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# Environmental, Health & Safety Manual

## January 2008



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## **SECTION 1**

# **INTRODUCTION TO PIPE REMOVAL SERIVCES**



## **Why the need for a pipe recycling facility?**

- New Federal Regulations
- Urban Development
- Road Expansion
- Ports
- Pipeline Renewal
- Capacity Upgrades

## **Current Situation:**

- Lines are Abandoned in Place
- Pipe is scrapped with the Coating
- Pipe is Land-filled
- Pipe is sold with Coating attached
- Coating is Removed in Ditch
- Many processes used to remove coating without notification



## **Our Vision:**

- Pipelines are Removed
- Coating is separated from Pipe
- Coating is disposed of Properly
- Consistent set of guidelines

**GOAL – Making it easier to follow the law.**

## **Recycle vs. Dispose:**

- Minimize Land-fills
- Minimize worker exposure
- Low cost secondary steel options
- Minimize air polluted through melting and milling



## **Our ACM Abatement Process:**

- Pipe is loaded on to inbound conveyor system
- Conveyors are rubber tires
- Controlled remotely
- Pipe is kept wet
- Pipe enters negative air box
- Coating is peeled from pipe
- Coating is lifted via conveyor to enclosed disposal box
- Pipe is kept wet at blade
- Air outside box is sampled
- Pipe exits negative air system completely free of tar/ACM Coating
- Coating is manifested and taken to Class I Land-fill

## **In Conclusion:**



- Need for Solution
- BACT
- Let's work together.....



## Pipe Removal Services

Property owners & purchasers, may face potential liabilities (i.e. extra costs) when dealing with remediation or management of contaminated sites. Liability costs may arise from State and Local Government initiated orders, loss of land value, or litigation. Environmental Site Assessment will be used to estimate the types, and locations of contamination that may be present on a site. This information can then be used to make informed decisions concerning property management, facility operations and investments.

### Required:

- \*abandoning a pipeline and or right of way
- \*planning to redevelop or change land use of property
- \*potential change in site ownership

### Initiation:

- requested by interested land owner
- essential for company risk analysis
- demonstrates due diligence for environmental liability
- pollution prevention
- required by all financing institutions
- enhances property resale value
- may affect land use and facilities

### What Happens Next?

Southwest Pipe Services will assess the inherent environmental risks associated with a site. The property may be determined to have little or no risk and be suitable for immediate pipe removal.

If environmental risks are present a Phase 2 investigations (sampling and analysis) may be required, which, in turn, may be followed by a Phase 3 clean-up. Costs for each follow-up step increase exponentially.

We can offer several ways to clean hydrocarbons in situ, with an array of products, and options. We can provide remedial plans and detailed drawings for these services as well.



Obviously there are no sure answers when dealing with environmental risk, each site and problem is different and requires an individual approach. Environmental problems are "grandsonned", meaning the present owner of a site is responsible for past activities. We will determine the effect of past activities on a site and prevent environmental liability or government orders. For the pipeline to be removed, may greatly affect investment decisions and land use.

Southwest Pipe Services also, has an asbestos removal process that is Portable. Southwest Pipe Services will come to your State or site, thus GREATLY reducing liabilities and State to State permits to haul ACM's to a process facility.

### **What are optimal at pollution prevention?**

Pollution prevention is the reduction or elimination of discharges or emissions to the environment. This includes all pollution: hazardous and non-hazardous, regulated and unregulated, across all media, and from all sources. Pollution prevention can be accomplished by reducing the generation of wastes at their source (source reduction) or by using, reusing or reclaiming wastes once they are generated (**environmentally sound recycling**).

### **How can I minimize the hazards of demolition materials?**

#### **Hazard Inventory**

Before demolition begins, determine if any hazardous materials are present. When this is not done problems can develop unexpectedly. They may be hidden, for instance, underground. Whenever possible, try to identify problem areas before demolition begins.

- Conduct an inspection and list materials that may be hazardous - Asbestos-containing materials.
  - Lead pipes and lead paint wastes.
  - Line pipe, containing ACM.
- Limit demolition to qualified personnel

Demolition contractors can, and will be held liable for hazardous materials that are spilled, ignited, ingested, improperly disposed of, or released. It's in the demolition contractor's best interest to contact a waste disposal specialist when drums or containers of unknown substances or materials are encountered on a site.



## **What kinds of waste does demolition produce?**

Used Pipe is a generate waste that can be valuable for use in new construction, as material that can be recycled, or as raw material that can be beneficially used at another location.

## **Typical Wastes**

Wastes typically generated by demolition activities include:

- Water
- Hepa Filter
- Iron and steel
- ACM's
- 6 mil Plastic
- Concrete
- Asphalt
- Lead pipes.

## **Pollution prevention for Pipe Removal**

Demolition projects present unique difficulties. Managers are unlikely to have much advance information about the materials they will be working with. Each site will present unique opportunities for materials reuse. Each site will also pose unique hazards.

In order to take advantage of reuse opportunities and minimize hazards, each site should be carefully evaluated before Pipe Removal begins.

## **Material Reuse**

Reuse of pipeline and pipe systems, will greatly reduce materials costs at the construction site where they are used. Inspect the site before removal begins and list materials that should be saved. Then select removal methods and procedures that will promote reuse. Pipe Removal items that can be reused include:

- New Pipeline
- Construction
- Fencing.



## Recycling

Recycling is the use, reuse or reclamation of a waste after it has been generated. Examples of opportunities for recycling demolition waste include

- Removing and recycling all metal before remediation.
- Insulation materials
- Wall & pipe insulation
- Floor sheet backing & binders
- Patching compounds.

## What special precautions should be taken with asbestos?

Asbestos-containing wastes present unique hazards. Asbestos is one of the most hazardous materials encountered during demolition activities. Some asbestos materials can break into fibers which float in the air. These minute fibers are not visible to the unaided eye. They pass through the filters of normal vacuum cleaners and reenter the air. When fibers present in the air are inhaled, they represent a health risk. Asbestos has been used in a wide variety of products, including household and building materials such as:

- Insulation and barrier Tape for Pipe
- Floor tiles
- Roofing materials
- Textured paints.

Recognizing asbestos-containing materials during demolition can be difficult and may require the services of a contractor trained and experienced in asbestos removal projects. In general, presence of asbestos containing materials may be suspected if the following conditions are observed:

- Friable, cementations sprayed-on or toweled material (acoustical plaster).
- Perforated, non-friable wallboard with friable sprayed-on material behind.
- Friable, fluffy sprayed-on material (fireproofing); or friable fireproofing material on beam with pipe insulation below.

In addition, there are certain areas where asbestos is likely to be present. For example, boilers and pipes are often insulated with asbestos materials.



Boiler room walls and ceilings may also be covered with asbestos containing material. Asbestos may be present in the backing of some vinyl sheet flooring. Fibers can be released if the backing on the sheet flooring is sanded.

Demolition or renovations operations in facilities which contain friable asbestos above certain quantities are regulated under the National Emission Standards for Hazardous Air Pollutants (NESHAP) regulations (40 CFR 61). These regulations specify asbestos emission limits and control procedures.

Asbestos is also regulated by local authorities, such as the local county health department. Local regulations are generally more restrictive than the federal regulations. They may include:

- Licensing of asbestos removal contractors
- Permitting of removal projects
- Air monitoring requirements
- Inspection requirements
- Restrictions such as prohibiting the use of glove bags
- Enclosure requirements.

A manual on asbestos control, Guidance for Controlling Asbestos-Containing Materials in Buildings, commonly referred to as the "Purple Book", is available from the EPA. In general, it is advisable to use contractors specifically experienced, trained, and licensed for asbestos demolition and removal operations.

This fact sheet should only be considered as an introduction to pollution prevention. Since ..... developed, it cannot include every existing pollution prevention practice. Of a specific practice should not be considered an unqualified endorsement, and not every practice is suitable for every facility.

### **Who's going to do it?**

Pollution prevention requires a new attitude about pollution control. Traditional thinking places all the responsibility on a few environmental experts in charge of treatment. The new focus makes pollution prevention everyone's responsibility. Preventing pollution may be a new role for production-oriented managers and workers, but their cooperation is crucial. It will be the workers themselves who must make pollution prevention succeed in the workplace.



Management commitment and employee participation are vital to a successful pollution prevention program. Management can demonstrate its commitment to pollution prevention and encourage employee participation by:

- Training employees in pollution prevention techniques
- Encouraging employee suggestions
- Providing incentives for employee participation
- Providing resources necessary to get the job done.

## **Further Pollution Prevention, Recycling & Asbestos Information**

### *Southwest Pipe Services Pipeline Safety*

As part of our commitment to this goal, trained experts working on our pipelines use a systematic and managed approach to ensure a safe working environment. As your neighbor, we work hard to operate our pipeline system in a safe and environmentally responsible manner.

Southwest Pipe's safety begins before we inspect any pipeline. When ready to remove the pipeline, we check for VOC's and liquids before we cut the pipe segments apart. If the Pipe contains ACM's we will use the wrap and seal method while being transported to our Mobile Pipe Recycling Machine. These procedures keep our staff and the surrounding environment safe.

## **Maintenance and Monitoring**

### *Pipeline Markers*

To ensure everyone knows the location of the pipeline, look for the pipeline markers at regular intervals along the line, especially in high traffic areas such as road ditches, road crossings, railways, and other points along the right-of-way. They are typically placed near but not necessarily on top of the pipeline or lines. It is important to remember that the markers may not tell you the exact location, route, depth, or number of pipelines. Pipeline markers include warning signs, casing vents, aerial markers, painted metal or plastic posts.



### *Leak Detection*

Pipeline incidents rarely occur – but they do happen. Since the Pipeline carries NG's it is important to know what to do if an incident does occur. When NG's escape from the pipeline system, they form a gas that looks like a vapor cloud – these clouds have a fog-like appearance. A vapor cloud that hangs low to the ground may mean there is a leak in the line. The ground may be frosted and the surrounding vegetation may be wilted or dead. In the winter, escaping NG's may discolor the snow.

- If you smell an odor similar to gasoline (but stronger), it may be natural gas
- If you hear a loud hissing or roaring, it may mean there is a break in the pipeline
- If you see a vapor cloud, dead vegetation, or frosted ground along a pipeline, it may be an natural gas leak

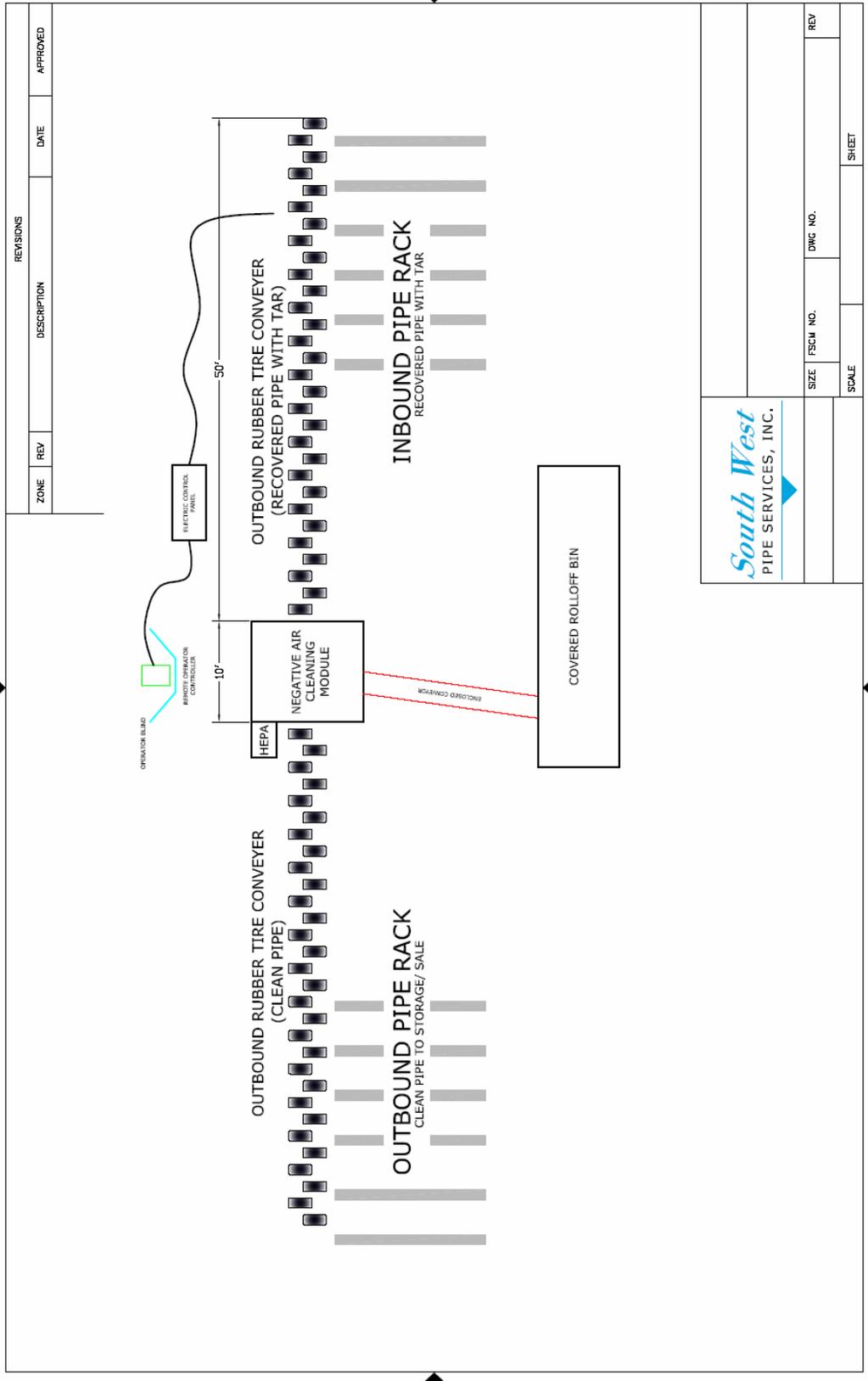
### *What to do if you encounter a leak*

Your first goal is to protect yourself and the safety of those around you.

- Shut off any equipment operating on or near the pipeline
- Extinguish any tobacco products or any ignited material in the area
- Alert others in the immediate area, while leaving the area
- Since most natural gas liquids are heavier than air, if possible, move to an area that is ½ mile upwind and uphill from the leak
- As soon as you are safe, call 911 or the local police, fire department, or emergency response agency

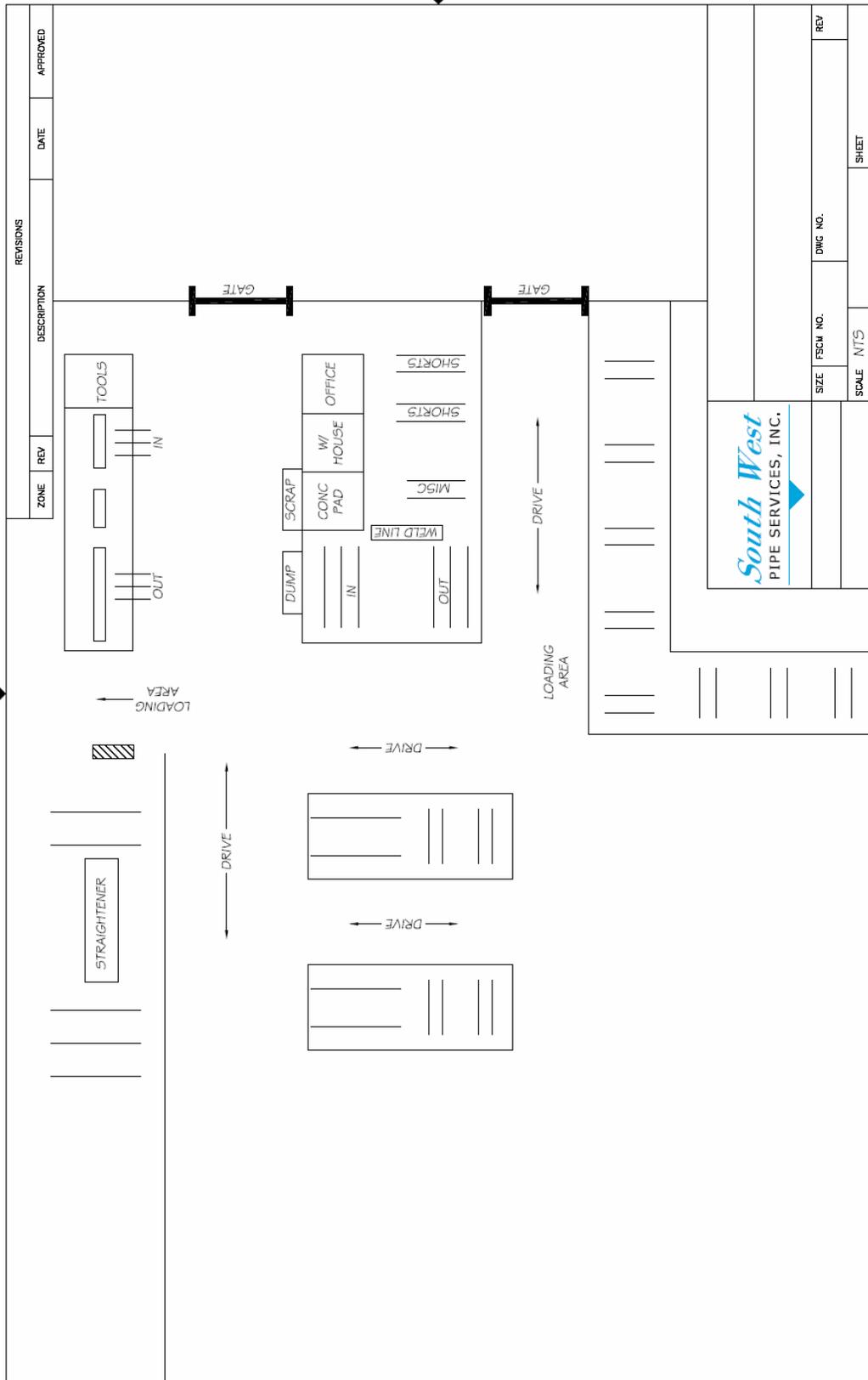
What Southwest Pipe Services says **NOT** to do if you encounter a leak

- Do not make sparks or create heat sources that could ignite the leaking products while leaving the area
- Do not start any motorized equipment
- Do not drive a vehicle through the effected area. Walk away from the incident if necessary
- Do not touch or go near any products that may be leaking from the pipeline
- Do not turn on or off any lights or appliances powered by electricity, batteries, or natural gas
- Do not use your cell phone in the effected area



REVISIONS				
ZONE	REV	DESCRIPTION	DATE	APPROVED

<i>South West</i> PIPE SERVICES, INC.			
SIZE	FSC# NO.	DWG NO.	REV
SCALE		SHEET	





## **SECTION 2**

# **REGULATED WASTE MANUAL**



## Regulated Waste Manual

This manual has been developed to provide project staff with necessary environmental guidance for the proper inspection, removal, and disposal of the following regulated wastes:

- Asbestos (Coal Tar)
- Chlorofluorocarbons (CFC)
- Polychlorinated Biphenyl's (PCB)

The environmental management of asbestos is regulated by the following agencies: US Environmental Protection Agency, US Department of Transportation, Texas Commission for Environmental Quality

This manual has made every effort to consolidate **all** environmental Regulations into a format that is tailored for Southwest Pipe Services, while remaining in full environmental compliance. **SWP staff is NOT to enter an active asbestos abatement site. Only trained and card carrying asbestos inspectors and workers certified by the Department of Health are allowed to take asbestos samples, enter asbestos abatement enclosures and/or conduct asbestos abatement. Any questions contact our Office at (713) 829-9000.**

### General

Before any pipe structure demolition or removal can be performed an environmental Assessment/inspection is required. The assessment/inspection will determine if pipe Contain regulated amounts of asbestos. The assessment/inspection must also identify all other regulated wastes such as: chlorofluorocarbons (CFC), polychlorinated biphenyl's (PCB), mercury, lead, hazardous waste, and solid waste. All of the above wastes have been determined by the USEPA.

