the type of operations described below, and further to certify that said Policies are in full force and effect at this time. It is agreed that none of these Policies will be cancelled or materially changed during the period of coverage, as stated herein, until at least ten (10) days written notice prior to cancellation or material change has been given by registered mail to Southwestern Bell Telephone Company, _____ (TITLE AND ADDRESS)

and that Southwestern Bell Telephone Company will be immediately notified of any reduction or possible reduction in the aggregate limits of any such policy where such reduction, when added to any previous reductions, would exceed 25% of the aggregate limits. This certificate is issued to the certificate holder, Southwestern Bell Telephone Company, in consideration of the contract or contracts to be awarded to the named insured, and it is understood and agreed that the certificate holder relies on this certificate in the award of such contract or contracts to the named insured.

1. Insured _____
2. Address: _____
3. Status of Insured: Corporation _____ Partnership _____ Individual _____ (Other) _____
4. Location of operations covered by policies described herein: _____
4. Description of operations covered by policies described herein: _____

INSURANCE POLICIES IN FORCE

Coverage	Policy Number	Effective Date	Expiration Date	Limits of Liability
I. A. Workmen's Compensation B. Employer's Liability				A. Statutory Limits B. _____ (\$100,000.00 required)
II. Automobile Liability* A. Bodily Injury/Death B. Property Damage				A. Each Accident _____ (\$500,000.00 required) B. Each Accident _____ (\$500,000.00 required)
III. Comprehensive General Liability** A. Bodily Injury/Death B. Property Damage				A. Each Occurrence _____ (\$1,000,000.00 required) B. Each Occurrence _____ (\$1,000,000.00 required)
IV. Owner's Protective Liability A. Bodily Injury/Death B. Property Damage				A. Each Occurrence _____ (\$1,000,000.00 required) B. Each Occurrence _____ (\$1,000,000.00 required)

No deductible provision pertaining to coverages certified to on this certificate exceeds a deductible amount of \$ _____
*Automobile Liability Insurance includes coverage of insured and all employees of insured maintaining, using or operating any motor vehicle in the performance of the work under contracts with Southwestern Bell Telephone Company

**Comprehensive General Liability Insurance provides coverage to insured for legal liability arising from occurrences in the performance of the work under contracts with Southwestern Bell Telephone Company and includes coverage for:

- | | | |
|---|-------|-------|
| | Yes | No |
| 1. Property damage arising out of blasting. | _____ | _____ |
| 2. Property damage arising out of collapse of or structural injury to any building or structure | _____ | _____ |
| 3. Property damage to underground facilities and utilities | _____ | _____ |

(These coverages are required when such hazards are inherent in operations under contract to which insurance applies.)

Date

NAME OF INSURANCE COMPANY

By _____
AUTHORIZED REPRESENTATIVE

Approved _____
Attorney

ADDRESS

OFFICIAL FILE COPY, UNLESS REPRODUCED PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 8A (CONT'D)

INSTRUCTIONS TO CONTRACTORS

A. The Contractor shall deliver the Certificate of Insurance to his Insurance Carrier(s) for completion and return to Southwestern Bell Telephone Company in care of _____ at _____
All insurance shall be in such form and in such insurance companies as are satisfactory to the Southwestern Bell Telephone Company.

B. The Contractor shall also obtain at his expense an owner's protective liability insurance policy naming Southwestern Bell Telephone Company as insured with the following limits:

Bodily Injury/Death
\$1,000,000.00 each occurrence

Property Damage
\$1,000,000.00 each occurrence

covering the work to be performed for Southwestern Bell Telephone Company by the Contractor and all subcontractors, if any. This policy shall insure against liability arising from ordinary maintenance, repairs, structural alterations, moving buildings and other structures.

C. The owner's protective policy shall be written by the same insurance company writing the contractor's comprehensive general liability insurance policy.

D. The Contractor shall furnish the owner's protective policy and the Certificate of Insurance to the Telephone Company for its approval and acceptance before commencing any work under any contract to which this insurance applies.

