

Subcontract Agreement

Purchase Order # **Master Subcontract Agreement**

DATE:

Purchaser: Daifuku Cleanroom America Corporation

Subcontractor:

Project:

Project Number:

Subject Matter / Scope Description: Per Proposal and Purchase Orders Issued

Do Not Exceed PO Value without prior written notice

Term: This master subcontract agreement shall remain in effect until terminated by either party by providing 30 days prior written notice to the other party

Owner:

Project Site:

General Contractor:

Address:

City, State:

Subcontractor Contact Information

Address:

City, State, Zip:

Phone #:

Fax #:

Contact Person:

Email Address:

Contract Price

Subcontractor acknowledges that it has carefully reviewed the terms and conditions of this Subcontract Agreement and all other Contract Documents listed or referenced in the Special Terms and Conditions for Subcontract Agreements attached hereto and accepts all pages of this Subcontract Agreement and all other Contract Documents without exception.

Signature of Subcontractor:

Signature of Purchaser

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Name of Subcontractor (print):	Name of Purchaser (print):
Title of Subcontractor (print):	Title of Purchaser (print): President
Date:	Date:

Subcontractor shall complete the Project in compliance with Purchaser's contract with Owner for the Project, per the Contract Documents referenced below for the firm, fixed Contract Price, which includes all applicable taxes. (Capitalized terms are as defined in the Contract Documents).

1. Contract Documents

The following documents are to be considered as part of this Subcontract Agreement and shall constitute the "Contract Documents:"

1. Subcontract Agreement between Purchaser and Subcontractor, including these Special Terms and Conditions for Subcontract Agreements.
Purchaser's General Terms and Conditions for Subcontracts (WG-2609 dated June 10, 2014) as published on:
<http://www.daifuku.com/us/~Media/sharedfile/General%20Terms%20for%20Subcontracts%20US>.
2. Owner's contract with Purchaser, dated _____, all documents contained or referenced therein, including but not limited to specifications, project schedule, scope of work, and drawing list (attached).
3. Purchaser's Vendor use and Nondisclosure Agreement (WG-2611 06/10/14).
4. [LIST OTHER DOCUMENTS AS APPROPRIATE]

2. Scope/Price Clarifications

[The subcontractor will be liable for 50% of the cost of replacing parts or small tools owned by CRUS that become broken while in use by the subcontractor when performing the scope of work, unless it is determined that the subcontractor is more than 50% liable, in which case the subcontractor will be liable for the higher percentage.]

3. Bonding Requirements (STRIKE OUT IF INAPPLICABLE)

Subcontractor shall provide 100% performance and payment bonds to Purchaser for the Contract Price, as such price may be adjusted from time to time by Change Order. Such bonds shall remain in effect through the duration of the work until all of Subcontractor's obligations, including warranty, have been fully performed. Subcontractor is to provide the bonds within seven days of subcontract award.

Name of Surety: _____
Contact Person (Agent): _____
Phone #: _____

4. MBE/WBE/DBE/EBO (STRIKE OUT IF INAPPLICABLE)

Subcontractor acknowledges that Purchaser and Owner have MBE/DBE/WBE/EBO content programs and requirements. Unless otherwise specified, Subcontractor has committed to participate in such programs at the following levels:

_____ % Minority Business Enterprises (MBE)
_____ % Women Owned Business Enterprises (WBE)
_____ % Disadvantaged Business Enterprises (DBE)
_____ % Equal Business Opportunity Program (EBO)

content in the work, as measured by work performed and dollars paid, to properly accredited MBE/WBE/DBE/EBO firm(s). If Subcontractor fails to meet this MBE/WBE/DBE/EBO requirement, Purchaser reserves the right to assess a charge against the Subcontractor in an amount up to [2%] of the total contract price and/or any fines, penalties, costs, or charges assessed against Purchaser as a result of Subcontractor's failure to meet MBE/WBE/DBE/EBO goals or requirements.

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Subcontractor shall provide Purchaser with monthly status reports on MBE/WBE/DBE/EBO utilization in addition to all reports required by Owner.

If they have not already been provided, Subcontractor shall forward MBE/WBE/DBE/EBO certificates and any other related paperwork reasonably requested by Purchaser within 5 business days of the signing of this Agreement, or 5 business days before Subcontractor begins work on the Project, whichever is the first to occur. All MBE/WBE/DBE/EBO certificates, reports, and other related paperwork shall be forwarded to Owner as listed in this Agreement.