### Asbestos

There are three types of Asbestos Containing Materials. All three types are regulated at Greater than 1% levels. These are:

Friable Asbestos – Materials with >1% asbestos that, when dry, under hand pressure can be crumbled, pulverized, or reduced into a powder. Examples include\* heating system insulation, some vermiculite insulations. (For more examples see questions and answers attachment).

Non-friable asbestos (Category I)- Asbestos containing packing, gaskets, resilient floor covering, and asphalt roofing products containing more than one percent asbestos. (For more examples see questions and answers attachment).



Non-Friable Asbestos (Category II) - any material, excluding category I non-friable ACM, that when dry cannot be crumbled, pulverized, or reduced to powder by hand pressure. Examples include: cementitious asbestos board, Transite® siding, asbestos putties, asbestos sealants and adhesives. (For more examples see questions and answers attachment).

It is important to note the following:

- \*All asbestos at greater than 1% in concentration regardless of amount must be removed by a licensed removal contractor (see abatements section).
- \*All friable waste asbestos in excess of 1 Lb. is considered hazardous material for transport by the USDOT.
- \* All asbestos disposals are regulated by the EPA.

### **Assessment/Inspection Report Requirements:**

#### *Asbestos-*

The inspector must report the following:

- \*The detailed location of each area of material known or assumed to contain asbestos;
- \*The condition of each area of material known or assumed to contain asbestos;
- \*The inspectors' certification number
- \*A photocopy of the current asbestos inspector certificate (hard card) of each asbestos inspector who performed the inspection;
- \*The laboratory chain of custody for the samples;

#### **CFC's**

Identify all air conditioning, heat pump, or other refrigeration equipment that contains CFCs refrigerants.

#### **PCB's**

Pipeline liquids include pipeline condensate and other liquids that were intentionally or accidentally added to the pipeline. Pipeline condensates, primarily composed of hydrocarbon distillates, occur as a result of the movement of pressurized natural gas through a pipeline under varying temperature conditions. Examples of liquids added to natural gas pipelines include: methanol as a cleaning solvent; metals formulations for corrosion protection; PCBs compressor liquids that leak from turbine compressors into the pipeline; and PCBs in waste oil sprayed into the pipeline (known as fogging the lines) for gasket protection. PCB waste handlers, including some generators, transporters, commercial storers, and disposers of PCB wastes, must notify EPA of their PCB waste activities, and receive a unique identification number. 0.05 mg/L PCBs in solid waste. If the concentration exceeds this level the waste is considered a hazardous waste, unless a different method of characterizing the waste as hazardous was used.



## **SECTION 3**

# **HAZARDOUS COMMUNICATION PROGRAM**

# Hazardous Communication Program

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## INTRODUCTION



## FEDERAL HAZARD COMMUNICATION STANDARD (HazCom) SUMMARY

A. In 1983 OSHA announced its Federal Hazard Communications Standard, 29 CFR 1910.1200, referred to as HazCom. The Occupational Safety and Health Administration administers this program. The law guarantees the right to information about hazardous chemicals in the workplace. This law is referred to as the "Right to Know" law. The federal Hazard Communication Standard, HazCom, establishes requirements in the following four areas:

- Determining the chemical hazards in a workplace.
- Labeling chemicals that are hazardous.
- Maintaining Material Safety Data Sheets that provide information about the hazardous chemicals.
- Providing a written hazardous chemical training program.

**This document is to serve as the written hazard communication program for our company and will cover the above aspects of the standard in further detail.**

### Determining chemical hazards in a workplace.

There are many different hazardous chemicals. HazCom groups hazardous chemicals into two (2) types: physical hazards and health hazards.

- Chemicals that are physical hazards are flammable, corrosive, or reactive. Flammable chemicals can cause fires; corrosive chemicals can cause chemical burns; and reactive chemicals can cause explosions or release toxic fumes.
- Chemicals that are health hazards are toxic chemical poisons. Overexposure to these chemicals can cause acute, or immediate, effects such as nausea or vomiting. Overexposure to certain types of chemicals can cause chronic, or long-term, effects such as liver damage or cancer.

### Labeling requirements

- HazCom requires that all containers of hazardous chemicals entering or leaving the workplace must be labeled. The label must show the identity of the hazardous chemical, appropriate hazard warning (i.e. flammable, corrosive), and the name and address of the manufacturer, distributor or importer.
- The label may also include picture symbols that help to identify the hazard and show the proper personal safety equipment to use when working with the chemical.
- Labeling is also required for portable containers filled with chemicals from other containers. Tanks and other non-movable containers may be labeled by using the National Fire Protection Association (NFPA) fire diamonds or the Hazardous Materials Identification System (HMIS) labels.



## Material Safety Data Sheets

Material Safety Data Sheets (MSDS) are required by OSHA's Hazard Communications Standard (HazCom) 29 CFR 1910.1200 as the primary communications link between chemical manufacturers and chemical users or handlers. The objective of a Material Safety Data Sheet is to concisely inform any interested party about the hazards associated with the chemicals or compounds that may be anticipated when handling, using or encountering that chemical or compound in an emergency situation.

A Material Safety Data Sheet contains information that identifies four factors affecting a hazardous substances behavior. Those four factors are:

- Inherent properties and quantity of the hazardous material.
- Built-in characteristics of the container.
- Natural laws of physics and chemistry.
- Environment, including the physical surroundings and the conditions.

Material Safety Data Sheets required by HazCom must contain the following information:

- The identity of the material.
- An emergency telephone number.
- A list of hazardous ingredients.
- Fire and explosion data.
- Health hazard data.
- Precautions for safe handling and use.
- Proper employee protection measures.

Identifying hazardous materials involves determining the specific name of the hazardous material and identifying the inherent properties and behavior characteristics, and response information for the hazardous material. Material Safety Data Sheets contain the following reference information:

- First time handling considerations.
- Clean up information for spills, leaks or disposal of a hazardous material.
- Identifies unusual circumstances involving possible exposure during maintenance, turn-around or confined space entries involving the hazardous material.
- Health hazards presented by the hazardous material.
- Combustibility, flammability or exposure limits presented by a hazardous material.
- Reactivity of a hazardous material.
- Proper storage procedures for a hazardous material.
- Physical characteristics of a hazardous material.



## MATERIAL SAFETY DATA SHEET INFORMATION REQUIRED FOR ALL CHEMICALS AND COMPOUNDS

Chemical manufacturers, importers and distributors of chemicals and compounds are required to provide a Material Safety Data Sheet upon delivery of a chemical or compound. This includes chemicals and compounds covered in Department of Transportation and OSHA labeling requirements, as well as those exempted from labeling requirements but regulated by FDA, CSPS, FIFRA, and ATF.

Material Safety Data Sheets aren't required to follow a particular format; however, the Hazard Communications Standard (HazCom) does require specific information to be included. Such as:

- Chemical and Common Names of Hazardous Chemicals/Ingredients.
  - Information on Exposure Limits (PEL, TLV)
  - Information on Carcinogen Listings.
  - Potential for Fire.
  - Potential for Reactivity.
  - Acute and Chronic Health Effects
  - Primary Routes of Exposure.
  - Physical and Chemical Characteristics of Hazardous Chemical. (Vapor Pressure, Flash Point, etc.)
  - Signs and Symptoms of Overexposure and Medical Conditions Aggravated.
  - Proper Safe Handling and Use Precautions.
  - Safe Handling Practices.
  - Necessary Personal Protective Equipment and Controls.
  - Other Safety Precautions in the Use of or Exposure to the Hazardous Substance.
  - Emergency Procedures for Spills.
  - Emergency Procedures for Fires.
  - Disposal Procedures.
  - First Aid Procedures.
  - Description in Lay Terms of the Specific Potential Health Risks Posed by the Hazardous Substance.
  - Month and Year the Material Safety Data Sheet was updated.
- Name, Address, and Telephone Number of the Manufacturer Responsible for Preparing the Information.

Please be advised that **NO ITEM ON THE MATERIAL SAFETY DATA SHEET MAY BE LEFT BLANK.**

Hazardous Chemical MSDS sheets are readily accessible during each work shift to all employees.

### Contractors



All contractors **entering an Southwest Pipe Services Inc. site**, will be required to comply with this standard as well.

### **Written Training Program**

Written training programs are required in HazCom. The training program details how a company intends to implement HazCom, and the type and kinds of training the company intends to conduct.

Employees will be trained to work safely with any chemicals they are required to use at an SOUTHWEST PIPE SERVICES INC. facility.

- Physical and Health hazards associated with the chemical.
- Protective measures to be taken.
- Safe work practices.
- Use of Personal Protective Equipment

### **Personal Protective Equipment (PPE)**

Required PPE for a given task is available from your supervisor. Any employee found in violation of PPE requirements may be subject to disciplinary action up to and including termination.

### **Chemical Inventory**

- The company maintains an inventory of all known chemicals in use on the worksite. A chemical inventory list is available from the plant manager or your supervisor.
- Hazardous chemicals brought onto the worksite by any vendors will be included on the hazardous chemical inventory list.

### **Container Labeling**

- All chemicals on site will be stored in their original or approved containers with the proper label attached, except small quantities for immediate use. Any container not properly labeled should be given to your supervisor for labeling and or proper disposal.
- Workers may dispense chemicals from original containers only in small quantities intended for immediate use. Any left over chemical should be returned to the original container.
- No unmarked containers of any size are to be left in the work area unattended.
- SOUTHWEST PIPE SERVICES INC. will rely on manufacturers applied labels whenever possible, and will ensure that the labels are maintained. Containers that are not labeled or on which the manufacturers label has been removed will be replaced.
- SOUTHWEST PIPE SERVICES INC. will ensure that each container is labeled with the identify of the hazardous chemical contained and any hazard warnings.

### **Emergency Response**

- Any incident of over exposure or spill of any kind at any facility by an SOUTHWEST PIPE SERVICES INC. employee must be reported at once to your supervisor.
- Your supervisor will be responsible for insuring that the proper emergency response action is taken.



### **Hazards of Non-Routine Tasks**

- Supervisors will inform employees of any special tasks that may arise which would involve possible exposure to hazardous chemicals
- Review of safe work procedures and use of required PPE will be conducted prior to the start of such tasks. Where necessary, areas will be posted to indicate the nature of the hazard involved.



## EMPLOYEE ACKNOWLEDGMENT OF CHEMICAL HAZARD INFORMATION

On the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, and in accordance with the requirements of the OSHA Hazardous Communication Standard, OSHA Process Safety Management Standard and the Safety Policies and Procedures of those with whom we do business, \_\_\_\_\_, employee of SOUTHWEST PIPE SERVICES INC. , was informed by SOUTHWEST PIPE SERVICES INC. of information pertaining to chemical hazards, process safety information and analyses as described below:

1. Employee was informed of the chemicals produced, used or stored by all customers of SOUTHWEST PIPE SERVICES INC. which said employees may be exposed to while performing his or her work, as well as the availability of material safety data sheets, process safety information and what to in an emergency.
2. Employee was informed of the labeling system utilized in the workplace.
3. Employee was informed of precautionary measures relative to such hazardous and potentially harmful situations that may arise during normal working conditions and in foreseeable emergencies. The employee is also, provided with the following personal protective equipment: gloves, safety glasses, ear protection, hard-hats (when required), fire retardant suits, face shields, and masks (when required).

The employee agrees to comply with the Occupational Safety and Health Act of 1970, as amended, and all the regulations and standards adopted and/or promulgated there under or in connection therewith, and all state and/or local laws, ordinances, rules and regulations pertaining to occupational safety and/or health, as well as the safety policies and procedures set forth by SOUTHWEST PIPE SERVICES INC. and/or our customers.

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Supervisor

\_\_\_\_\_  
Date

# **SECTION 4**

## **EMPLOYEE & SAFETY MANUAL**



## **Welcome to Southwest Pipe Services Inc.,**

Thank you for joining SOUTHWEST PIPE SERVICES INC.! We hope you agree that you have a great contribution to make to the construction industry by way of SOUTHWEST PIPE SERVICES INC. and that you will find your employment at our company a rewarding experience. We look forward to the opportunity of working together to create a more successful company. We also want you to feel that your employment with SOUTHWEST PIPE SERVICES INC. will be a mutually beneficial and gratifying one.

You have joined an organization that has established an outstanding reputation for quality. Credit for this goes to everyone in the organization. We hope you, too, will find satisfaction and take pride in your work here. As a member of SOUTHWEST PIPE SERVICES INC.'s team, you will be expected to contribute your talents and energies to further improve the environment and quality of the company.

This Employee Manual may provide answers to most of the questions you may have about SOUTHWEST PIPE SERVICES INC.'s benefit programs, as well as company policies and procedures. You are responsible for reading and understanding this Employee Manual. If anything is unclear, please discuss the matter with your supervisor.

We extend to you our personal best wishes for your success and happiness at SOUTHWEST PIPE SERVICES INC.



## Notice

This Employee Manual has been prepared to inform you of SOUTHWEST PIPE SERVICES INC. 's history, philosophy, employment practices, and policies, as well as the benefits provided to you as a valued employee.

### Some Things You Must Understand

The policies in this Employee Manual are to be considered as guidelines.

- SOUTHWEST PIPE SERVICES INC., at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Employee Manual at any time without prior notice as business, employment legislation, and economic conditions dictate.
- Any such action shall apply to existing as well as to future employees.
- Employees may not accrue eligibility for monetary benefits that they have not become eligible for through actual time spent at work.
- Employees shall not accrue eligibility for any benefits, rights, or privileges beyond the last day worked.
- Any alteration or modification of the policies in this Employee Manual must be in writing.
- No statement or promise by a supervisor, manager, or department head, past or present, may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Should any provision in this Employee Manual be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Manual, but only that particular provision.

This Employee Manual replaces (supersedes) any and all other or previous SOUTHWEST PIPE SERVICES INC. Employee Manuals, or other SOUTHWEST PIPE SERVICES INC. policies whether written or oral.



## Receipt and Acknowledgment Of SOUTHWEST PIPE SERVICES INC. Employee Manual

Please read the following statements, sign below and return to your supervisor.

### **Understanding and Acknowledging Receipt of SOUTHWEST PIPE SERVICES INC. Employee Manual**

I have received and read a copy of the SOUTHWEST PIPE SERVICES INC. Employee Manual. I understand that the policies and benefits described in it are subject to change at the sole discretion of SOUTHWEST PIPE SERVICES INC. at any time.

### **At-Will Employment**

I further understand that my employment is at will, and neither SOUTHWEST PIPE SERVICES INC. nor myself has entered into a contract regarding the duration of my employment. I am free to terminate my employment with SOUTHWEST PIPE SERVICES INC. at any time, with or without reason. Likewise, SOUTHWEST PIPE SERVICES INC. has the right to terminate my employment, or otherwise discipline, transfer, or demote me at any time, with or without reason, at the discretion of SOUTHWEST PIPE SERVICES INC.. No employee of SOUTHWEST PIPE SERVICES INC. can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without the written approval from the President or Vice President.

### **Confidential Information**

I am aware that during the course of my employment confidential information will be made available to me, for instance, product designs, marketing strategies, customer lists, pricing policies and other related information. I understand that this information is proprietary and critical to the success of SOUTHWEST PIPE SERVICES INC. and must not be given out or used outside of SOUTHWEST PIPE SERVICES INC. 's premises or with non-SOUTHWEST PIPE SERVICES INC. employees. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize or exploit this information with any other individual or company.

\_\_\_\_\_  
Employee's Printed Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date



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## **An Overview of SOUTHWEST PIPE SERVICES INC.**

### **About SOUTHWEST PIPE SERVICES INC.**

November '03 SOUTHWEST PIPE SERVICES INC. was born. We do business as SOUTHWEST PIPE SERVICES INC. Our overall company goal is to be recognized by our customers, our employees, and the overall industry as a cutting edge type of company. We plan to achieve this by the total package of services concept. Our small size, and one on one dealing with our customers, with careful planning allows us to provide optimum service, on time, and at rates that are considered below industry standard.