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 8B
 CERTIFICATE OF INSURANCE



Southwestern Bell Telephone

SW-43884
 (7-79)

CERTIFICATE OF INSURANCE

(See reverse side for "Instructions to Contractors")

RETENTION PERIOD SEE JP47

THIS IS TO CERTIFY to Southwestern Bell Company that the Policies of Insurance (including endorsements) described herein have been issued to the insured named below by the

of _____
(Insurance Company)
(Home Office and State of Incorporation)

with limits of liability as set forth herein in the State of _____ covering the type of operations described below, and further to certify that said Policies are in full force and effect at this time. It is agreed that none of these Policies will be cancelled or materially changed during the period of coverage, as stated herein, until at least ten (10) days written notice prior to cancellation or material change has been given by mail to Southwestern Bell Telephone Company.

This certificate is issued to the certificate holder, Southwestern Bell Telephone Company, in consideration of the contract or contracts to be awarded to the named insured, and it is understood and agreed that the certificate holder relies on this certificate in the award of such contract or contracts to the named insured.

1. Insured:
2. Address:
3. Location of operations covered:
4. Description of operations covered:

INSURANCE POLICIES IN FORCE				
COVERAGE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS OF LIABILITY***
1. A. Workmen's Compensation B. Employer's Liability				A. Statutory Limits B. _____ <small>(\$100,000.00 required)</small>
2. Automobile Liability*				Single Limit Liability—\$500,000.00 per occurrence required irrespective of whether occurrence consists of personal injury, death, property damage or combinations thereof. <small>*Automobile Liability Insurance provides coverage to insured for legal liability caused by accident and arising out of the ownership, maintenance or use of any motor vehicle in the performance of work under contracts with Southwestern Bell Telephone Company.</small>
3. Comprehensive General Liability**				Single Limit Liability—\$1,000,000.00 per occurrence required, irrespective of whether occurrence consists of personal injury, death, property damage or combinations thereof. <small>**Comprehensive General Liability Insurance provides coverage to insured for legal liability arising from occurrences in the performance of work under contracts with Southwestern Bell Telephone Company and includes coverage for:</small>
				Yes No
1. Property damage arising out of blasting.				_____
2. Property damage arising out of collapse of or structural injury to any building or structure.				_____
3. Property damage to underground facilities and utilities.				_____
<small>(These coverages (X, C, U endorsements) are required when such hazards are inherent in operations for which insurance applies.)</small>				
4. Completed Operations				_____
5. Contractual Liability				_____
6.				_____

***The Limits of Liability stated applies to work performed by the insured under contracts with Southwestern Bell Telephone Company.

NAME OF INSURANCE COMPANY _____
 By _____
AUTHORIZED REPRESENTATIVE
 ADDRESS _____

Approved: _____ Telephone No. _____ Date _____
Attorney

OFFICIAL FILE COPY, UNLESS REPRODUCED

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 8B (CONT'D)

INSTRUCTIONS TO CONTRACTORS

A. The Contractor shall deliver the Certificate of Insurance to his insurance Carrier(s) for completion and return to Southwestern Bell Telephone Company in care of _____

at _____
 All insurance shall be in such form and written by such insurance companies as are satisfactory to Southwestern Bell Telephone Company

B. Owner's Protective Liability Insurance: The Contractor shall also obtain at his expense an owner's protective liability insurance policy naming Southwestern Bell Telephone Company as insured with the following limits:

- covering the work to be performed for Southwestern Bell Telephone Company by the Contractor and its subcontractors, if any.
1. This owner's protective policy shall be written by the same insurance company writing the contractor's comprehensive general liability insurance policy.
 2. The Designated Contractor shall be the Contractor performing the work "and all subcontractors, if any".
 3. The Contractor shall pay the premium for the owner's protective liability insurance and be entitled to receive any return premiums and dividends.
 4. The definition of insured in the owner's protective liability policy shall be endorsed to include employees of the named insured, Southwestern Bell Telephone Company, while acting within the scope of their employment for Southwestern Bell Telephone Company with respect to the work performed by the Contractor.
 5. The owner's protective liability policy shall provide that in the event of cancellation, ten days written notice shall be given to the named insured, Southwestern Bell Telephone Company.