5. Insurance

Subcontractor shall provide insurance per Purchaser's General Terms and Conditions for Subcontracts Section 9 or per Owner's requirements if more stringent. A sample Certificate of Insurance will be provided in the Subcontractor forms package.

Owner Controlled Insurance Program (OCIP) (STRIKE OUT IF INAPPLICABLE)

The following deduct is only if the Owner has designated this to be an Owner Controlled Insurance Program (OCIP). The following deduct is an estimate based on the terms of the OCIP and will be adjusted to the extent required by the OCIP.

☐ Check indicates OCIP requirement, associated deduct \$ _____

6. Daily Logs and Reports

Subcontractor shall submit the following reports:

- ☒ Daily Field Reports
- ☒ Daily Time Sheets (in form acceptable to Purchaser)
- ☒ Installation Checkout/Equipment Check Lists & Test Reports
- ☒ Safety Reports
- ☒ Accident and Incident Reports
- ☒ MBE/DBE/WBE Reports (as outlined above)
- ☐ Certified Payroll
- ☐ OCIP Reports
- ☒ Labor Rate Sheets (as outlined in Section "Subcontractor Extra Work Labor Rates")
- ☐ Subcontract Performance Requirements: Daily Site Report, Webb Master 4-Week Look Ahead Schedule, Pre-Task Plan Sheet (samples attached)

Daily Time Sheets:

At Purchaser's request or if the Contract Documents so require, Subcontractor shall submit daily time sheets in the format directed by Purchaser. Receipt of daily time sheets will not constitute an acknowledgement that Subcontractor is entitled to extra compensation or extra time for the work reflected on the forms submitted. Such entitlement shall be resolved pursuant to the applicable provisions of the Contract Documents. Purchaser's Daily Time Sheet Form is to be used for recording of labor hours worked. Time sheets must be completed in their entirety to be accepted.

Daily Field Reports:

Daily field reports (DFR) will be submitted on a daily basis to Purchaser's Project Manager or Purchaser's designated field representative for each day of work completed on the Project. The DFR will identify the number of personnel working on site, the trade, all visitors, work areas and work items in process, man-hours, equipment in use, work completed, tests performed, and changes in process.

Accident and Incident Reports:

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Accident Reports (personal injury accidents) and incident reports (building and property damage accidents) will be submitted to Purchaser's Project Manager within 24 hours of any accident. Subcontractor will notify Purchaser's Project Manager immediately of any accident to provide an opportunity for immediate accident investigation and recognition of and correction of hazards.

Certified Payroll:

Certified payroll is to be submitted by Subcontractor to Purchaser's Purchasing Department and a copy to Purchaser's Project Manager weekly throughout the life of the project. Failure to provide weekly certified payroll will prevent processing of invoices for payment. Payments to Subcontractor will be held until certified payroll submittals are current.

Subcontractor Performance Requirements:

Subcontractor performance requirements shall be submitted to and reviewed with Purchaser's Site Manager on a weekly basis throughout the duration of the project. They shall include a detailed Daily Site Plan, 4-Week Look Ahead schedule and a Pre-Task Installation & Shutdown/Tie-in plans.

Purchaser's signature on any time sheet or report signifies only that Purchaser acknowledges the amount of time claimed to have been worked by Subcontractor. It does not mean that Purchaser has independently verified the number of hours actually worked, that the number of hours worked were reasonable, or that such work constitutes extra work not included in the Contract Price.

7. Invoice Remittance

Email invoices to:

Daifuku America Corporation

Attn: Accounts Payable

7406 W. Detroit Street

Chandler, AZ 85226 USA

kgriffin@daifukuna.com

cruspurchasing@daifukuna.com

8. Schedule

Within seven (7) business days of the issuance of this Subcontract, Subcontractor shall prepare a "schedule of work performance" and "man loading schedule", which shall be consistent with the Project Schedule and shall permit the full coordination and proper sequencing of Subcontractor's work with the work of other contractors and subcontractors. Upon Purchaser's approval of Subcontractor's schedule, it shall be considered part of this contract and be maintained by Subcontractor, subject to change only in accordance with Purchaser's General Terms and Conditions for Subcontracts.