### **What You Can Expect From SOUTHWEST PIPE SERVICES INC**

SOUTHWEST PIPE SERVICES INC. believes in creating a harmonious working relationship between all employees. In pursuit of this goal, SOUTHWEST PIPE SERVICES INC. has created the following employee relations objectives:

- Provide an exciting, challenging, and rewarding workplace and experience.
- Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief, or a disability that does not prohibit performance of essential job functions.
- Compensate all employees according to their effort and contribution to the success of our business.
- Review wages, employee benefits and working conditions regularly with the objective of being competitive in these areas consistent with sound business practices.
- Assure employees, after talking with their manager, an opportunity to discuss any issue or problem with officers of SOUTHWEST PIPE SERVICES INC.
- Take prompt and fair action of any complaint, which may arise in the everyday conduct of our business, to the extent that is practicable.
- Respect individual rights, and treat all employees with courtesy and consideration.
- Maintain mutual respect in our working relationship.
- Provide buildings and offices that are comfortable, orderly and safe.
- Promote employees on the basis of their ability and merit.



- Make promotions or fill vacancies from within SOUTHWEST PIPE SERVICES INC. whenever practical.
- Keep all employees informed of the progress of SOUTHWEST PIPE SERVICES INC., as well as the company's overall goals and objectives.
- Promote an atmosphere in keeping with SOUTHWEST PIPE SERVICES INC.'s vision, mission, and goals.

## **What SOUTHWEST PIPE SERVICES INC. Expects From You**

SOUTHWEST PIPE SERVICES INC. needs your help in making each working day enjoyable and rewarding. Your first responsibility is to know your own duties and how to do them promptly, correctly and pleasantly. Secondly, you are expected to cooperate with management and your fellow employees and to maintain a good team attitude.

How you interact with fellow employees and those whom SOUTHWEST PIPE SERVICES INC. serves, and how you accept direction can affect the success of your department. In turn, the performance of one department can impact the entire service offered by SOUTHWEST PIPE SERVICES INC. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability.

You are encouraged to grasp opportunities for personal development offered to you. This manual offers insight on how you can perform positively and to the best of your ability to meet and exceed SOUTHWEST PIPE SERVICES INC. expectations.

We strongly believe you should have the right to make your own choices in matters that concern and control your life. We believe in direct access to management. We are dedicated to making SOUTHWEST PIPE SERVICES INC. a company where you can approach your manager, or any member of management, to discuss any problem or question. We expect you to voice your opinions and contribute your suggestions to improve the quality of SOUTHWEST PIPE SERVICES INC. We're all human, so please communicate with each other and with management.

Remember, you help create the pleasant and safe working conditions that SOUTHWEST PIPE SERVICES INC. intends for you. The result will be better performance for the company overall, and personal satisfaction for you.



## **Open Communication Policy**

SOUTHWEST PIPE SERVICES INC. encourages you to discuss any issue you may have with a co-worker directly with that person. If a resolution is not reached, please arrange a meeting with your supervisor to discuss any concern, problem, or issue that arises during the course of your employment. Any information discussed in an Open Communication meeting is considered confidential. Retaliation against any employee for appropriate usage of Open Communication channels is unacceptable. Please remember it is counterproductive to a harmonious workplace for employees to create or repeat corporate rumors or office gossip. It is more constructive for an employee to consult his/her supervisor immediately with any questions.

## **Outside Employment**

Employees may not take an outside job, either for pay or as a donation of her/his personal time, with a customer or competitor of SOUTHWEST PIPE SERVICES INC.; nor may they do work on their own if it competes in any way with the sales of products or services we provide our customers. If you're financial situation requires you to hold a second job, part-time or full-time, or if you intend to engage in a business enterprise of your own, SOUTHWEST PIPE SERVICES INC. would like to know about it. Before accepting any outside employment you are encouraged to discuss the matter with your supervisor.

## **Suggestions**

We encourage all employees to bring forward their suggestions and good ideas about how our company can be made a better place to work, our products improved, and our service to customers enhanced. When you see an opportunity for improvement, please talk it over with your supervisor. She/he can help you bring your idea to the attention of the people in the company who will be responsible for possibly implementing it.

All suggestions are valued and listened to. When a suggestion from an employee has particular merit, we provide for special recognition of the individual(s) who had the idea.



## Employment

### At-Will Employment

Your employment with SOUTHWEST PIPE SERVICES INC. is at-will. This means that neither you nor SOUTHWEST PIPE SERVICES INC. has entered into a contract regarding the duration of your employment. You are free to terminate your employment with SOUTHWEST PIPE SERVICES INC. at any time, with or without reason. Likewise, SOUTHWEST PIPE SERVICES INC. has the right to terminate your employment, or otherwise discipline, transfer, or demote you at any time, with or without reason, at the discretion of SOUTHWEST PIPE SERVICES INC.

No employee of SOUTHWEST PIPE SERVICES INC. can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without written approval from the President.

---

Employee Signature

---

Supervisor Signature

---

Date

Note to the employee: The original of this form will be placed in your personnel file. Your supervisor will give a copy of this form to you.



## **Confidential Information**

Upon accepting employment with SOUTHWEST PIPE SERVICES INC., you were asked to sign a Confidentiality Agreement, which generally provides that you will not disclose or use any SOUTHWEST PIPE SERVICES INC. confidential information, either during or after your employment. We sincerely hope that our relationship will be long-term and mutually rewarding. However, your employment with SOUTHWEST PIPE SERVICES INC. assumes an obligation to maintain confidentiality, even after you leave our employ.

Additionally, our customers and suppliers entrust SOUTHWEST PIPE SERVICES INC. with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, SOUTHWEST PIPE SERVICES INC. earns the respect and further trust of our customers and suppliers.

If you are questioned by someone outside the company or your department and you are concerned about the appropriateness of giving them certain information, you are not required to answer. Instead, as politely as possible, refer the request to your supervisor.

No one is permitted to remove or make copies of any SOUTHWEST PIPE SERVICES INC. records, reports or documents without prior management approval. Disclosure of confidential information could lead to termination, as well as other possible legal action.

## **Customer Relations**

The success of SOUTHWEST PIPE SERVICES INC. depends upon the quality of the relationships between SOUTHWEST PIPE SERVICES INC., our employees, customers, suppliers and the general public. Our customers' impression of SOUTHWEST PIPE SERVICES INC. and their interest and willingness to purchase from us is greatly formed by the people who serve them. In a sense, regardless of your position, you are SOUTHWEST PIPE SERVICES INC.'s ambassador. The more goodwill you promote, the more our customers will respect and appreciate you, SOUTHWEST PIPE SERVICES INC. and SOUTHWEST PIPE SERVICES INC.'s products and services.

Below are several things you can do to help give customers a good impression of SOUTHWEST PIPE SERVICES INC. These are the building blocks for our continued success.

1. Act competently and deal with customers in a courteous and respectful manner.
2. Communicate pleasantly and respectfully with other employees at all times.
3. Follow up on orders and questions promptly, provide businesslike replies to inquiries and requests, and perform all duties in an orderly manner.
4. Take great pride in your work and enjoy doing your very best.



These policies apply to all areas of employment, including recruitment, hiring, training and development, promotion, transfer, termination, layoff, compensation benefits, social and recreational programs, and all other conditions and privileges of employment in accordance with applicable federal, state, and local laws.

## **Equal Employment Opportunity**

SOUTHWEST PIPE SERVICES INC. is an equal employment opportunity employer. Employment decisions are based on merit and business needs, and not on race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law. SOUTHWEST PIPE SERVICES INC. complies with the law regarding reasonable accommodation for handicapped and disabled employees. SOUTHWEST PIPE SERVICES INC.'s president has issued the following policy stating SOUTHWEST PIPE SERVICES INC.'s views on this matter.

It is the policy of SOUTHWEST PIPE SERVICES INC. to comply with all the relevant and applicable provisions of the Americans with Disabilities Act (ADA). SOUTHWEST PIPE SERVICES INC. will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability. SOUTHWEST PIPE SERVICES INC. will also make reasonable accommodation wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the essential duties and assignments connected with the job and provided that any accommodations made do not impose an undue hardship on SOUTHWEST PIPE SERVICES INC.

Equal employment opportunity notices are posted near employee gathering places as required by law. These notices summarize the rights of employees to equal opportunity in employment and list the names and addresses of the various government agencies that may be contacted in the event that any person believes he or she has been discriminated against.

Management is primarily responsible for seeing that SOUTHWEST PIPE SERVICES INC.'s equal employment opportunity policies are implemented, but all members of the staff share in the responsibility for assuring that by their personal actions the policies are effective and apply uniformly to everyone.

Any employees, including managers, involved in discriminatory practices will be subject to termination.



## **Harassment Policy**

SOUTHWEST PIPE SERVICES INC. intends to provide a work environment that is pleasant, professional, and free from intimidation, hostility or other offenses, which might interfere with work performance. Harassment of any sort - verbal, physical, and visual - will not be tolerated, particularly against employees in protected classes. These classes include, but are not necessarily limited to race, color, religion, sex, age, sexual orientation, national origin or ancestry, disability, medical condition, marital status, veteran status, or any other protected status defined by law.

### **What Is Harassment?**

Workplace harassment can take many forms. It may be, but is not limited to, words, signs, offensive jokes, cartoons, pictures, posters, e-mail jokes or statements, pranks, intimidation, physical assaults or contact, or violence. Harassment is not necessarily sexual in nature. It may also take the form of other vocal activity including derogatory statements not directed to the targeted individual but taking place within their hearing. Other prohibited conduct includes written material such as notes, photographs, cartoons, articles of a harassing or offensive nature, and taking retaliatory action against an employee for discussing or making a harassment complaint.

### **Responsibility**

All SOUTHWEST PIPE SERVICES INC. employees, and particularly managers, have a responsibility for keeping our work environment free of harassment. Any employee, who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate supervisor or the designated management representative with whom they feel comfortable. When management becomes aware of the existence of harassment, it is obligated by law to take prompt and appropriate action, whether or not the victim wants the company to do so.

### **Reporting**

While SOUTHWEST PIPE SERVICES INC. encourages you to communicate directly with the alleged harasser, and make it clear that the harasser's behavior is unacceptable, offensive or inappropriate, it is not required that you do so. It is essential; however, to notify your supervisor immediately even if you are not sure the offending behavior is considered harassment. Any incidents of harassment must be immediately reported to a manager or other management representative. Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. However, confidentiality cannot be guaranteed. Any employee found to have harassed a fellow employee or subordinate would be subject to severe disciplinary action up to and including termination. SOUTHWEST PIPE SERVICES INC. will also take any additional action necessary to appropriately remedy the situation. Retaliation of any sort will not be permitted. No adverse



employment action will be taken for any employee making a good faith report of alleged harassment.

SOUTHWEST PIPE SERVICES INC. accepts no liability for harassment of one employee by another employee. The individual who makes unwelcome advances, threatens or in any way harasses another employee is personally liable for such actions and their consequences. SOUTHWEST PIPE SERVICES INC. may or may not provide legal, financial or any other assistance to an individual accused of harassment if a legal complaint is filed.

## **Policy Statement on Sexual Harassment**

### *What Is Sexual Harassment?*

Sexual harassment may include unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature when such conduct creates an offensive, hostile and intimidating working environment and prevents an individual from effectively performing the duties of their position. It also encompasses such conduct when it is made a term or condition of employment or compensation, either implicitly or explicitly and when an employment decision is based on an individual's acceptance or rejection of such conduct.

It is important to note that sexual harassment crosses age and gender boundaries and cannot be stereotyped. Among other perceived unconventional situations, sexual harassment may even involve two women or two men.

Sexual harassment may exist on a continuum of behavior. For instance, one example of sexual harassment may be that of an employee showing offensive pictures to another employee.

Generally, two categories of sexual harassment exist. The first, "quid pro quo," may be defined as an exchange of sexual favors for improvement in your working conditions and/or compensation. The second category, "hostile, intimidating, offensive working environment," can be described as a situation in which unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature when such conduct creates an intimidating or offensive environment. Examples of a hostile, intimidating, and offensive working environment includes, but is not limited to, pictures, cartoons, symbols, or apparatus found to be offensive and which exist in the workspace of an employee. This behavior does not necessarily link improved working conditions in exchange for sexual favors. It is also against SOUTHWEST PIPE SERVICES INC. policy to download inappropriate pictures or materials from computer systems.

SOUTHWEST PIPE SERVICES INC. prohibits any employee from retaliating in any way against anyone who has raised any concern about sexual harassment or discrimination against another individual.

SOUTHWEST PIPE SERVICES INC. will investigate any complaint of sexual harassment and will take immediate and appropriate disciplinary action if sexual harassment has been found within the workplace.



## **Employee Background Check**

Prior to becoming an employee of SOUTHWEST PIPE SERVICES INC., a job-related background check was conducted. As you may know, a comprehensive background check may consist of prior employment verification, professional reference checks, and education confirmation. As appropriate, a credit, criminal, health examination and/or driving record history may have also been obtained.

## **Credit Investigation**

Following the requirements imposed by the Federal-Truth-In-Lending and the Fair Credit Reporting Acts, a federal statute that regulates the activities of consumer reporting agencies and users of credit reports, and protects consumers from invasions of privacy by placing certain restrictions on persons who may use or disseminate credit information about consumers, SOUTHWEST PIPE SERVICES INC. conducts a pre-employment credit check only on those applicants for positions that involve financial responsibility. Your employment with us may be conditional upon our review of the information in the credit check. SOUTHWEST PIPE SERVICES INC. reserves the right to conduct this credit check at any time after you have been employed. Remember, you have certain legal rights to discover and to dispute or explain any information prepared by the credit checking company.

## **Criminal Records**

In response to SOUTHWEST PIPE SERVICES INC.'s zero-tolerance Violence in the Workplace Policy, SOUTHWEST PIPE SERVICES INC. may conduct a pre-employment criminal check on those applicants for positions that may involve close, unsupervised contact with the public. When appropriate, the criminal record is checked to protect SOUTHWEST PIPE SERVICES INC.'s interest and that of its employees and customers.

## **Driver's License and Driving Record**

Employees whose work requires operation of a motor vehicle must present and maintain a valid driver's license and a driving record acceptable to our insurer. You will be asked to submit a copy of your driving record to SOUTHWEST PIPE SERVICES INC. from time to time. Any changes in your driving record must be reported to your supervisor immediately. Failure to do so may result in disciplinary action, up to and including possible termination.



## **Health Examinations**

SOUTHWEST PIPE SERVICES INC. reserves the right to require an employee's participation in a health examination to determine the employee's ability for performing his/her essential job functions. The company shall pay for all such health exams.

## **Standards of Conduct**

Whenever people gather together to achieve goals, some rules of conduct is needed to help everyone work together efficiently, effectively, and harmoniously. By accepting employment with us, you have a responsibility to SOUTHWEST PIPE SERVICES INC. and to your fellow employees to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary. When each person is aware that she/he can fully depend upon fellow workers to follow the rules of conduct, our organization will be a better place to work for everyone.

## **Unacceptable Activities**

Generally speaking, we expect each person to act in a mature and responsible way at all times. If you have any questions concerning any work or safety rule or any of the unacceptable activities listed below, please see your supervisor for an explanation.

Note that the following list of Unacceptable Activities does not include all types of conduct that can result in disciplinary action, up to and including termination. Nothing in this list alters the at-will nature of your employment; either you or SOUTHWEST PIPE SERVICES INC. may terminate the employment relationship with or without reason, and in the absence of any violation of these rules.

1. Violation of any company rule; any action that is detrimental to SOUTHWEST PIPE SERVICES INC.'s efforts to operate profitably.
2. Violation of security or safety rules or failure to observe safety rules or SOUTHWEST PIPE SERVICES INC. safety practices; failure to wear required safety equipment; tampering with SOUTHWEST PIPE SERVICES INC. equipment or safety equipment.
3. Negligence or any careless action, which endangers the life or safety of another person.
4. Being intoxicated or under the influence of a controlled substance while at work; use, possession or sale of a controlled substance in any quantity while on company premises, except medications prescribed by a physician which do not impair work performance.
5. Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty.



6. Engaging in criminal conduct or acts of violence or making threats of violence toward anyone on company premises or when representing SOUTHWEST PIPE SERVICES INC.; fighting, or provoking a fight on company property, or negligent damage of property.
7. Insubordination or refusing to obey instructions properly issued by your manager pertaining to your work; refusal to help out on a special assignment.
8. Threatening, intimidating or coercing fellow employees on or off the premises at any time, for any purpose.
9. Engaging in an act of sabotage; negligently causing the destruction or damage of company property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
10. Theft or unauthorized possession of company property or the property of fellow employees; unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management; unauthorized use of company equipment or property for personal reasons; using company equipment for profit.
11. Dishonesty; falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by SOUTHWEST PIPE SERVICES INC.; alteration of company records or other company documents.
12. Violating the non-disclosure agreement; giving confidential or proprietary SOUTHWEST PIPE SERVICES INC. information to competitors or other organizations or to unauthorized SOUTHWEST PIPE SERVICES INC. employees; working for a competing business while an SOUTHWEST PIPE SERVICES INC. employee; breach of confidentiality of personnel information.
13. Spreading malicious gossip and/or rumors; engaging in behavior which creates discord and lack of harmony; interfering with another employee on the job; restricting work output or encouraging others to do the same.
14. Immoral conduct or indecency on company property.
15. Conducting a lottery or gambling on company premises.
16. Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your supervisor.
17. Any act of harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs.



18. Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your supervisor; stopping work before time specified for such purposes.
19. Sleeping or loitering during working hours.
20. Excessive use of company telephone for personal calls.
21. Smoking in restricted areas or at non-designated times, as specified by department rules.
22. Creating or contributing to unsanitary conditions.
23. Posting, removing or altering notices on any bulletin board on company property without the permission of an officer of SOUTHWEST PIPE SERVICES INC.
24. Failure to report an absence or late arrival; excessive absence or lateness.
26. Buying company merchandise for resale.
27. Obscene or abusive language toward any manager, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on company premises.
28. Speeding or careless driving of company vehicles.
29. Failure to immediately report damage to, or an accident involving, company equipment.
30. Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on company premises.
31. Failure to use your timesheet; alteration of your own timesheet or records or attendance documents; punching or altering another employee's timesheet or records, or causing someone to alter your timesheet or records.



## **Disciplinary Actions**

This Disciplinary Actions Policy applies to all regular employees who have completed the Introductory Period.