C. The Contractor shall furnish the owner's protective policy and the Certificate of Insurance to Southwestern Bell Telephone Company for its approval and acceptance before commencing any work under any contract to which this insurance applies.

FOR TELEPHONE COMPANY USE

COVERAGE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS OF LIABILITY
Owner's Protective Liability for Southwestern Bell				

Designated Contractor:

Endorsements:

- Designated Contractor includes "all subcontractors."
- Named insured includes employees of insured SWB.
- Premium return to Designated Contractor.
- Notice of cancellation given to insured SWB.
- Owner's protective liability policy written with Contractor's CGL Carrier.

	Yes	No
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Location of Operations Covered:

NAME OF INSURANCE COMPANY

By _____
AUTHORIZED REPRESENTATIVE

ADDRESS

Telephone No. _____ Date _____

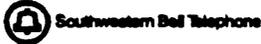
Approved: _____
Attorney

OFFICIAL FILE COPY, UNLESS REPRODUCED

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 9
SUPPLEMENTAL CONTRACT



SW-9367
(Rev. 8-81)

Project				Original Cost	Job Number
Division	Area Code	Account Code	Amount	Supp. \$ to Date	Contract No.
District				This Supp. Cost	Supp No.
Exchange				Total Cost	

SUPPLEMENTAL CONTRACT

THIS SUPPLEMENTAL CONTRACT is made between SOUTHWESTERN BELL TELEPHONE COMPANY, a Missouri Corporation, (hereafter, The "Telephone Company") and the following named Contractor (hereafter, "Contractor"):

1. CONTRACT PRICE FOR THIS SUPPLEMENT:
 Increase _____
 Decrease _____
2. PROJECT LOCATION:
3. SCOPE OF WORK AND SPECIAL PROVISIONS:
4. PLANS AND SPECIFICATIONS: The work will be performed in accordance with the plats, plans, specifications, drawings, and instructions under the Telephone Company's Estimate or other work order number stated on the face of this contract as modified to reflect this contract supplement.
5. CONTRACT DOCUMENTS: The parties agree that all the provisions of the original Contract, including the original Contract exhibits and attachments, shall apply to this Supplemental Contract, except as otherwise expressly provided herein.

IN WITNESS WHEREOF, Contractor and the Telephone Company have caused this supplemental agreement to be executed in duplicate by their duly authorized representatives.

FOR TELEPHONE COMPANY USE ONLY	
Submitted by	

Name and Title	
Concurred by	

Approved as to Form	_____
	Attorney

CONTRACTOR:

By _____
 Name and Title _____
 Date _____

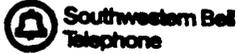
SOUTHWESTERN BELL TELEPHONE COMPANY

By _____
 Name and Title _____
 Date _____

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 10
 ACTIVE PROSPECTIVE SUPPLIER QUESTIONNAIRE
 FORM SW-1853



Retention Period - Until Obsolete

Official File Location - Supplier File

SW-1853
 (Rev. 11-87)

1 of 5

Active or Prospective Supplier Questionnaire

In order to be considered as a prospective supplier or continue to be an active supplier, the undersigned is submitting the attached information for the use of Southwestern Bell Telephone (SWBT) to assist in determining the qualifications of the undersigned to perform services for SWBT.