Subcontractor shall provide schedule updates to Purchaser's Project Manager by the end of the first shift each Monday throughout the project and/or as directed by Purchaser's Project Manager. Schedule changes will also be coordinated and modified at weekly construction meetings and shall be incorporated in Subcontractor's weekly schedule updates.

9. Subcontractor's Facilities

Subcontractor shall, at its own expense, provide parking and transportation expenses, storage sheds, workshops, offices, and temporary facilities necessary for the performance of this Subcontract. Subcontractor shall remove same and thoroughly clean the premises at the completion of the work. If Purchaser is required to provide laborers to clean up Subcontractor's materials and/or premises, Purchaser will do so and back-charge Subcontractor for the effort.

10. Subcontractor's Extra Work Labor Rates

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Subcontractor agrees to calculate the cost of any extra work, for the duration of the contract, using the hourly rates as submitted on Purchaser's or Owner's Labor Rate Schedule and as approved by Purchaser's value analysis. When applicable, labor rates and benefits are to be in accordance with the applicable trade agreements and local and state laws. Percentages for consumables, overhead and profit are limited to percentages as stated in Owner and/or Purchaser terms and conditions and specifications. In case of contradiction the most stringent shall apply. If overtime is approved, Purchaser shall pay for the premium portion of the overtime only, providing that the overtime was pre-approved in writing by Purchaser and Owner; otherwise the overtime is the sole responsibility of Subcontractor.

11. Warranty Term

Warranty shall be per Contract Documents.

12. Material Safety Data Sheets (MSDS)

Subcontractor must submit MSDS sheets for all hazardous material furnished under this Subcontract Agreement. The sheets must be sent to Purchaser one week in advance of shipment and must be submitted with a cover sheet, including Subcontractor Name, Agreement No., Description, and Where Shipped.

13. Extra Work Authorization

Subcontractor is not to perform extra work whether Owner requested, Purchaser requested or out of scope items claimed by the Subcontractor without written authorization from Purchaser. A Work Authorization must be issued to Subcontractor prior to the commencement of extra work. In the case of off hours or weekends the Purchaser's Project Manager will authorize the Subcontractor via a written document (i.e. e-mail, fax etc.) copying Purchaser's purchasing department. The next business day a Work Authorization will be issued by Purchaser's purchasing department to Subcontractor for work. In the case of work that is in dispute by Subcontractor as to whether it is included in the base scope or not, Subcontractor will be authorized with a Work Authorization and noted as "scope in dispute". Work must be performed while discussions take place to ownership of stated work. Per the Purchaser's General Terms and Conditions for Subcontracts, at no time can Subcontractor refuse to act upon a direction to proceed with work by Purchaser. If work is performed by Subcontractor without a Work Authorization then Purchaser is not responsible for compensating Subcontractor, regardless if initiated by the Owner, Purchaser, Subcontractor, Claim, or Scope in Dispute.

14. Project Manager and Project Personnel

At the beginning of the project, Subcontractor shall designate a Project Manager / Field Superintendent (PM/FS) for the complete project. This PM/FS shall be the contact person during the duration of the project up to final acceptance. The PM/FS must, whenever it is required, be present at the "project site". All travel expenses and other costs associated with Subcontractor's personnel are included in this order. Purchaser reserves the right to interview, approve, reject or require replacement of Subcontractor's PM/FS.

Subcontractor may not change key project personnel, engineers or designers without Purchaser's approval.

15. Credit Risk Allocation

The financial tumult of 2008 demonstrated how quickly economic conditions can change during the course of a project. Subcontractor should take special note of the Terms of Payment, Section 15.3, in Purchaser's General Terms and Conditions for Subcontracts (D5002), that establishes a condition precedent that Purchaser will not make any payments to Subcontractor, including progress and final payments, unless and until Purchaser has been paid by Owner or General Contractor for Subcontractor's work. These payment terms reflect, among other things, that Purchaser and Subcontractor share the risk of Owner non-payment for their respective scopes of work.

16. Priority of Documents

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In the event of conflict or questions of interpretation arising under the Contract Documents, the order of documents listed in the "Contract Documents" section of this agreement shall govern, with earlier listed documents having higher priority. In the event of inconsistency, the most stringent provision upon Subcontractor shall apply.

FOR PURCHASER'S INTERNAL USE ONLY

Confirmed To: _____; Date: _____;

Method: _____