This policy pertains to matters of conduct as well as the employee's competence. However, an employee who does not display satisfactory performance and accomplishment on the job may be dismissed, in certain cases, without resorting to the steps set forth in this policy.

Under normal circumstances, managers are expected to follow the procedure outlined below. There may be particular situations, however, in which the seriousness of the offense justifies the omission of one or more of the steps in the procedure. Likewise, there may be times when the company may decide to repeat a disciplinary step.

### *Discipline Procedure*

Unacceptable behavior, which does not lead to immediate dismissal, may be dealt with in the following manner:

1. Oral Reminder
2. Written Warning
3. Decision-Making Paid Leave / Counseling Session
4. Termination

To insure that SOUTHWEST PIPE SERVICES INC. business is conducted properly and efficiently, you must conform to certain standards of attendance, conduct, work performance and other work rules and regulations. When a problem in these areas does arise, your manager will coach and counsel you in mutually developing an effective solution. If, however, you fail to respond to coaching or counseling, or an incident occurs requiring formal discipline, the following procedures occur.

### *Step One: Oral Reminder*

Your supervisor will meet with you to discuss the problem or violation, making sure that you understand the nature of the problem or violation and the expected remedy. The purpose of this conversation is to remind you of exactly what the rule or performance expectation is and also to remind you that it is your responsibility to meet SOUTHWEST PIPE SERVICES INC. expectations.

You will be informed that the Oral Reminder is the first step of the discipline procedure. Your supervisor will fully document the Oral Reminder, which will remain in effect for three (3) months. Documentation of the incident will remain in the confidential department file and will not be placed in your personnel record, unless another disciplinary event occurs.



### *Step Two: Written Warning*

If your performance does not improve within the three (3) month period, or if you are again in violation of SOUTHWEST PIPE SERVICES INC. practices, rules or standards of conduct, your supervisor will discuss the problem with you, emphasizing the seriousness of the issue and the need for you to immediately remedy the problem. Your supervisor will advise you that you are now at the second formal level of disciplinary action. After the meeting your supervisor will write a memo to you summarizing the discussion and your agreement to change. A copy of the memo to be sent to your personnel file.

The Written Warning will remain in effect for three (3).

### *Step Three: Decision-Making Leave / Counseling Session*

If your performance does not improve within the three (3) month period following the Written Warning, or if you are again in violation of SOUTHWEST PIPE SERVICES INC. practices, rules or standards of conduct, you will be placed on Decision-Making Leave. The Decision-Making Leave is the third and final step of SOUTHWEST PIPE SERVICES INC.'s disciplinary process.

Decision-Making Leave is a paid, one- (1) day disciplinary suspension. Employees on Decision-Making Leave will spend the following day away from work deciding whether to commit to correcting the immediate problem and to conform to all of the company's practices, rules and standards of conduct, or to quit and terminate their employment with SOUTHWEST PIPE SERVICES INC.

If your decision following the Decision-Making Leave is to return to work and abide by SOUTHWEST PIPE SERVICES INC. practices, rules and standards of conduct, your supervisor will write a letter to you explaining your commitment and the consequences of failing to meet this commitment. You will be required to sign the letter to acknowledge receipt. A copy will be placed in your personnel file.

You will be allowed to return to work with the understanding that if a positive change in behavior does not occur, or if another disciplinary problem occurs within the next three (3) months, you will be terminated.

If you are unwilling to make such a commitment, you may either resign or be terminated.



## **Crisis Suspension**

If you commit any of the actions listed below, or any other action not specified but similarly serious, you will be suspended without pay pending an investigation of the situation. Following the investigation you may be terminated without any previous disciplinary action having been taken.

1. Theft.
2. Falsification of SOUTHWEST PIPE SERVICES INC.'s records.
3. Failure to follow safety practices.
4. Breach of Confidentiality Agreement.
5. Threat of, or the act of, doing bodily harm.
6. Willful or negligent destruction of property.
7. Use and/or possession of intoxicants, drugs or narcotics.

The provision of this Disciplinary Policy is not a guarantee of its use. SOUTHWEST PIPE SERVICES INC. reserves the right to terminate employment at any time, with or without reason. Additionally, SOUTHWEST PIPE SERVICES INC. reserves the right to prosecute any employee for any of the above infractions.

## **Introductory Period**

Your first sixty (60) days of employment at SOUTHWEST PIPE SERVICES INC. are considered an Introductory Period, and during that period you will not be eligible for benefits described in this Employee Manual unless otherwise required by law. This Introductory Period will be a time for getting to know your fellow employees, your supervisor and the tasks involved in your job position, as well as becoming familiar with SOUTHWEST PIPE SERVICES INC.'s products and services. Your supervisor will work closely with you to help you understand the needs and processes of your job.

This Introductory Period is a "getting acquainted" time for both you, as an employee, and SOUTHWEST PIPE SERVICES INC., as an employer. During this Introductory Period, SOUTHWEST PIPE SERVICES INC. will evaluate your suitability for employment, and you can evaluate SOUTHWEST PIPE SERVICES INC. as well. Please understand, however, that completion of the Introductory Period does not guarantee continued employment, as employment is always at-will. You are free to terminate your employment at any time, with or



without reason, and SOUTHWEST PIPE SERVICES INC. may choose to terminate your employment at any time, with or without reason.

At the end of the Introductory Period, your supervisor will discuss your job performance with you.

A former employee who has been rehired after a separation from SOUTHWEST PIPE SERVICES INC. of more than one (1) year is considered an introductory employee during their first sixty (60) days following rehire.

## **Anniversary Date**

The first day you report to work is your "official" anniversary date. Your anniversary date is used to compute various conditions and benefits described in this Employee Manual.

## **Immigration Law Compliance**

All offers of employment are contingent on verification of your right to work in the United States. On your first day of work you will be asked to provide original documents verifying your right to work and, as required by federal law, to sign Federal Form I-9, Employment Eligibility Verification Form. If you at any time cannot verify your right to work in the United States, SOUTHWEST PIPE SERVICES INC. may be obliged to terminate your employment.

## **New Employee Orientation**

On your first working day, you will be asked to complete employment paperwork. Depending on your department's workload, your supervisor will introduce you to your co-workers and office layout. Please feel free to ask your colleagues any questions not answered during your orientation.

## **Work Schedule**

### **Attendance**

SOUTHWEST PIPE SERVICES INC. would like you to be ready to work at the beginning of your assigned daily work hours, and to reasonably complete your projects by the end of your assigned work hours. Please let your supervisor know if you will be away from your workstation for an extended period of time and when you expect to return.



## **Absence or Lateness**

From time to time, it may be necessary for you to be absent from work. SOUTHWEST PIPE SERVICES INC. is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise.

If you are unable to report to work, or if you will arrive late, please contact your supervisor immediately. If you know in advance that you will need to be absent, please request this time off directly from your supervisor.

When you call in to inform SOUTHWEST PIPE SERVICES INC. of an unexpected absence or late arrival, simply ask for your supervisor. If you're arriving to work late, please let your supervisor know when you expect to arrive for work. If you are unable to call in yourself because of an illness, emergency or for some other reason, be sure to have someone call for you.

Absence from work for three (3) consecutive days without notifying your supervisor or the personnel administrator will be considered a voluntary resignation.

If you are absent because of an illness for three (3) or more successive days, your supervisor may request that you submit written documentation from your doctor stating you are able to resume normal work duties before you will be allowed to return to work.

A consistent pattern of questionable absences can be considered excessive, and may be cause for concern. In addition, excessive lateness or leaving early without letting your supervisor know will be considered a "lateness pattern" and may carry the same weight as an absence. Other factors, like the degree and reason for the lateness, will be taken into consideration.

Your supervisor will make a note of any absence or lateness, and their reasons, in your personnel file. Be aware that excessive absences, lateness or leaving early may lead to disciplinary action, including possible dismissal.

**Note:** Information on the types of leaves offered and their qualification criteria are included in the "Leaves" section of this Employee Manual.

## **Employment Classifications**

### **Regular Employees**

Employees hired to work on a regular basis for an indefinite period of time are classified as "regular" employees. Such employees may be either full- or part-time.



## **Non-Exempt and Exempt Employees**

At the time you are hired, you will be classified as either "exempt" or "non-exempt." This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of eight (8) hours per day or forty (40) hours per workweek. These employees are referred to as "non-exempt" in this Employee Manual. This means that they are not exempt from (and therefore should receive) overtime pay.

Exempt employees are managers, executives, professional staff, technical staff, outside sales representatives, officers, directors, owners and others whose duties and responsibilities allow them to be "exempt" from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired, transferred or promoted.

## **Personnel Records and Administration**

The task of handling personnel records and related personnel administration functions at SOUTHWEST PIPE SERVICES INC. has been assigned to the accounting department. Questions regarding insurance, wages, and interpretation of policies may be directed to your supervisor.

### **Your Personnel File**

Keeping your personnel file up-to-date can be important to you with regard to pay, deductions, benefits and other matters. If you have a change in any of the items listed below, please be sure to notify your supervisor.

1. Legal name
2. Home address
3. Home telephone number
4. Person to call in case of emergency
5. Number of dependents
6. Marital status
7. Change of beneficiary
8. Driving record or status of driver's license, if you operate any SOUTHWEST PIPE SERVICES INC. vehicles
9. Military or draft status
10. Exemptions on your W-4 tax form
11. Training Certificates
12. Professional License

Upon experiencing a family status change, please notify your supervisor within 31 days for benefit modifications, if necessary.



You may see information, which is kept, in your own personnel file if you wish, and you may request and receive copies of all documents you have signed.

### ***Your Medical Records File***

All medical records, if any, will be kept in the company confidential file. SOUTHWEST PIPE SERVICES INC. maintains this information in the strictest confidence and may not use or disclose medical information about an employee without the employee first having signed an authorization form permitting such use or disclosure.



## **Compensation**

The goal of SOUTHWEST PIPE SERVICES INC.'s compensation program is to attract potential employees, meet the needs of all current employees and encourage well-performing employees to stay with our organization. With this in mind, our compensation program is built to balance both employee and SOUTHWEST PIPE SERVICES INC. needs.

### **Wage and Salary Policies**

#### **Compensation Philosophy**

It is SOUTHWEST PIPE SERVICES INC.'s desire to pay all regular employees' wages and salaries that are competitive with other employers in the marketplace in a way that will be motivational, fair and equitable. Compensation may vary with individual and company performance and in compliance with all applicable statutory requirements.

SOUTHWEST PIPE SERVICES INC. applies the same principles of fairness to all employees, regardless of organizational level, race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law.

#### **Basis for Determining Pay**

Several factors may influence your rate of pay. Some of the items SOUTHWEST PIPE SERVICES INC. considers are the nature and scope of your job, what other employers pay their employees for comparable jobs (external equity), what SOUTHWEST PIPE SERVICES INC. pays their employees in comparable positions (internal equity), and individual as well as SOUTHWEST PIPE SERVICES INC. performance. It is SOUTHWEST PIPE SERVICES INC.'s goal to have a current Job Description on hand, which broadly defines your job responsibilities.

#### **Pay Cycle**

Payday is normally on every 1<sup>st</sup> and 15<sup>th</sup> of every month

Changes will be made and announced in advance whenever SOUTHWEST PIPE SERVICES INC. holidays or closings interfere with the normal pay schedule.

#### **Paycheck Distribution**

Paychecks will be, placed in your "In" basket or mailed to your home address on the pay dates specified above. Direct deposit will be available, with the transfer amount being withheld.

#### **Mandatory Deductions From Paycheck**



SOUTHWEST PIPE SERVICES INC. is required by law to make certain deductions from your paycheck each time one is prepared. Among these are your federal, state and local income taxes and your contribution to Social Security as required by law. These deductions will be itemized on your check stub. The amount of the deductions will depend on your earnings and on the information you furnish on your W-4 form regarding the number of exemptions you claim. If you wish to modify this number, please request a new W-4 forms from your supervisor immediately. Only you may modify your W-4 form. Verbal or written instructions are not sufficient to modify withholding allowances. We advise you to check your pay stub to ensure that it reflects the proper number of withholdings.

The W-2 form you receive annually reflects how much of your earnings were deducted for these purposes.

Any other mandatory deductions to be made from your paycheck, such as court-ordered garnishments, will be explained whenever SOUTHWEST PIPE SERVICES INC. is ordered to make such deductions.

**Note:** Please see "Wage Garnishments" later in this section for further information.

### **Payroll Advance**

In emergency situations, SOUTHWEST PIPE SERVICES INC. may grant you an advance on your next payroll. Please see your supervisor for further instructions.

### **Error in Pay**

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, tell your supervisor immediately. He/she will take the necessary steps to research the problem and to assure that any necessary correction is made promptly.

### **Overtime Pay**

If you are a non-exempt employee, you will be eligible to receive overtime pay of one and one-half (1 1/2) times your regular hourly wage for approved hours worked over eight (8) hours a day, or over forty (40) hours in one (1) week. If, during that week, you were away from the job because of a job-related injury, paid holiday, jury duty, vacation day, or paid sick time, those hours not worked will not be counted as hours worked for the purpose of computing eligibility for overtime pay.

Please note if you are a non-exempt employee on an approved flexible work arrangement, overtime hours will be computed only on those hours worked in excess of a forty- (40) hour workweek. Your supervisor must approve all overtime in advance.

### **Work Performed on Company Holidays**



Full-time "non-exempt," those employees who are eligible for overtime pay in accordance with the Fair Labor Standards Act, employees who work on a company holiday are considered to have worked overtime on that day and will be paid regular pay plus overtime for hours worked, regardless of the number of hours worked during that same work week.

### **Shift Premium**

SOUTHWEST PIPE SERVICES INC. assigns certain employees to work on a second or third shift operation. These people may be paid an additional amount over and above the regular rate of pay for that job as a shift premium. Also, know as a shift differential.

### **Time Records**

By law, we are obligated to keep accurate records of the time worked by employees. This is done by time sheets or other written documentation.

You are responsible for accurately recording your time. No one may record hours worked on another's timecard or timesheet. Tampering with another's time record is cause for disciplinary action, up to and including possible termination, of both employees. In the event of an error in recording your time, please report the matter to your supervisor immediately.

### **Wage Garnishments**

We hope you will manage your financial affairs so that we will not be obligated to execute any court-ordered wage garnishments. However, when court-ordered deductions are to be taken from your paycheck, you will be notified.

SOUTHWEST PIPE SERVICES INC. acts in accordance with the federal Consumer Credit Protection Act, which places restrictions on the total amount that may be garnished from your paycheck.



## **Performance and Compensation Reviews**

### **Performance Reviews**

Because we want you to grow and succeed in your job, SOUTHWEST PIPE SERVICES INC. conducts a formal review one (1) time per year for each employee. New employees may be reviewed near the end of their Introductory Period. A review may also be conducted in the event of a promotion or change in duties and responsibilities.

During a formal performance review your supervisor may cover the following areas:

- The quality and quantity of your work.
- Strengths and areas for improvement.
- Attitude and willingness to work.
- Initiative and teamwork.
- Attendance.
- Customer service orientation.
- Problem solving skills.
- Ongoing professional growth and development.

Additional areas may also be reviewed as they relate to your specific job.

Your review provides a golden opportunity for collaborative, two-way communication between you and your supervisor. This is a good time to discuss your interests and future goals. Your supervisor is interested in helping you to progress and grow in order to achieve personal as well as work-related goals - perhaps he/she can recommend further training or additional opportunities for you. The performance review gives your supervisor an opportunity to suggest ways for you to advance and make your job at SOUTHWEST PIPE SERVICES INC. more fulfilling.

Your supervisor can answer any questions you may have about the performance review process.

### **Compensation Reviews**

SOUTHWEST PIPE SERVICES INC.'s compensation reviews are usually given with performance reviews. Any applicable compensation increase will appear in the pay period ending after the date granted. Compensation increases may be retroactive in the case of late reviews. Having your compensation reviewed does not necessarily mean that you will be given an increase due to individual and/or company performance.

An individual's pay will depend on how consistently he/she performs over a given period of time. During the review, significant performance events that occurred throughout the year will be discussed. The overall performance rating will influence the compensation adjustment.



In addition to individual job performance reviews, SOUTHWEST PIPE SERVICES INC. periodically conducts a review of job descriptions to insure that we are fully aware of any changes in the duties and responsibilities of each position and those changes are recognized and adequately compensated.

## **Other Compensation Programs and Policies**

### **Employee Referral Program**

Open positions will be posted near employee gathering places such as bulletin board / lunch room / internal computer network system. You are encouraged to recommend and refer qualified candidates for employment with SOUTHWEST PIPE SERVICES INC. If you know of someone who would like to work here, we will be glad to consider him or her for employment.

Should SOUTHWEST PIPE SERVICES INC. hire your candidate for a full-time regular position, and if that person satisfactorily completes the Introductory Period, you will receive a \$50.00 bonus for the referral. This bonus entitlement does not apply to individuals who are normally responsible for recruiting and hiring functions.

### **Promotion and Transfer Policy**

SOUTHWEST PIPE SERVICES INC. has a policy of providing our employees with every opportunity for advancing to other positions within the company. To qualify for a promotion or transfer, you must have held your current position for a minimum of six (6) months. Approval of promotions or transfers depends largely upon training, experience, and work record. Promotions and transfers are made without regard to race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law. However, SOUTHWEST PIPE SERVICES INC. will continue to look outside the company for potential employees as well.

It is our policy to advise all employees about advancement opportunities. Please submit your request for consideration for a specific position directly to your supervisor. You are encouraged to discuss any contemplated transfer with your current supervisor.



## **Benefits**

SOUTHWEST PIPE SERVICES INC. is committed to sponsoring a comprehensive benefits program for all eligible employees. In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits, which will enhance your job satisfaction. We are certain you will agree the benefits program described in this Employee Manual represents a very large investment by SOUTHWEST PIPE SERVICES INC...

A good benefits program is a solid investment in SOUTHWEST PIPE SERVICES INC.'s employees. SOUTHWEST PIPE SERVICES INC. will periodically review the benefits program and will make modifications as appropriate to the company's condition. SOUTHWEST PIPE SERVICES INC. reserves the right to modify, add or delete the benefits it offers.