The undersigned warrants and represents that all statements made and information furnished herein are true and accurate and can be relied upon in fulfilling requirements of SWBT. The undersigned hereby authorizes SWBT to make use of the statements and information furnished herein and otherwise available to SWBT from any source whatsoever in determining the undersigned's qualifications and does further release SWBT from any and all obligations, liabilities, duties and other responsibilities to the undersigned and to its officers, agents and employees, for such use of said statements and information. Without limiting the foregoing, SWBT may make inquiries of all persons as it deems necessary or desirable to determine the undersigned's qualifications. The banks, firms, corporations or any other persons named herein are hereby authorized to furnish SWBT with any information SWBT may request concerning the undersigned including, but not limited to, performance on previous work or credit standing with any of them. The undersigned hereby releases any and all such parties from any liability whatsoever for furnishing such information to SWBT. The undersigned agrees to accept SWBT's determination of qualifications without prejudice.

SWBT will exercise the same degree of care as it employs to protect the confidentiality of its own information of like sensitivity. However, the undersigned agrees that SWBT will not be liable for any unauthorized disclosure which may occur in spite of such care.

This request is for information only, and should not be construed as a decision to purchase services or products from the undersigned. SWBT reserves the right to refuse any offer made to it at its sole discretion.

It is understood that SWBT employees are not permitted to solicit or accept gifts, entertainment, or remuneration of any value, directly or indirectly, from the undersigned.

Name of Organization _____

By _____

Title _____

Date _____

Official File Copy, unless reproduced

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 10 (CONT'D)



SW-1853
(Rev. 11-87)

Active or Prospective Supplier Questionnaire

2 of 5

Please answer all questions completely.
Attach additional pages as necessary.

I. IDENTIFICATION (List complete name(s), including dba, aka)

1. Name of firm _____
Street address _____
City, State, Zip _____
2. Mail address (if different) _____
City, State, Zip _____
3. Address to send Purchase Orders (if different) _____
City, State, Zip _____
4. Remit to address (if different) _____
City, State, Zip _____
5. Telephone _____ TWX _____
Facsimile telephone _____ Telex _____
6. If subsidiary, name of parent firm _____
Mail address _____
City, State, Zip _____
Relationship of parent firm _____
7. FOB Points (specify products): _____

8. Names, titles, and business telephone numbers of principals and key people servicing SWBT:

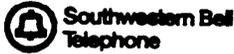
9. Persons to contact in case of emergency (include telephone):

10. Names of other businesses your principals are associated with in a management or ownership capacity:

PROPRIETARY

Not for use or disclosure outside Southwestern Bell
Telephone Company except under written agreement.

EXHIBIT 10 (CONT'D)



SW-1853
(Rev. 11-87)

3 of 5

Active or Prospective Supplier Questionnaire

II. BUSINESS EXPERIENCE

1. List lines of business and how long involved with. Indicate if manufacturer or distributor. Attach catalogs and brochures:

2. List significant services you have provided SWBT in the past five years, including dates of service:

3. List significant services or projects you have completed in the past five years for firms other than SWBT:

4. List areas of expertise your firm has developed:

5. Have you ever failed to complete a contract awarded to you? Yes _____ No _____
(Explain) _____

III. LEGAL ORGANIZATION AND COMPLIANCE

1. Proprietorship _____ Partnership _____
Corporation _____ Other (Describe) _____

2. Under the laws of which state or country are you organized?

3. When was this business originally formed? _____

4. Name of antecedent this business was known as or from which significant assets were acquired: _____

5. List the states (or other governing authority) in which you are licensed or registered, the types of license, and expiration dates: _____

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 10 (CONT'D)



SW-1853
(Rev. 11-87)

4 of 5

Active or Prospective Supplier Questionnaire

6. Are you in compliance with all applicable laws, statutes, and regulations, Federal, State, and Local (e.g., OSHA)? Yes _____ No _____ (Explain) _____

7. Are you an Equal Opportunity Employer? Yes _____ No _____
(Explain) _____

8. Name of Labor Organization affiliations, contract expiration dates: _____

9. Number of employees: Nonmanagement _____ Management _____

10. Are you a Minority or Woman-owned business? Yes _____ No _____
If yes, indicate the correct description:

(For all of the below, control is defined as exercising the power to make policy decisions. Operate is defined as being actively involved in day-to-day management. Also, you agree to promptly notify SWBT if there is a change in the ownership, control or operation as stated.)