### **Eligibility for Benefits**

Reserved

### **Insurance Coverage**

Reserved

### **Workers' Compensation**

All employees are entitled to Workers' Compensation benefits. This coverage is automatic and immediate and protects you from an on-the-job injury. An on-the-job injury is defined as an accidental injury suffered in the course of your work, or an illness, which is directly related to performing your assigned job duties. This job-injury insurance is paid for by SOUTHWEST PIPE SERVICES INC. If you cannot work due to a job-related injury or illness, Workers' Compensation insurance pays your medical bills and provides a portion of your income until you can return to work.

All injuries or illnesses arising out of the scope of your employment must be reported to your supervisor immediately. Prompt reporting is the key to prompt benefits. Benefits are automatic, but nothing can happen until your employer knows about the injury. Insure your right to benefits by reporting every injury, no matter how slight.

Employees returning to work after being absent due to a work-related injury must report to their supervisor prior to beginning work and must bring a doctor's clearance for returning to work.



## **Unemployment Compensation**

Depending upon the circumstances, employees may be eligible for Unemployment Compensation upon termination of employment with SOUTHWEST PIPE SERVICES INC. The Division of Unemployment Insurance of the State Department of Labor determines eligibility for Unemployment Compensation. SOUTHWEST PIPE SERVICES INC. pays the entire cost of this insurance program.

Unemployment compensation is designed to provide you with a temporary income when you are out of work through no fault of your own. For your claim to be valid, you must have a minimum amount of earnings determined by the State, and you must be willing and able to work. You should apply for benefits through the local State Unemployment Office as soon as you become unemployed.

## **Social Security**

The United States Government operates a system of mandated insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, SOUTHWEST PIPE SERVICES INC. is required to deduct this amount from each paycheck you receive. In addition, SOUTHWEST PIPE SERVICES INC. matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

Your Social Security number is used to record your earnings. Employees are encouraged to protect your Social Security record by ensuring your name and Social Security number on your pay stub and W-2 Form are correct. You may also want to make sure your earnings statement is accurate each year by requesting a Personal Earnings and Benefit Estimate Statement from the U.S. Social Security Administration by calling 1-800-772-1213 or you may even access them online at [www.ssa.gov](http://www.ssa.gov).

## **Retirement Plan**

Reserved

## **Other Benefits**

### **Education Assistance**

We feel an individual who possesses a desire to continue their education, in addition to performing their full-time job, shows a commitment to improving themselves and their position within the company. To encourage and reward these individuals, SOUTHWEST PIPE SERVICES INC. offers an Education Assistance benefit. Check with your supervisor for details.



## Leaves

Both paid and unpaid time off may be granted to eligible employees, according to the following leave policies. Please consult your supervisor for further information.

### Paid Leaves

In the interest of maintaining a healthy balance between work and home, SOUTHWEST PIPE SERVICES INC. offers eligible regular full-time and part-time employees / full-time employees and part-time employees on a pro-rated basis paid time off.

Time off is paid using your base hourly rate, excluding shift premiums and overtime compensation, if any.

### Holidays

#### *Recognized Holidays*

Regular full-time employees / Regular full-time employees and part-time employees on a pro-rated basis are eligible for holiday pay.

The following holidays are recognized by SOUTHWEST PIPE SERVICES INC. as paid holidays:

**New Year's Day, President's Day, Memorial Day  
Independence Day, Labor Day, Veterans Day, Thanksgiving Day  
Day After Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve**

#### *Holiday Policies*

You may take time off to observe your religious holidays. If available, a full day of unused vacation / sick / paid time off / personal leave may be used for this purpose, otherwise you won't be paid for this time off. Please schedule the time off in advance with your supervisor.

All national holidays are scheduled on the day designated by common business practice.

In order to qualify for holiday pay, you must work the scheduled workday immediately before and after the holiday. Only excused absences will be considered exceptions to this policy.

If a holiday occurs during your scheduled vacation, you are eligible for the holiday pay. You are not eligible to receive holiday pay when you are on an unpaid leave of absence.



## **Vacations**

Vacation is a time for you to rest, relax, and pursue special interests. SOUTHWEST PIPE SERVICES INC. has provided paid vacation as one of the many ways in which we show our appreciation for your work, knowledge, skills, and talents; all of which contribute to make SOUTHWEST PIPE SERVICES INC. a leader in its field.

Only regular full-time employees are eligible to accrue vacation. Part-time employees are not eligible. Vacation hours begin accruing on your hire date.

### *Amount of Vacation*

Eligible employees accrue vacation for each month of service. After one year of continuous service, you are eligible for one week of vacation per year with full pay.

### *Vacation Policies*

SOUTHWEST PIPE SERVICES INC. will always try to let you use your vacation time as desired, but vacations cannot interfere with your department's operation. Therefore, your supervisor must approve your vacation at least two (2) weeks in advance. If any conflicts arise in vacation requests, preference will be given to the employee with the longest length of continuous service.

Normally, only accrued vacation may be taken. You may not receive advance vacation pay (for vacation time taken in excess of your vacation accrual balance) without written authorization from your supervisor. Such authorization is at the discretion of your supervisor, and must be granted in advance of your vacation. Any amount of advanced vacation paid but not yet accrued at the time of termination of employment will be deducted from your final paycheck.

All vacation time must be taken in full day increments, unless otherwise authorized in writing. Your supervisor must approve specific vacation dates. Your supervisor has the responsibility to maintain adequate staffing levels and has the authority to limit the approval of vacation requests in order to meet operational needs. Requests will normally be granted as long as your absence will not seriously affect SOUTHWEST PIPE SERVICES INC.'s operations. Usually, only one employee may be out on a vacation day in a department at any one time.

If you are on an approved leave of absence for less than thirty (30) days, your vacation eligibility will not be affected. If your approved leave of absence extends beyond thirty (30) days, vacation time will not continue to accrue.

If you have unused vacation days upon the termination of your employment with SOUTHWEST PIPE SERVICES INC., you will be paid for that time at your regular base hourly rate.



## **Other Paid Leaves**

### *Election Day*

We encourage you to exercise your voting privileges in local, state, and national elections. However, since the polls are open for long periods, you are encouraged to vote before or after regular working hours. If necessary, you may take up to two (2) hours leave from work to vote in a governmental election or referendum. You will be expected to notify your supervisor at least one (1) week in advance.

### *School Visit Leave*

Parents or legal guardians of school children from kindergarten through grade twelve (12) are allowed to take up to four (4) hours of paid time off per school year per child to visit the child's school.

### *Funeral (Bereavement) Leave*

Up to three (3) working days of leave with pay (not charged to other leave time) shall be granted to regular, full-time employees upon request to make arrangements for and attend funeral services of the employee's spouse, child, parent, parent-in-law, grandparent, grandparent-in-law, granddaughter, grandson, daughter-in-law, son-in-law, step-parent, domestic partner, brother, sister, brother-in-law, sister-in-law, daughter or son of the employee's spouse or domestic partner, and any relative living in the household of the employee or domestic partner.

With your supervisor's approval, you may take up to one full day without pay to attend funerals of other relatives and friends. If you prefer, unused personal leave or a day of accrued vacation may be used for this purpose.

Funeral leave pay will only be made to employees for actual time spent away from work for the funeral or its arrangements. For example, if the death occurs at a time when work is not scheduled, payment will not be made. If a holiday or part of your vacation occurs on any of the days of absence, you may not receive holiday or vacation pay in addition to paid funeral leave.

### *Jury Duty*

It is your civic duty as a citizen to report for jury duty whenever called. If you are called for jury duty, you must notify your supervisor within forty-eight (48) hours of receipt of the jury summons.

SOUTHWEST PIPE SERVICES INC. will permit you to take the necessary time off and we wish to help you avoid any financial loss because of such service. SOUTHWEST PIPE SERVICES INC. will reimburse you for the difference between your jury pay and your regular pay, not to exceed eight (8) hours per day, for a maximum of ten (10) business days.



On any day or half-day you are not required to serve, you will be expected to return to work. In order to receive jury duty pay, you must present a statement of jury service and pay to your supervisor. This document is issued by the court.

## **Unpaid Leaves**

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with SOUTHWEST PIPE SERVICES INC. It is the policy of SOUTHWEST PIPE SERVICES INC. to allow its eligible employees to apply for and be considered for certain specific leaves of absence.

Time off for any reason during a working day will count first against your allotted sick days or personal days, as appropriate, in hourly, quarter day, half day or full day increments. Once you have used all of your accrued sick or personal days, the time may be counted against your accrued vacation time. Thereafter, unless specifically accepted, any time off will be without pay.

Failure to return to work as scheduled from an approved leave of absence or to inform your supervisor of an acceptable reason for not returning as scheduled will be considered a voluntary resignation of employment.

All requests for leaves of absence shall be submitted in writing to your supervisor. Each request shall provide sufficient detail such as the reason for the leave, the expected duration of the leave, and the relationship of family members, if applicable.

There are several types of unpaid leaves for which you may be eligible.

## **Family / Medical Leave of Absence**

SOUTHWEST PIPE SERVICES INC. will not discriminate against employees as a result of the approved use of family care or medical leave or a proper request for such leave. Requests for family care and medical leave will be considered without regard to race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status or veteran status.

In general, a leave of absence is an official authorization to be absent from work **without pay** for a specified period of time. Eligible employees may be entitled to job-protected family or medical leaves of absence if they are unable to come to work due to pressing family or medical concerns as described within this Family / Medical Leave of Absence Policy, which shall be administered in accordance with applicable state and federal laws as follows:

1. Employees are eligible if they have been actively employed for twelve (12) months, and worked at least 1250 hours (an average of twenty-five (25) hours per week) during those twelve (12) months. This twelve (12) month period "rolls back" from the date of leave to the prior twelve (12) month period.



2. Employees may request one (1) or more family care or medical leaves; however, the total amount of leave taken cannot exceed twelve (12) workweeks in any twelve- (12) month period. You may request an intermittent leave or reduced schedule leave to care for a seriously ill family member or if you have a serious health condition that warrants such a request.
3. A family leave shall be granted upon the birth or adoption of a child of the employee, or upon the serious health condition of the employee's child, spouse, or parent.
4. A medical leave shall be granted upon the employee's own serious health condition.
5. In appropriate circumstances, we may require you to be examined by a company-designated physician, at SOUTHWEST PIPE SERVICES INC.'s expense.
6. In the event of a serious health condition to the employee or his/her child, spouse, or parent, creating a need for unforeseeable family or medical leave, the employee must provide us with notice, as soon as practicable, of any needed time off, and a written doctor's certificate. The certification must include the date on which the health condition occurred, the probable duration of the condition, an estimate of the amount of time you need to be off work to care for the family member or for your own health condition, and confirmation that the nature of the condition warrants you to be away from work to care for yourself or your dependent.
7. Employees shall be required to give thirty (30) days advance notice in the event of a foreseeable medical treatment. To assist us in arranging work assignments during your absence, we ask that you give us prior notice, to the extent possible, of an expected birth or adoption, as well as an indication, to the extent known, of your expected return date. To facilitate your return to work, we also ask that you provide us with two (2) weeks advance notification of your intended return date. Failure to do so may delay your return date.
8. For purposes of this policy, a child is defined as a natural, adopted, or fosters child, a stepchild or a legal ward. If the child is over eighteen (18), he/she must be unable to care for himself/herself due to a serious illness.
9. A parent is defined as the employee's or his/her spouse's natural, adoptive, or foster parent, stepparent, or legal guardian.
10. A serious health condition is defined as a disabling physical or mental illness, injury, impairment, or condition involving 1) inpatient care in a hospital, nursing home, or hospice; or 2) outpatient care requiring continuing treatment or supervision from a health care professional.
11. Leave of absence rights available to you under other sections of our policy shall be counted towards the total time off available under this section.



12. A Family Care Leave that relates to the birth or adoption of a child must be completed within twelve (12) months of the birth or adoption.
13. Upon completion of a leave granted under this section, you shall be reinstated to your original position, or an equivalent one.
14. If, due to your own medical circumstances, you are no longer able to perform your original job, we will attempt to transfer you to alternate suitable work, if available.
15. You must use any accrued vacation or other accrued paid time off, during your family care or medical leave. If the leave is related to your own serious health condition, you must use any accrued sick leave during your medical leave.
16. While on a leave of absence provided for under this policy, we will continue your group health insurance benefits under the same terms as provided to other employees, for up to a maximum of twelve (12) weeks leave during any one (1) year period. If your leave extends beyond twelve (12) weeks, you shall be offered the opportunity to purchase continuing coverage under state and federal COBRA continuation rules.
17. Other accumulated fringe benefits such as retirement, service credits, sick pay, vacation pay, and the like, shall be preserved at the level accrued as of commencement of the leave, but shall not accrue further during any such leave period.
18. The pay allowances while on disability leave are based on an employee's length of service, as well as the state in which she/he is employed. Disability laws may vary from state to state, and at all times our disability leave policy will be in compliance with the laws of the state in which you are employed.
19. During a period of disability, you may be eligible for disability pay benefits. Please refer to the applicable plan documents for details on eligibility, benefit amounts, and other particulars.
20. If additional family care or medical leave is required you must, prior to expiration of the family care or medical leave, submit additional certification to SOUTHWEST PIPE SERVICES INC..
21. Should you seek a leave of absence for reasons other than described above, we will evaluate such a request based on particular circumstances present at that time, including but not limited to your current and anticipated work responsibilities, performance, and company needs. SOUTHWEST PIPE SERVICES INC. reserves the right to refuse such a request at its sole discretion.

### **Disability (Including Pregnancy) Leave of Absence**



SOUTHWEST PIPE SERVICES INC. may grant an unpaid leave of absence for illness, disability or pregnancy. To request a disability leave of absence from your (manager / supervisor / team leader / designated company representative), you should submit, or have someone submit for you, a statement of ill health or disability from your doctor. (Pregnancy is treated, for the purposes of this policy, the same as an illness or disability.) An approved disability leave may be granted for up ninety (90) days. If necessary, you may request extensions in thirty (30) day increments for a maximum of one (1) year. Whenever possible, you are required to give as much notice as possible of your pending need for a disability leave of absence.

In the case of pregnancy, please inform your (manager / supervisor / team leader / designated company representative) as soon as possible of the date you and your doctor anticipate that you will begin your leave. Your job status will be protected in that we will make every effort to hold your position open, or return you to a similar position if one is available, for which you may be qualified.

At the time the disability leave begins, any accrued personal leave or sick leave will be used. Vacation time previously accrued (but not used) at that time will also be paid if the employee so desires. These benefits do not continue to accrue during a leave of more than thirty (30) days. This policy applies to all employees. Your group insurance booklet should be reviewed to determine your insurance coverage during a leave of absence.

Employees who must remain away from work for more than the period of time allowed above will be considered terminated from employment. They are welcome to re-apply subject to SOUTHWEST PIPE SERVICES INC.'s usual hiring policies.

Employees who develop an illness or physical condition which requires medical treatment or restrictions and precautions will be required to submit a physician's statement. This statement must give approval that continued full-time employment in his/her present position would not jeopardize his/her health or the safety of others, in the event she/he continues to work. A similar statement is required upon return from a disability leave.

Should your attendance or job performance suffer during the period preceding and/or following a disability leave, we will accommodate you to the extent provided by law.

### **Personal Leave of Absence**

In special circumstances, SOUTHWEST PIPE SERVICES INC. may grant a leave for a personal reason, but never for taking employment elsewhere or going into business for yourself. You should request an unpaid personal leave of absence from your supervisor a personal leave of absence must not interfere with the operations of your department or SOUTHWEST PIPE SERVICES INC. Your supervisor will submit your request to the appropriate member of management for final approval.

A personal leave of absence may be granted for up to twenty (20) days. If your leave is extended for more than twenty (20) days, vacation and other benefits will no longer continue to



accrue. Consult your group insurance booklet to determine your insurance coverage during a leave of absence. Failure to return from a leave at the time agreed will result in termination of employment.

## **Accepting Other Employment or Going Into Business While on Leave of Absence**

If you accept any employment or go into business while on a leave of absence from SOUTHWEST PIPE SERVICES INC., you will be considered to have voluntarily resigned from employment with SOUTHWEST PIPE SERVICES INC. as of the day on which you began your leave of absence.

## **Safety**

### **General Employee Safety**

SOUTHWEST PIPE SERVICES INC. is committed to the safety and health of all employees and recognizes the need to comply with regulations governing injury and accident prevention and employee safety. Maintaining a safe work environment, however, requires the continuous cooperation of all employees.

SOUTHWEST PIPE SERVICES INC. will maintain safety and health practices consistent with the needs of our industry. If you are ever in doubt about how to safely perform a job, it is your responsibility to ask your supervisor. Any suspected unsafe conditions and all injuries that occur on the job must be reported immediately. Compliance with these safety rules is considered a condition of employment. Therefore, it is a requirement that each supervisor make the safety of employees an integral part of her/his regular management functions. It is the responsibility of each employee to accept and follow established safety regulations and procedures.

SOUTHWEST PIPE SERVICES INC. strongly encourages you to communicate with your supervisor regarding safety issues.



## **Reporting Safety Issues**

All accidents, injuries, potential safety hazards, safety suggestions and health and safety related issues must be reported immediately to your supervisor. If you or another employee is injured, you should contact outside emergency response agencies, if needed. If an injury does not require medical attention, a Supervisor and Employee Report of Accident Form must still be completed in case medical treatment is later needed and to insure that any existing safety hazards are corrected. The Employee's Claim for Worker's Compensation Benefits Form must be completed in all cases in which an injury requiring medical attention has occurred.

Federal law (Occupational Safety and Health Administration) requires that we keep records of all illnesses and accidents, which occur during the workday. The Texas state Workers' Compensation Act also requires that you report any workplace illness or injury, no matter how slight. If you fail to report an injury, you may jeopardize your right to collect workers' compensation payments as well as health benefits. OSHA also provides for your right to know about any health hazards, which might be present on the job. Should you have any questions or concerns, contact your supervisor for more information.

## **Entering and Leaving the Premises**

At the time you are hired, you will be advised about the proper entrances and exits for our employees, as well as unauthorized areas, if any. Our insurance company prohibits unescorted or unauthorized visitors in our facilities. If you are expecting visitors, such as clients, customers or friends, please notify your supervisor. You are expected to abide by these rules at all times. Failure to do so will lead to disciplinary action.

## **Security Checks**

SOUTHWEST PIPE SERVICES INC. may exercise its right to inspect all packages and parcels entering and leaving our premises.

## **Parking Lot**

You are encouraged to use the parking areas designated for our employees. Please keep in mind that the parking spaces adjacent to or in front of our building(s) are for customers and visitors only. Remember to lock your car every day and park within the specified areas.

Courtesy and common sense in parking will help eliminate accidents, personal injuries, damage to your vehicle and to the vehicles of other employees. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have, to your supervisor.

SOUTHWEST PIPE SERVICES INC. cannot be and is not responsible for any loss, theft or damage to your vehicle or any of its contents.



## **Safety Rules**

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all SOUTHWEST PIPE SERVICES INC. activities. We want to protect you against industrial injury and illness, as well as minimize the potential loss of production.

Below are some general safety rules to assist you in making safety a regular part of your work. Your supervisor may post other safety procedures in your department or work area.

### **Working Safely**

Safety is everyone's responsibility. Remind your co-workers about safe work methods. Start work on any machine only after safety procedures and requirements have been explained. Immediately report any suspected hazards and all accidents to your supervisor.

### **Lifting**

Ask for assistance when lifting heavy objects or moving heavy furniture. Bend your knees, get a firm grip on the object, hold it close to your body and space your feet for good balance. Lift using your stronger leg muscles, not your weaker back muscles.

### **Materials Handling**

Do not throw objects. Always carry or pass them. Use flammable items, such as cleaning fluids, with caution. Also, stack materials only to safe heights.

### **Trash Disposal**

Keep sharp objects and dangerous substances out of the trashcan. Items that require special handling should be disposed of in approved containers.

### **Cleaning Up**

To prevent slips and tripping, clean up spills and pick up debris immediately.

### **Preventing Falls**

Keep aisles, work places and stairways clean, clear and well lighted. Walk, don't run. Watch your step.

### **Handling Tools**



Exercise caution when handling objects and tools. Do not use broken, defective or greasy tools. Use tools for their intended purpose only. Wear safety glasses or goggles whenever using a power tool.

### **Falling Objects**

Store objects and tools where they won't fall. Do not store heavy objects or glass on high shelves.

### **Work Areas**

Keep cabinet doors and file and desk drawers closed when not in use. Remove or pad torn, sharp corners and edges. Keep drawers closed. Open only one drawer at a time.

### **Using Ladders**

Place ladders securely. Do not stand on boxes, chairs or other devices not intended to be used as ladders.

### **Machine Guards**

Keep guards in place at all times. Do not clean machinery while it is running. Lock all disconnects switches while making repairs or cleaning.

### **Personal Protective Equipment**

Always wear or use appropriate safety equipment as required in your work. Wear appropriate personal protective equipment, like shoes, hats, gloves, goggles, spats and hearing protectors in designated areas or when working on an operation which is potentially hazardous. Also, wear gloves whenever handling castings, scrap, or barrels.

### **Electrical Hazards**

Do not stand on a wet floor while using any electrical apparatus. Keep extension cords in good repair. Don't make unauthorized connections or repairs. Do not overload outlets.

### **Fire Extinguishers**

Know where fire extinguishers are and how to use them.

### **Report Injuries**

Immediately report all injuries, no matter how slight, to your supervisor.

### **Ask Questions**



If you are ever in doubt regarding the safe way to perform a task, please do not proceed until you have consulted a supervisor. Employees will not be asked to perform any task, which may be dangerous to their health, safety or security. If you feel a task may be dangerous, inform your supervisor at once.

We strongly encourage employee participation and your input on health and safety matters. Please obtain a Safety Suggestion Form from your supervisor for this purpose. Employees may report potential hazards and make suggestions about safety without fear of retaliation. We appreciate, encourage and expect this type of involvement! The success of the safety program relies on the participation of all employees. Though it is SOUTHWEST PIPE SERVICES INC.'s responsibility to provide for the safety, health and security of its workers during working hours, it is the responsibility of each employee to abide by the rules, regulations and guidelines set forth.

Remember, failure to adhere to these rules will be considered serious infractions of safety rules and will result in disciplinary actions.

## **Weapons**

SOUTHWEST PIPE SERVICES INC. believes it is important to establish a clear policy that addresses weapons in the workplace. Specifically, SOUTHWEST PIPE SERVICES INC. prohibits all persons who enter company property from carrying a handgun, firearm, knife, or other prohibited weapon of any kind regardless of whether the person is licensed to carry the weapon or not.

The only exception to this policy will be police officers, security guards or other persons who have been given written consent by SOUTHWEST PIPE SERVICES INC. to carry a weapon on the property.

Any employee disregarding this policy will be subject to immediate termination.

## **Fire Prevention**

Know the location of the fire extinguisher(s) in your area and make sure they are kept clear at all times. Notify your supervisor if an extinguisher is used or if the seal is broken. Keep in mind that extinguishers that are rated ABC can be used for paper, wood, or electrical fires. Make sure all flammable liquids, such as alcohol, are stored in approved and appropriately labeled safety cans and are not exposed to any ignition source.



## **In Case of Fire**

If you are aware of a fire, you should:

- Dial 911 or the local fire department.
- If possible, immediately contact your supervisor. Evacuate all employees from the area.
- If the fire is small and contained, locate the nearest fire extinguisher. This should only be attempted by employees who are knowledgeable in the correct use of fire extinguishers.
- If the fire is out of control, leave the area immediately. No attempt should be made to fight the fire.

When the fire department arrives, direct the crew to the fire. Do not re-enter the building until directed to do so by the fire department.

## **Emergency Evacuation**

If you are advised to evacuate the building, you should:

- Stop all work immediately.
- Contact outside emergency response agencies, if needed.
- Shut off all electrical equipment and machines, if possible.
- Walk to the nearest exit, including emergency exit doors.
- Exit quickly, but do not run. Do not stop for personal belongings.
- Proceed, in an orderly fashion, to a parking lot near the building. Be present and accounted for during roll call.

Do not re-enter the building until instructed to do so.

## **Housekeeping**

Neatness and good housekeeping are signs of efficiency. You are expected to keep your work area neat and orderly at all times - it is a required safety precaution.

If you spill a liquid, clean it up immediately. Do not leave tools, materials, or other objects on the floor, which may cause others to trip or fall. Keep aisles, stairways, exits, electrical panels, fire extinguishers, and doorways clear at all times.



Easily accessible trash receptacles and recycling containers are located throughout the building. Please put all litter and recyclable materials in the appropriate receptacles and containers. Always be aware of good health and safety standards, including fire and loss prevention. Please report anything that needs repairing or replacing to your supervisor immediately.

## **Office Safety**

Office areas present their own safety hazards. Please be sure to:

- Leave desk, file or cabinet drawers firmly closed when not in use.
- Open only a single drawer of a file cabinet at a time.
- Arrange office space to avoid tripping hazards, such as telephone cords or calculator electrical cords.
- Remember to lift things carefully and to use proper lifting techniques.

## **Property and Equipment Care**

It is your responsibility to understand the machines needed to perform your duties. Good care of any machine that you use during the course of your employment, as well as the conservative use of supplies, will benefit you and SOUTHWEST PIPE SERVICES INC. If you find that a machine is not working properly or in any way appears unsafe, please notify your supervisor immediately so that repairs or adjustments may be made. Under no circumstances should you start or operate a machine you deem unsafe, nor should you adjust or modify the safeguards provided.

Do not attempt to use any machine or equipment you do not know how to operate, or if you have not completed training on the proper use of the machine or equipment.

## **Restricted Areas**

In the interest of safety and security, certain portions of SOUTHWEST PIPE SERVICES INC.'s facilities may be restricted to authorized personnel only. Such areas will be clearly marked. Some areas may be designated no smoking areas as well.



## **Safety Rules When Operating Machines and Equipment**

When operating machines and equipment, please be sure to follow these procedures:

- Make sure machine guards are in place while machines are in operation.
- Remove loose clothing, jewelry or rings before operating machinery.
- Wear steel toe shoes and prescription eye protection to start the job, if required.

Required personal protective equipment, except for prescription glasses and steel toe shoes, will be issued to you by your supervisor.

We will continue to provide a clean, safe and healthy place to work and we will provide the best equipment possible. You are expected to work safely, to observe all safety rules and to keep the premises clean and neat. Remember that carelessly endangering yourself or others may lead to disciplinary action, including possible termination.

## **Security**

Maintaining the security of SOUTHWEST PIPE SERVICES INC. buildings and vehicles is every employee's responsibility. Develop habits that insure security as a matter of course. For example:

- Always keep cash properly secured. If you are aware that cash is insecurely stored, immediately inform the person responsible.
- Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.
- When you leave SOUTHWEST PIPE SERVICES INC.'s premises make sure that all entrances are properly locked and secured.

## **Smoking**

Smoke only in designated smoking areas. Please be courteous and concerned about the needs of your fellow employees and others. Please do not smoke in restricted areas.

Please remember to conform to our customer's smoking policies when working at a customer's site.

All employees are expected to abide by this policy while at work.



## **Separation of Employment**

### **Termination**

SOUTHWEST PIPE SERVICES INC. operates under the principle of at-will employment. This means that neither you nor SOUTHWEST PIPE SERVICES INC. has entered into a contract regarding the duration of your employment. You are free to terminate your employment with SOUTHWEST PIPE SERVICES INC. at any time, with or without reason. Likewise, SOUTHWEST PIPE SERVICES INC. has the right to terminate your employment, or otherwise discipline, transfer, or demote you at any time, with or without reason, at the discretion of SOUTHWEST PIPE SERVICES INC.

SOUTHWEST PIPE SERVICES INC. hopes and expects that you will give at least two (2) weeks notice in the event of your resignation. Any accrued but unused Vacation time will be paid out at the time of employment termination.

### **Insurance Conversion Privileges**

According to the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, in the event of your termination of employment with SOUTHWEST PIPE SERVICES INC. or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continued coverage under our health insurance program for a limited period of time at your own expense.

At your exit interview or upon termination, you will learn how you can continue your insurance coverage and any other benefits you currently have as an employee who is eligible for continuation. Consult supervisor for additional details.

### **Exit Interviews**

In a termination situation, SOUTHWEST PIPE SERVICES INC. management would like to conduct an exit interview to discuss your reasons for leaving and any other impressions that you may have about SOUTHWEST PIPE SERVICES INC. During the exit interview, you can provide insights into areas for improvement that SOUTHWEST PIPE SERVICES INC. can make. Every attempt will be made to keep all information confidential.

### **Return of Company Property**

Any SOUTHWEST PIPE SERVICES INC. property issued to you, such as product samples, computer equipment, keys, parking passes or company credit card must be returned to SOUTHWEST PIPE SERVICES INC. at the time of your termination. You will be responsible for any lost or damaged items. The value of any property issued and not returned may be deducted from your paycheck, and you may be required to sign a wage deduction authorization form for this purpose.



## **Former Employees**

Depending on the circumstances, SOUTHWEST PIPE SERVICES INC. may consider a former employee for re-employment. Such applicants are subject to SOUTHWEST PIPE SERVICES INC. 's usual pre-employment procedures. To be considered, an applicant must have been in good standing at the time of their previous termination of employment with SOUTHWEST PIPE SERVICES INC.

### **Reinstatement of Benefits (Bridging)**

If you were an employee of SOUTHWEST PIPE SERVICES INC. with at least twelve (12) months of continuous employment, and were rehired within twelve (12) months of your termination date, you will be eligible to continue your benefits at the level you enjoyed at the time of your termination of previous employment with SOUTHWEST PIPE SERVICES INC.

## **Post-Employment Inquiries**

SOUTHWEST PIPE SERVICES INC. does not respond to oral requests for references. In the event your employment with SOUTHWEST PIPE SERVICES INC. is terminated, either voluntarily or involuntarily, your supervisor may be able to provide a reference to potential employers only if you have completed and signed a release form.

As an employee of SOUTHWEST PIPE SERVICES INC., do not under any circumstances respond to any requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, please forward the information request to your supervisor.



## **Workplace Policies**

This Employee Manual is designed to answer many of your questions about the practices and policies of SOUTHWEST PIPE SERVICES INC. Feel free to consult with your supervisor for help concerning anything you don't understand.

### **Bonding Requirement**

If your employment with SOUTHWEST PIPE SERVICES INC. requires you to handle other people's property or to deal with money in any capacity, SOUTHWEST PIPE SERVICES INC. may require that you be bonded. It is your responsibility to assure that you are bondable. SOUTHWEST PIPE SERVICES INC. will pay the cost of bonding. Should you fail to maintain these qualifications, you will be subject to transfer to another position, if available, or dismissal.

### **Communications**

Successful working conditions and relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies and general information, you also need to communicate your ideas, suggestions, personal goals or problems as they affect your work.

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, make certain you are aware of and utilize all SOUTHWEST PIPE SERVICES INC. methods of communication, including this Employee Manual, bulletin boards, discussions with your supervisor, memoranda, staff meetings, newsletters, training sessions, and company e-mail and intranet.

You will receive other information booklets, such as your insurance booklets, from time to time. You may take these booklets home so that your family may know more about your job and your benefits.

In addition, you may receive letters from SOUTHWEST PIPE SERVICES INC. There is no regular schedule for distribution of this information. The function of each letter is to provide you and your family with interesting news and helpful information, which will keep you up-to-date on the events here at SOUTHWEST PIPE SERVICES INC.

### **Community Activities**

SOUTHWEST PIPE SERVICES INC. recognizes the importance of community participation. Our business is dependent upon the community for employees and for customers, and the community is dependent on our business for employment opportunities and for our services.

SOUTHWEST PIPE SERVICES INC. encourages and supports your participation in service activities that contribute to the community. We will allow you to take [x] (one (1) / two (2)) days



of normal work time to participate in an approved community service activity each [x] (quarter / six (6) months / year). The time must be scheduled at least two (2) weeks in advance and approved by your [x] (manager / supervisor / team leader / designated company representative).

Please provide your supervisor with a statement indicating the date and amount of time volunteered to the community organization. It would be interesting and helpful if you included the results of your activities and any photographs, quotes or other information so you can be acknowledged for your effort.

Some eligible service activities might include:

- American Cancer Society
- American Lung Society
- Blood drive
- Community health screening
- Community clean-up projects
- Big Brothers / Big Sisters activities
- Food drive
- Toys for Tots
- United Way drives
- Community recycling center
- Homeless shelter
- Local museum
- Red Cross
- School activities
- Assisting physically challenged or confined individuals. (This must be through a community organization.)
- Assisting elderly citizens. (This also must be through a community organization.)

## **Company and Department Meetings**

On occasion, we may request that you attend a company-sponsored meeting. If this is scheduled during your regular working hours, your attendance is required. If you are a non-exempt employee, and attend a meeting held during your non-working hours, you will be paid for the time you spend traveling to and from the meeting as well as for time spent at the meeting.

## **Computer Software (Unauthorized Copying)**

SOUTHWEST PIPE SERVICES INC. does not condone the illegal duplication of software. The copyright law is clear. The copyright holder is given certain exclusive rights, including the right to make and distribute copies. Title 17 of the U.S. Code states that "it is illegal to make or distribute copies of copyrighted material without authorization" (Section 106). The only exception is the users' right to make a backup copy for archival purposes (Section 117).



The law protects the exclusive rights of the copyright holder and does not give users the right to copy software unless the manufacturer does not provide a backup copy. Unauthorized duplication of software is a federal crime. Penalties include fines up to and including \$250,000, and jail terms of up to five (5) years.

Even the users of unlawful copies suffer from their own illegal actions. They receive no documentation, no customer support and no information about product updates.

1. SOUTHWEST PIPE SERVICES INC. licenses the use of computer software from a variety of outside companies. SOUTHWEST PIPE SERVICES INC. does not own this software or its related documentation and, unless authorized by the software manufacturer, does not have the right to reproduce it.
2. With regard to use on local area networks or on multiple machines, SOUTHWEST PIPE SERVICES INC. employees shall use the software only in accordance with the software publisher's license agreement.
3. SOUTHWEST PIPE SERVICES INC. employees learning of any misuse of software or related documentation within the company must notify their supervisor immediately.
4. According to the U.S. Copyright Law, illegal reproduction of software can be subject to civil damages and criminal penalties, including fines and imprisonment. SOUTHWEST PIPE SERVICES INC. employees who make, acquire or use unauthorized copies of computer software shall be disciplined as appropriate under the circumstances. Such discipline may include termination.

## **Computers, Electronic Mail, and Voice Mail Usage Policy**

SOUTHWEST PIPE SERVICES INC. makes every effort to provide the best available technology to those performing services for SOUTHWEST PIPE SERVICES INC. In this regard, SOUTHWEST PIPE SERVICES INC. has installed, at substantial expense, equipment such as computers, electronic mail, and fax machines. This policy is to advise those who use our business equipment on the subject of access to and disclosure of computer-stored information, voice mail messages and electronic mail messages created, sent or received by SOUTHWEST PIPE SERVICES INC.'s employees with the use of SOUTHWEST PIPE SERVICES INC.'s equipment.

This policy also sets forth policies on the proper use of the computer; fax machines, and electronic mail systems provided by SOUTHWEST PIPE SERVICES INC.

SOUTHWEST PIPE SERVICES INC. property, including computers, electronic mail and fax machines, should only be used for conducting company business.

Incidental and occasional personal use of company computers and our fax machines and electronic mail systems is permitted, but information and messages stored in these systems will



be treated no differently from other business-related information and messages, as described below.

The use of the electronic mail system may not be used to solicit for commercial ventures, religious or political causes, outside organizations, or other non-job related solicitations. Furthermore, the electronic mail system is not to be used to create any offensive or disruptive messages. Among those which are considered offensive, are any messages which contain sexual implications, racial slurs, gender-specific comments, or any other comments that offensively address someone's age, sexual orientation, religious or political beliefs, national origin, or disability. In addition, the electronic mail system shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or similar materials without prior authorization.

Although SOUTHWEST PIPE SERVICES INC. provides certain codes to restrict access to computers, voice mail and electronic mail to protect these systems against external parties or entities obtaining unauthorized access, employees should understand that these systems are intended for business use, and all computer information, voice mail and electronic mail messages are to be considered as company records.