- A. At least 50% owned, controlled and operated by American minority women. _____
- B. At least 50% owned, controlled and operated by American minority men. _____
- C. A publicly owned enterprise and at least 51% of the outstanding stock is owned by American minority shareholders. _____

(For A, B, or C above, indicate minority group(s))

Black _____ Hispanic _____
Asian/Pacific Islander _____ Indian/Alaskan Native _____

D. At least 51% owned, controlled and operated by American non-minority women.

11. Are any of your principals or employees employed by Southwestern Bell Corporation or any of its subsidiaries?
Yes _____ No _____ (List names if yes) _____

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 10 (CONT'D)



SW-1853
(Rev. 11-87)

Active or Prospective Supplier Questionnaire

5 of 5

IV. FINANCIAL DETAILS

1. Annual Sales _____ Total Assets _____
Net Worth _____ Financial statement attached: Yes ___ No ___

2. Person to contact regarding financial data (include telephone #):

3. Do you rely on a parent company or other principals for capitalization or working funds, and are your obligations guaranteed by that organization? Yes ___ No ___
(Explain) _____

4. Has your firm or any of its principals ever filed for Bankruptcy protection?
Yes ___ No ___ (Explain) _____

5. List insurance carriers and agents for Liability and Worker Compensation coverage, and policy limits:

6. List any judgements or liens entered against you, and any contingent liabilities pending against you which may have a material adverse effect on your financial position or operation: _____

IV. REFERENCES (List name, address, telephone, contact persons)

1. Banks _____

2. Suppliers _____

3. Clients _____

4. Consultants _____

XI. SUMMARY OF ATTACHMENTS (List of documents attached and made a part of this questionnaire)

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 11

FA FORM S-6749

CERTIFICATE OF PAYMENT FOR CONTRACT WORK

THE USE AND PREPARATION OF THIS FORM IS SET FORTH IN JOINT PRACTICE 56 "BILL PAYMENT PRACTICE" UNDER THE SECTION SUBJECT "CONTRACTS".



FA Form S-6749
(Rev. 10-64)