SOUTHWEST PIPE SERVICES INC. also needs to be able to respond to proper requests resulting from legal proceedings that call for electronically stored evidence. Therefore, SOUTHWEST PIPE SERVICES INC. must, and does, maintain the right and the ability to enter into any of these systems and to inspect and review any and all data recorded in those systems. Because SOUTHWEST PIPE SERVICES INC. reserves the right to obtain access to all voice mail and electronic mail messages left on or transmitted over these systems, employees should not assume that such messages are private and confidential or that SOUTHWEST PIPE SERVICES INC. or its designated representatives will not have a need to access and review this information. Individuals using SOUTHWEST PIPE SERVICES INC.'s business equipment should also have no expectation that any information stored on their computer - whether the information is contained on a computer hard drive, computer disks or in any other manner - will be private.

SOUTHWEST PIPE SERVICES INC. has the right to, but does not regularly monitor voice mail or electronic mail messages. SOUTHWEST PIPE SERVICES INC. will, however, inspect the contents of computers, voice mail or electronic mail in the course of an investigation triggered by indications of unacceptable behavior or as necessary to locate needed information that is not more readily available by some other less intrusive means.

The contents of computers, voice mail, and electronic mail, properly obtained for some legitimate business purpose, may be disclosed by SOUTHWEST PIPE SERVICES INC. if necessary within or outside of SOUTHWEST PIPE SERVICES INC.

Given SOUTHWEST PIPE SERVICES INC.'s right to retrieve and read any electronic mail messages, such messages should be treated as confidential by other employees and accessed only by the intended recipient.



SOUTHWEST PIPE SERVICES INC.'s President will review any request for access to the contents of an individual's computer, voice mail, or electronic mail prior to access being made without the individual's consent.

Any employee who violates this policy or uses the electronic communication systems for improper purposes may be subject to discipline, up to and including termination.

## **Contributions**

From time to time, SOUTHWEST PIPE SERVICES INC. makes donations to worthwhile charities and colleges in its own name. Contributions considered worthwhile include (United Way / health drives / community youth activities and so on). Contributions are made only in communities where our employees will benefit. An officer of SOUTHWEST PIPE SERVICES INC. will make all decisions concerning contributions with input from all employees.

## **Dress Code and Personal Appearance**

Please understand that you are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if your job involves dealing with customers or visitors in person.

A neat, tasteful appearance contributes to the positive impression you make on our customers. You are expected to be suitably attired and groomed during working hours or when representing SOUTHWEST PIPE SERVICES INC. A good, clean appearance bolsters your own poise and self-confidence and greatly enhances our company image. When working at a customer's site, please dress appropriately according to their corporate culture.

Personal appearance should be a matter of concern for each employee. If your supervisor feels your attire and/or grooming is out of place, you may be asked to leave your workplace until you are properly attired and/or groomed. Employees who violate dress code standards may be subject to appropriate disciplinary action.

Keep in mind the discomfort your supervisor would feel of she/he had to address this issue with you.

## **Drug-Free Workplace Policy**

SOUTHWEST PIPE SERVICES INC. is a community in which responsibilities and freedoms are governed by policies and codes of behavior, including penalties for violations of these standards as stated in your Employee Manual. SOUTHWEST PIPE SERVICES INC. has a standard of conduct, which prohibits the unlawful possession, use, or distribution of illicit drugs and alcohol by employees on SOUTHWEST PIPE SERVICES INC.'s site and/or client sites or as a part of SOUTHWEST PIPE SERVICES INC.'s activities. SOUTHWEST PIPE SERVICES INC. will



impose disciplinary sanctions on employees ranging from educational and rehabilitation efforts up to and including expulsion or termination of employment and referral for prosecution for violations of the standards of conduct. Each situation will be looked at on a case-by-case basis.

It is the goal of SOUTHWEST PIPE SERVICES INC. to maintain a drug-free workplace. To that end, and in the spirit of the Drug-Free Workplace Act of 1988, SOUTHWEST PIPE SERVICES INC. has adopted the following policies:

1. The unlawful manufacture, possession, distribution, or use of controlled substances is prohibited in the workplace.
2. Employees who violate this prohibition are subject to corrective or disciplinary action as deemed appropriate, up to and including termination.
3. As an on-going condition of employment, employees are required to abide by this prohibition and to notify, in writing and within five (5) days of the violation, her/his supervisor of any criminal drug statute conviction they receive.
4. If an employee receives such a conviction SOUTHWEST PIPE SERVICES INC. shall: take appropriate personnel action against the employee, up to and including termination.
5. SOUTHWEST PIPE SERVICES INC. provides information about drug counseling and treatment.
6. SOUTHWEST PIPE SERVICES INC. reserves the right to search and inspect for the maintenance of a safe workplace.

### **Health Risks of Alcohol and Other Drug Use**

Even though specific physical and mental responses to alcohol and drug use differ, the consequences for using either are usually similar. Negative health reactions can result from both abusive and moderate use of any substance. While on-going health problems are often associated with long-term misuse and abuse, acute and traumatic instances can occur from one-time or moderate use.

#### *Alcohol*

Ten (10) percent of adults can be classified as heavy drinkers. That is, they consume an average of two or more drinks per day. Virtually all body systems are affected by the long-term abuse of alcohol. Heavy constant consumption may result in hangovers and serious health consequences. Another sixty (60) percent of the populations are moderate drinkers. The most common negative health consequences from occasional drinking are trauma related and involve both the drinker and non-drinker victims. The consumption of alcohol is involved in 200,000 deaths in this country per year, ten (10) percent of the US annual mortality. Half of all traffic deaths are alcohol related and driving under the influence is the number one killer of American teenagers.



### *Narcotics*

The most serious medical consequences of opiate abuse is toxic reaction, more commonly known as overdose. Generally incurred accidentally, overdose leads to death when the respiratory and circulatory systems slow down to the point of ceasing to function. More common health consequences of opiate abuse occur not from the chemicals themselves, but from the lifestyles that frequently accompany their use.

### *Hypnotics and Anti-Anxiety Drugs*

Such prescription medications as Nembutal, Seconal, Quaalude, Miltown and Equanil have serious negative health consequences when abused. The most common is toxic overdose which results in depressed central nervous systems, cardiac and respiratory functioning.

### *Stimulants*

Abusers of stimulant drugs are more likely to experience drug-induced psychiatric disturbances than are other abusers. Differences in health-related responses to stimulant drugs are dependent on the mode of ingestion. Nasal and intravenous use creates more acute responses than do oral use.

### *Marijuana*

Chronic long-term use affects most body systems resulting in bronchitis and other respiratory difficulties, decreased strength of heart contractions, possible negative consequences on the immune system, acute memory impairment, and possible reduction on growth-hormone production. Episodic use of marijuana can result in panic reactions including feelings of anxiety, fears of losing control or going crazy, or fears of physical illness.

### *Hallucinogens*

The most common health-related responses to hallucinogen use include panic reactions, flashbacks and toxic reactions with ingestion of high levels of some compounds.

## **Legal Implications of Alcohol and Other Drug Use**

A variety of implications surround the use of alcohol and other drugs. This summary is designed to alert you to some of the legal risks you assume when you use alcohol or other drugs. Penalties for illegal use will also be described. However, this summary is only a descriptive document. It should not be interpreted as legal advice or counsel. The regulations summarized here are those most likely to affect employees of SOUTHWEST PIPE SERVICES INC.

### *Possession and Use*

Check with city or county counsels' offices for specifics of alcohol consumption and use, as maximum levels differ from location to location.

Anyone under twenty-one (21) years of age who buys alcohol is committing a misdemeanor. It is also an infraction of the law for a minor to attempt to buy alcohol.

Public intoxication, which interferes with the personal safety or use of public ways, is a misdemeanor crime.



It is unlawful to drive a motor vehicle or ride a bicycle on a highway with blood alcohol content (BAC) level of .08 percent or above. Punishment is greater if a child fourteen (14) years of age is in the vehicle at the time.

It is unlawful for a person under the age of eighteen (18) who has a BAC of .05 percent or more to drive a vehicle.

The act of driving implies consent to be tested for BAC.

It is unlawful to operate a water vessel; to water ski, or to use an aquaplane, with a BAC of .05 percent if the operator is under eighteen (18) years of age.

It is unlawful to operate an aircraft in the air or on the ground or engage in sport parachuting with a BAC of more than .04 percent.

Marriage licenses will not be issued to applicants under the influence of alcohol or other drugs.

It is unlawful to manufacture controlled substances in the home or in any other unregulated facility.

Growing or processing peyote is punishable by imprisonment in the county jail for not more than one (1) year.

It is a felony to use alcohol or drugs to aid the commission of a felony, including rape and other sex offenses.

Applicants for professional licenses must not be addicted to alcohol or other drugs at the time of application.

#### *Distribution*

It is a misdemeanor crime to sell, give or furnish alcohol to anyone less than twenty-one (21) years of age.

It is a misdemeanor crime to sell or furnish alcohol to a common drunkard or incompetent.

Only eating establishments and holders of retail liquor licenses may sell or expose for sale alcoholic beverages within one (1) mile of a university or state college.

It is unlawful for sellers of alcoholic beverages by the drink to employ a person for the purpose of encouraging the sale of such beverages.

Manufacture, distribution and receipt of "imitation controlled substances" or any drug that is falsely advertised, adulterated or misbranded is unlawful.



Possession of paraphernalia is unlawful as is providing a minor with paraphernalia for the ingestion of tobacco or any controlled substance.

It is illegal to use the postal service or other interstate conveyance to offer to sell or transport, import or export paraphernalia.

It is unlawful to import controlled substances except for medical or scientific purposes.

It is unlawful to export controlled substances to any country that has a treaty with the United States prohibiting such export. Penalties vary depending on the country involved.

### *Consequences*

Carriers of motor vehicle insurance can increase premiums, or cancel or deny renewal as a result of driving under the influence convictions.

In certain cases employers' motor vehicle coverage can also be canceled or renewal denied if employees have been convicted of driving under the influence of alcohol or other drugs.

The Department of Motor Vehicles may refuse or revoke driver's licenses of practicing alcoholics or addicts or those convicted of alcohol or drug related offenses.

Refusal to submit to blood alcohol content tests will result in a six-month suspension of driving privileges, two-year suspension if there has been a prior such offense within seven years, and three-year suspension for two or more offenses within seven (7) years. In such cases, vehicles can also be impounded and sold as nuisances.

Employers may refuse to hire or may fire an employee who cannot perform job duties or endangers his/her or others' health or safety due to current use of alcohol or other drugs.

State disability retirement allowances are not paid if the disability is due to the intemperate use of alcohol or other drugs.

No addict or person in danger of becoming an addict may be employed as a peace officer.

Drunkenness on duty, intemperance or addiction are causes for discipline for any employee.

Examinations for certifications can be refused and certifications withdrawn by the State Personnel Board for anyone who is addicted to alcohol or other drugs.

Discharge from employment "as a result of an irresistible compulsion to use or consume intoxicants" disqualifies claimants from receiving unemployment benefits, as does any institutionalization as a drug addict.



Disability insurance benefits may be denied "for any loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any controlled substances unless administered on the advice of a physician."

Permanent or probationary employees of SOUTHWEST PIPE SERVICES INC. may be terminated, demoted, or suspended for addiction to controlled substances or drunkenness in the workplace.

Penalties for the manufacture, distribution or dispensing of, or possession with intent to manufacture, illegal drugs vary significantly depending on the substance and the amount in question. Both fines and incarceration are imposed.

Drug traffickers lose federal benefits for five (5) to ten (10) years to life after conviction. Drug possessors lose benefits for up to one (1) year and can be required to enter treatment, undergo testing and/or perform community service.

### **Where to Get Help**

A number of community resources are available to help you, including:

#### *Community Resources*

Employee Assistance Program

Alcoholics Anonymous

Narcotics Anonymous

National Council on Alcoholism and Drug Dependence

County Bureau of Alcohol and Drug Services

This document is intended solely as a resource. SOUTHWEST PIPE SERVICES INC. does not endorse programs and/or agencies listed on this document and accept no responsibility for treatment provided by these agencies/programs, nor does it guarantee insurance coverage of treatment.

This document is not a comprehensive listing of alcohol/chemical dependency treatment programs. Other sources for both in-patient and outpatient alcohol/chemical dependency treatment programs may be located by consulting your family physician, local telephone directory under the heading "Drug Treatment Programs," or through the National Council on Alcoholism and Drug Dependence at 212-206-6770.



## **Expense Reimbursement**

You must have your supervisor's written authorization (usually by way of a requisition or purchase order) prior to incurring an expense on behalf of SOUTHWEST PIPE SERVICES INC. To be reimbursed for all authorized expenses, you must submit an expense report or voucher accompanied by receipts and it must be approved by your supervisor. Please submit your expense report or voucher each week, as you incur authorized reimbursable expenses. In order for SOUTHWEST PIPE SERVICES INC. to keep records and accounting accurate and current, expense reports or vouchers older than two (2) months old may not be honored.

If you are asked to conduct company business using your personal vehicle, you will be reimbursed at the rate of thirty one (50.5) cents per mile. Please submit this expense on your weekly expense report or voucher.

## **Gifts**

Advance approval from management is required before an employee may accept or solicit a gift of any kind from a customer, supplier or vendor representative. Employees are not permitted to give unauthorized gifts to customers or suppliers, except for certain promotional "premiums" (such as t-shirts, coffee mugs, pens or key chains) imprinted with the SOUTHWEST PIPE SERVICES INC. logo or sales information.

## **Personal Use of Company Property**

In some instances, employees may be allowed to borrow certain SOUTHWEST PIPE SERVICES INC. tools or equipment for their own personal use while on our premises. In no instance may this be done off our premises, or without prior management approval. You understand and agree that SOUTHWEST PIPE SERVICES INC. is not liable for personal injury incurred during the use of company property for personal projects. As an SOUTHWEST PIPE SERVICES INC. employee, you accept full responsibility for any and all liabilities for injuries or losses, which occur, or for the malfunction of equipment. You are responsible for returning the equipment or tools in good condition and you agree that you are required to pay for any damages that occur while using the equipment or tools for personal projects.

## **Relatives**

If you and members of your family are employed by SOUTHWEST PIPE SERVICES INC., one may not supervise the other nor work in the same department. If the employees are unable to develop a workable solution, the President of SOUTHWEST PIPE SERVICES INC. will decide which employee may be transferred in such situations. Family members include the employee's spouse, child, parent, parent-in-law, grandparent, grandparent-in-law, granddaughter, grandson, daughter-in-law, son-in-law, step-parent, domestic partner (a person with whom the employee's life is interdependent and with whom the employee shares a mutual residence), brother, sister,



brother-in-law, sister-in-law, daughter or son of the employee's spouse or domestic partner, and any relative living in the household of the employee or domestic partner.

Should two employees who work together or supervise each other enter into a personal, non-work related relationship, one or both employees may have to be transferred.

## Uniforms

We provide uniforms, which certain employees must wear while at work. Upon termination of employment, the uniforms must be returned or the cost will be deducted from your final paycheck. Uniform cleaning expenses will be paid by SOUTHWEST PIPE SERVICES INC. Please consult your supervisor for more information.

## Use of Company Vehicle

If you are authorized to operate an SOUTHWEST PIPE SERVICES INC. vehicle in the course of your assigned work, or if you operate your own vehicle in performing your job, you must adhere to the following rules:

1. You must be a licensed driver.
2. You must maintain weekly mileage reports.
3. You are responsible for following all the manufacturer's recommended maintenance schedules to maintain valid warranties, and for following the manufacturer's recommended oil change schedule.
4. SOUTHWEST PIPE SERVICES INC. provides insurance on company vehicles, however, you will be considered completely responsible for any accidents, fines, moving or parking violations incurred.
5. You must keep the vehicle clean at all times. You must also wash and vacuum the vehicle as often as necessary. You will be reimbursed for your reasonable expense of keeping the vehicle clean. Please retain any receipts for reimbursement.
6. Persons not authorized or employed by SOUTHWEST PIPE SERVICES INC. cannot operate or ride in a company vehicle.
7. Prior to operation of any company vehicle, your supervisor will train you on the appropriate steps to take if you are involved in an accident - filling out the accident report, getting names of witnesses and so on.

**Note:** Please see the Driver's License and Driving Record Policy in the "Employment" section of this Employee Manual for further information.

# **SECTION 5**

## **FALL PROTECTION PROCEDURE**



# Fall Protection Procedure

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## Fall Protection Procedure

### I. OBJECTIVE

The objective of the **Southwest Pipe Services Inc.** Fall Protection Program is to identify and evaluate fall hazards to which employees will be exposed, and to provide specific training as required by the Occupational Safety and Health Administration (OSHA) Fall Protection Standard, 29 CFR 1926, Subpart M.

### II. POLICY

It is the policy of **Southwest Pipe Services Inc.** to protect its employees from occupational injuries by implementing and enforcing safe work practices and appointing a competent person(s) to manage the Fall Protection Program. The **Southwest Pipe Services Inc.** Fall Protection Program shall comply with the OSHA requirements. A copy of the OSHA Fall Protection Standard shall be made available to all employees, and may be obtained from **Joe Briers**.

### III. ASSIGNMENT OF RESPONSIBILITY

#### A. Employer

It is the responsibility of **Southwest Pipe Services Inc.** to provide fall protection to affected employees, and to ensure that all employees understand and adhere to the procedures of this plan and follow the instructions of **Richard Smith**.

#### B. Program Manager

It is the responsibility of **Joe Briers** as the Fall Protection Program Manager to implement this program by:

1. Performing routine safety checks of work operations;
2. Enforcing **Southwest Pipe Services Inc.** safety policy and procedures;
3. Correcting any unsafe practices or conditions immediately;
4. Training employees and supervisors in recognizing fall hazards and the use of fall protection systems;
5. Maintaining records of employee training, equipment issue, and fall protection systems used at **Southwest Pipe Services Inc.** jobsites; and
6. Investigating and documenting all incidents that result in employee injury.



### C. Employees

It is the responsibility of all employees to:

1. Understand and adhere to the procedures outlined in this Fall Protection Program;
2. Follow the instructions of **Joe Briers**;
3. Bring to management's attention any unsafe or hazardous conditions or practices that may cause injury to either themselves or any other employees; and
4. Report any incident that causes injury to an employee, regardless of the nature of the injury.