J.P. 58

CERTIFICATE OF PAYMENT FOR CONTRACT WORK

To Be Attached To FA Form SW-4472

Retain 10 years, until _____

DATE _____ CERTIFICATE NO. _____	
PAYEE (NAME AND ADDRESS OF CONTRACTOR TO WHOM PAYMENT IS DUE) _____	
ESTIMATE OF OTHER WORK ORDER NO. _____	DATE OF CONTRACT _____ KIND OF CONTRACT _____
FLAT SUM GUARANTEED MAX COST PLUS UNIT COST	
DESCRIPTION OF WORK _____	
LOCATION OF WORK _____	
<p>(FOR USE IN CASE OF FLAT SUM OR GUARANTEED MAXIMUM CONTRACT ONLY)</p> <p>1. CONTRACT COST:</p> <p>1A. Original Contract Cost \$ _____</p> <p>1B. Extras Authorized To Date \$ _____</p> <p>1C. Total (Line 1A Plus Line 1B) \$ _____</p> <p>1D. Credits Authorized To Date \$ _____</p> <p>1E. Net Contract Cost (Line 1C Minus Line 1D) \$ _____</p>	<p>(FOR USE IN CASE OF COST PLUS OR UNIT COST CONTRACT ONLY)</p> <p>1. CONTRACT COST:</p> <p>1A. Original Estimated Contract Cost (On Which Execution Of The Contract was Based) \$ _____</p> <p>1B. Extras Authorized To Date \$ _____</p> <p>1C. Total (Line 1A Plus Line 1B) \$ _____</p> <p>1D. Credits Authorized To Date \$ _____</p> <p>1E. Net (Line 1C Minus Line 1D) \$ _____</p> <p>1F. Most Recent Authorized Overall Estimate Of Total Contract Cost* \$ _____</p> <p>1G. Current Estimate of Total Contract Cost (_____ % of Line 1F) \$ _____</p> <p><small>*Amount Shown On Line 1A, Except Where A Subsequent Revised Estimate Of The Total Contract Cost Has Been Authorized, In Which Event The Amount Of Such Revised Estimate Of Total Contract Cost Should Be Reported On Line 1F.</small></p>
PAYMENTS	
2. VALUE OF LABOR, MATERIAL, SERVICES, ETC., FURNISHED TO DATE \$ _____	
3. AMOUNT WITHHELD (____ % OF LINE 2, OR ____ % OF CONTRACTOR'S FEE, AS APPROPRIATE) \$ _____	
4. TOTAL AMOUNT TO WHICH CONTRACTOR IS ENTITLED TO PAYMENT TO DATE (LINE 2 MINUS LINE 3) \$ _____	
5. TOTAL PAYMENTS REPRESENTED BY PREVIOUS CERTIFICATES \$ _____	
6. PAYMENT REQUESTED BY THIS CERTIFICATE \$ _____	
<p>(FOR USE IN CASE OF FLAT SUM OR GUARANTEED MAXIMUM CONTRACT ONLY)</p> <p>7. REMAINDER UNPAID OF NET CONTRACT COST (LINE 1E MINUS LINE 4) \$ _____</p>	<p>(FOR USE IN CASE OF COST PLUS OR UNIT COST CONTRACT ONLY)</p> <p>7. CURRENT ESTIMATE OF REMAINING PAYMENTS TO BE MADE (LINE 1G MINUS LINE 4) \$ _____</p>
<p>THIS IS TO CERTIFY THAT THE CONTRACTOR NAMED ABOVE HAS COMPLIED TO DATE WITH ALL REQUIREMENTS OF THE CONTRACT PRECEDENT TO PAYMENT OF THE AMOUNT ENTERED ON LINE 6, AND IS ENTITLED TO THAT PAYMENT IN CONFORMITY WITH THE TERMS OF THE CONTRACT; THAT THE ATTACHED REQUEST FOR PAYMENT OF THAT AMOUNT IS CORRECT, AND THAT THE AMOUNT REPORTED ON LINE 2, IF IN RESPECT OF A COST PLUS CONTRACT, REPRESENTS EXPENDITURES BY THE CONTRACTOR PLUS FEE, PROPERLY CHARGEABLE TO THIS COMPANY IN ACCORDANCE WITH THE TERMS OF THE CONTRACT, AS EVIDENCED BY DETAILED PAYROLLS AND BILLS CERTIFIED BY A REPRESENTATIVE OF THIS COMPANY CONVERSANT WITH THE FACTS AND SUBMITTED WITH THIS OR PREVIOUS CERTIFICATES.</p>	
TITLE _____	
TELEPHONE NO. _____	
REMARKS _____	

Official File Copy, unless reproduced

PROPRIETARY

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

EXHIBIT 12
FORM SW9371

ENVELOPE - PROPOSAL RETURN

THIS ENVELOPE MAY BE PROVIDED TO THE CONTRACTORS FOR RETURNING SEALED PROPOSALS.
WHERE CONDITIONS REQUIRE A SEALED CONTAINER OTHER THAN SW9371 THE ENTRIES ON SW9371
MUST BE TRANSFERRED TO THE CONTAINER USED.

RETURN IN FIVE DAYS

Bid To Be Opened _____
PRIVATE - BID PROPOSAL
WORK ORDER No. _____
Contractor
Name _____
MAIL ROOM - DO NOT OPEN
Deliver Immediately

SOUTHWESTERN BELL TELEPHONE COMPANY
ATTN:

SW 9371

Not for use or disclosure outside Southwestern Bell
Telephone Company except under written agreement.