## IV. TRAINING

A. All employees who may be exposed to fall hazards are required to receive training on how to recognize such hazards, and how to minimize their exposure to them. Employees shall receive training as soon after employment as possible, and before they are required to work in areas where fall hazards exist.

B. A record of employees who have received training and training dates shall be maintained by **Joe Briers**. Training of employees by **Joe Briers** shall include:

1. Nature of the fall hazards employees may be exposed to.
2. Correct procedures for erecting, maintaining, disassembling, and inspecting fall protection systems.
3. Use and operation of controlled access zones, guardrails, personal fall arrest systems, safety nets, warning lines, and safety monitoring systems.
4. Role of each employee in the Safety Monitoring System (if one is used).
5. Limitations of the use of mechanical equipment during roofing work on low-slope roofs (if applicable).
6. Correct procedures for equipment and materials handling, and storage and erection of overhead protection.
7. Role of each employee in alternative Fall Protection Plans (if used).
8. Requirements of the OSHA Fall Protection Standard, 29 CFR 1926, Subpart M.



9. **Southwest Pipe Services Inc.** requirements for reporting incidents that causes injury to an employee.

C. Additional training shall be provided on an annual basis, or as needed when changes are made to this Fall Protection Program, an alternative Fall Protection Plan, or the OSHA Fall Protection Standard.

## **V. CONTROLLED ACCESS ZONES**

A. Masons are the only authorized employees permitted to enter controlled access zones and areas from which guardrails have been removed. All other workers are prohibited from entering controlled access zones.

B. Controlled access zones shall be defined by control lines consisting of ropes, wires, tapes, or equivalent material, with supporting stanchions, and shall be:

1. Flagged with a high-visibility material at six (6) foot intervals.
2. Rigged and supported so that the line is between 30 and 50 inches (including sag) from the walking/working surface.
3. Strong enough to sustain stress of at least 200 pounds.
4. Extended along the entire length of an unprotected or leading edge.
5. Parallel to the unprotected or leading edge.
6. Connected on each side to a guardrail system or wall.
7. Erected between six (6) feet and 25 feet from an unprotected edge, except in the following cases:
  - a. When working with pre-cast concrete members: between six (6) feet and 60 feet from the leading edge, or half the length of the member being erected, whichever is less; or
  - b. When performing overhand bricking or related work: between ten (10) feet and 15 feet from the working edge.

## **VI. EXCAVATIONS**

Fall protection will be provided to employees working at the edge of an excavation that is six (6) feet or deeper. Employees in these areas are required to use the fall protection systems as designated in this program.



A. Excavations that are six (6) feet or deeper shall be protected by guardrail systems, fences, barricades, or covers.

B. Walkways that allow employees to cross over an excavation that is six (6) feet or deeper shall be equipped with guardrails.

## VII. FALL PROTECTION SYSTEMS

### A. Covers

1. All covers shall be secured to prevent accidental displacement.
2. Covers shall be color-coded or bear the markings "HOLE" or "COVER".
3. Covers located in roadways shall be able to support twice the axle load of the largest vehicle that might cross them.
4. Covers shall be able to support twice the weight of employees, equipment, and materials that might cross them.

### B. Guardrail Systems

Guardrail systems shall be erected at unprotected edges, ramps, runways, or holes where it is determined by Joe Briers that erecting such systems will not cause an increased hazard to employees. The following specifications will be followed in the erection of guardrail systems. Top-rails shall be:

1. At least ¼ inch in diameter (steel or plastic banding is unacceptable);
2. Flagged every six (6) feet or less with a high visibility material if wire rope is used;
3. Inspected by Richard Smith as frequently as necessary to ensure strength and stability;
4. Forty-two (42) inches (plus or minus three (3) inches) above the walking/working level; and
5. Adjusted to accommodate the height of stilts, if they are in use.

Mid-rails, screens, mesh, intermediate vertical members, and solid panels shall be erected in accordance with the OSHA Fall Protection Standard.



Gates or removable guardrail sections shall be placed across openings of hoisting areas or holes when they are not in use to prevent access.

### C. Personal Fall Arrest Systems

1. Personal fall arrest systems shall be issued to and used by employees as determined by Michael L Bruno II and may consist of anchorage, connectors, body harness, deceleration device, lifeline, or suitable combinations. Personal fall arrest systems shall:

- a. Limit the maximum arresting force to 1800 pounds;
- b. Be rigged so an employee cannot free fall more than six (6) feet or contact any lower level;
- c. Bring an employee to a complete stop and limit the maximum deceleration distance traveled to three and a half (3 ½ ) feet;
- d. Be strong enough to withstand twice the potential impact energy of an employee free falling six (6) feet (or the free fall distance permitted by the system, whichever is less);
- e. Be inspected prior to each use for damage and deterioration; and
- f. Be removed from service if any damaged components are detected.

2. All components of a fall arrest system shall meet the specifications of the OSHA Fall Protection Standard, and shall be used in accordance with the manufacturer's instructions.

- a. The use of non-locking snap-hooks is prohibited.
- b. Dee-rings and locking snap-hooks shall:
  - i. Have a minimum tensile strength of 5000 pounds; and
  - ii. Be proof-tested to a minimum tensile load of 3600 pounds without cracking, breaking, or suffering permanent deformation.
- c. Lifelines shall be:
  - i. designed, installed, and used under the supervision of **the on-site Supervisor**;
  - ii. Protected against cuts and abrasions; and
  - iii. Equipped with horizontal lifeline connection devices capable of locking in both directions on the lifeline when used on suspended



scaffolds or similar work platforms that have horizontal lifelines that may become vertical lifelines.

d. Self-retracting lifelines and lanyards must have ropes and straps (webbing) made of synthetic fibers, and shall:

- i. Sustain a minimum tensile load of 3600 pounds if they automatically limit free fall distance to two (2) feet; or
- ii. Sustain a minimum tensile load of 5000 pounds (includes rip stitch, tearing, and deforming lanyards).

e. Anchorages must support at least 5000 pounds per person attached and shall be:

- i. Designed, installed, and used under the supervision of **the on-site Supervisor**;
- ii. Capable of supporting twice the weight expected to be imposed on it; and
- iii. Independent of any anchorage used to support or suspend platforms.

#### D. Positioning Device Systems

Body belt or body harness systems shall be set up so that an employee can free fall no farther than two (2) feet, and shall be secured to an anchorage capable of supporting twice the potential impact load or 3000 pounds, whichever is greater. Requirements for snaphooks, dee-rings, and other connectors are the same as detailed in this Program under *Personal Fall Arrest Systems*.



#### E. Safety Monitoring Systems

In situations when no other fall protection has been implemented, **the on-site Supervisor** shall monitor the safety of employees in these work areas. The **on-site Supervisor** shall be:

1. Competent in the recognition of fall hazards;
2. Capable of warning workers of fall hazard dangers;
3. Operating on the same walking/working surfaces as the employees and able to see them;
4. Close enough to work operations to communicate orally with employees; and
5. Free of other job duties that might distract them from the monitoring function.

No employees other than those engaged in the work being performed under the Safety Monitoring System shall be allowed in the area. All employees under a Safety Monitoring System are required to promptly comply with the fall hazard warnings of the **on-site Supervisor**.

#### F. Safety Net Systems

1. Safety net systems must be installed no more than 30 feet below the walking/working surface with sufficient clearance to prevent contact with the surface below, and shall be installed with sufficient vertical and horizontal distances as described in the OSHA Fall Protection Standard.
2. All nets shall be inspected at least once a week for wear, damage, or deterioration by **the on-site Supervisor**. Defective nets shall be removed from use and replaced with acceptable nets.
3. All nets shall be in compliance with mesh, mesh crossing, border rope, and connection specifications as described in the OSHA Fall Protection Standard.
4. When nets are used on bridges, the potential fall area from the walking/working surface shall remain unobstructed.
5. Objects that have fallen into safety nets shall be removed as soon as possible and at least before the next working shift.

#### G. Warning Line Systems

Warning line systems consisting of supporting stanchions and ropes, wires, or chains shall be erected around all sides of roof work areas.



1. Lines shall be flagged at no more than six (6) foot intervals with high-visibility materials.
2. The lowest point of the line (including sag) shall be between 34 and 39 inches from the walking/working surface.
3. Stanchions of warning line systems shall be capable of resisting at least 16 pounds of force.
4. Ropes, wires, or chains must have a minimum tensile strength of 500 pounds.
5. Warning line systems shall be erected at least six (6) feet from the edge, except in areas where mechanical equipment is in use. When mechanical equipment is in use, warning line systems shall be erected at least six (6) feet from the parallel edge, and at least ten (10) feet from the perpendicular edge.

## VIII. TASKS AND WORK AREAS REQUIRING FALL PROTECTION

Unless otherwise specified, **the on-site Supervisor** shall evaluate the worksite(s) and determine the specific type(s) of fall protection to be used in the following situations.

### A. Framework and Reinforcing Steel

Fall protection will be provided when an employee is climbing or moving at a height of over 24 feet when working with rebar assemblies.

### B. Hoist Areas

Guardrail systems or personal fall arrest systems will be used in hoist areas when an employee may fall six (6) feet or more. If guardrail systems must be removed for hoisting, employees are required to use personal fall arrest systems.

### C. Holes

Covers or guardrail systems shall be erected around holes (including skylights) that are six (6) feet or more above lower levels. If covers or guardrail systems must be removed, employees are required to use personal fall arrest systems.

### D. Leading Edges

Guardrail systems, safety net systems, or personal fall arrest systems shall be used when employees are constructing a leading edge that is six (6) feet or more above lower levels. An alternative Fall Protection Plan shall be used if **the on-site Supervisor** determines that the implementation of conventional fall protection systems is infeasible or



creates a greater hazard to employees. All alternative Fall Protection Plans for work on leading edges shall:

1. Be written specific to the particular jobsite needs;
2. Include explanation of how conventional fall protection is infeasible or creates a greater hazard to employees;
3. Explain what alternative fall protection will be used for each task;
4. Be maintained in writing at the jobsite by **the on-site Supervisor**;
5. Meet the requirements of 29 CFR 1926.502(k).

#### E. Overhand Bricklaying and Related Work

Guardrail systems, safety net systems, personal fall arrest systems, or controlled access zones shall be provided to employees engaged in overhead bricklaying or related work six (6) feet or more above the lower level. All employees reaching more than ten (10) inches below the walking/working surface shall be protected by guardrail systems, safety net systems, or personal fall arrest systems.

#### F. Pre-cast Concrete Erection

Guardrail systems, safety net systems, or personal fall arrest systems shall be provided to employees working six (6) feet or more above the lower level while erecting or grouting pre-cast concrete members. An alternative Fall Protection Plan shall be used if **the on-site Supervisor** determines that the implementation of conventional fall protection systems is infeasible or creates a greater hazard to employees. All alternative Fall Protection Plans for pre-cast concrete erection shall:

1. Be written specific to the particular jobsite needs;
2. Include explanation of how conventional fall protection is infeasible or creates a greater hazard to employees;
3. Explain what alternative fall protection will be used for each task;
4. Be maintained in writing at the jobsite by **the on-site Supervisor**; and
5. Meet the requirements of 29 CFR 1926.502(k).

#### G. Residential Construction



Guardrail systems, safety net systems, or personal fall arrest systems shall be provided to employees working six (6) feet or more above the lower level on residential construction projects. However, certain tasks may be performed without the use of conventional fall protection **the on-site Supervisor** has determined that such fall protection is infeasible or creates greater hazards to employees. **The on-site Supervisor** shall follow the guidelines of 29 CFR 1926, Subpart M; Appendix E in the development of alternative Fall Protection Plans for residential construction projects (see Attachment A).

## H. Roofing

### 1. Low-Slope Roofs

Fall protection shall be provided to employees engaged in roofing activities on low-slope roofs with unprotected sides and edges six (6) feet or more above lower levels. The type(s) of fall protection needed shall be determined by **the on-site Supervisor**, and may consist of guardrail systems, safety net systems, personal fall arrest systems, or a combination of a warning line system and safety net system, warning line system and personal fall arrest system, or warning line system and safety monitoring system. On roofs 50 feet or less in width, the use of a safety monitoring system without a warning line system is permitted.

### 2. Steep Roofs

Guardrail systems with toe-boards, safety net systems, or personal fall arrest systems will be provided to employees working on a steep roof with unprotected sides and edges six (6) feet or more above lower levels, as determined by **the on-site Supervisor**.

## I. Wall Openings

Guardrail systems, safety net systems, or a personal fall arrest system will be provided to employees working on, at, above, or near wall openings when the outside bottom edge of the wall opening is six (6) feet or more above lower levels and the inside bottom edge of the wall opening is less than 39 inches above the walking/working surface. The type of fall protection to be used will be determined by **the on-site Supervisor**.

## J. Ramps, Runways, and Other Walkways

Employees using ramps, runways, and other walkways six (6) feet or more above the lower level shall be protected by guardrail systems.

## IX. PROTECTION FROM FALLING OBJECTS



When guardrail systems are in use, the openings shall be small enough to prevent potential passage of falling objects. The following procedures must be followed by all employees to prevent hazards associated with falling objects.

- A. No materials (except masonry and mortar) shall be stored within four (4) feet of working edges.
- B. Excess debris shall be removed regularly to keep work areas clear.
- C. During roofing work, materials and equipment shall be stored no less than six (6) feet from the roof edge unless guardrails are erected at the edge.
- D. Stacked materials must be stable and self-supporting.
- E. Canopies shall be strong enough to prevent penetration by falling objects.
- F. Toe-boards erected along the edges of overhead walking/working surfaces shall be:
  - 1. Capable of withstanding a force of at least 50 pounds; and
  - 2. Solid with a minimum of three and a half (3 ½) inches tall and no more than one quarter (1/4) inch clearance above the walking/working surface.
- G. Equipment shall not be piled higher than the toe-board unless sufficient paneling or screening has been erected above the toe-board.

## **X. ACCIDENT INVESTIGATIONS**

All incidents that result in injury to workers, as well as near misses, regardless of their nature, shall be reported and investigated. Investigations shall be conducted by **Richard Smith** as soon after an incident as possible to identify the cause and means of prevention to eliminate the risk of reoccurrence.

In the event of such an incident, the Fall Protection Program (and alternative Fall Protection Plans, if in place) shall be reevaluated by **Richard Smith** to determine if additional practices, procedures, or training are necessary to prevent similar future incidents.



## XI. CHANGES TO THE PLAN

Any changes to the Fall Protection Program (and alternative Fall Protection Plans, if in place) shall be approved by **Joe Briers**, and shall be reviewed by a qualified person as the job progresses to determine additional practices, procedures or training needs necessary to prevent fall injuries. Affected employees shall be notified of all procedure changes, and trained if necessary. A copy of this plan, and any additional alternative Fall Protection Plans, shall be maintained at the jobsite by **the on-site Supervisor**.

## XII. GLOSSARY

**Anchorage**: a secure point of attachment for lifelines, lanyards, or deceleration devices.

**Body belt**: a strap with means both for securing it about the waist and for attaching it to a lanyard, lifeline, or deceleration device.

**Body harness**: straps that may be secured about the person in a manner that distributes the fall-arrest forces over at least the thighs, pelvis, waist, chest, and shoulders with a means for attaching the harness to other components of a personal fall arrest system.

**Connector**: A device that is used to couple (connect) parts of a personal fall arrest system or positioning device system together.

**Controlled access zone**: a work area designated and clearly marked in which certain types of work (such as overhand bricklaying) may take place without the use of conventional fall protection systems (guardrail, personal arrest, or safety net) to protect the employees working in the zone.

**Deceleration device**: any mechanism, such as a rope, grab, rip-stitch lanyard, specially-woven lanyard, tearing lanyard, deforming lanyard, or automatic self-retracting lifeline/lanyard, which serves to dissipate a substantial amount of energy during a fall arrest, or otherwise limits the energy imposed on an employee during fall arrest.

**Deceleration distance**: the additional vertical distance a falling person travels, excluding lifeline elongation and free fall distance, before stopping, from the point at which a deceleration device begins to operate.

**Guardrail system**: a barrier erected to prevent employees from falling to lower levels.

**Hole**: a void or gap two (2) inches (5.1 centimeters) or more in the least dimension in a floor, roof, or other walking/working surface.

**Lanyard**: a flexible line of rope, wire rope, or strap that generally has a connector at each end for connecting the body belt or body harness to a deceleration device, lifeline, or anchorage.



**Leading edge:** the edge of a floor, roof, or formwork for a floor or other walking/working surface (such as a deck) which changes location as additional floor, roof, decking, or formwork sections are placed, formed, or constructed.

**Lifeline:** a component consisting of a flexible line for connection to an anchorage at one end to hang vertically (vertical lifeline), or for connection to anchorages at both ends to stretch horizontally (horizontal lifeline), that serves as a means for connecting other components of a personal fall arrest system to an anchorage.

**Low slope roof:** a roof having a slope less than or equal to 4 in 12 (vertical to horizontal).

**Opening:** a gap or void 30 inches (76 centimeters), or more high and 18 inches (46 centimeters), or more wide, in a wall or partition through which employees can fall to a lower level.

**Personal fall arrest system:** a system including but not limited to an anchorage, connectors, and a body harness used to arrest an employee in a fall from a working level.

**Positioning device system:** a body belt or body harness system rigged to allow an employee to be supported on an elevated vertical surface, such as a wall, and work with both hands free while leaning backwards.

**Rope grab:** a deceleration device that travels on a lifeline and automatically, by friction, engages the lifeline and locks to arrest a fall.

**Safety monitoring system:** a safety system in which a competent person is responsible for recognizing and warning employees of fall hazards.

**Self-retracting lifeline/lanyard:** a deceleration device containing a drum-wound line which can be slowly extracted from, or retracted onto, the drum under minimal tension during normal employee movement and which, after onset of a fall, automatically locks the drum and arrests the fall.

**Snap-hook:** a connector consisting of a hook-shaped member with a normally closed keeper, or a similar arrangement, which may be opened to permit the hook to receive an object and, when released automatically, closes to retain the object.

**Steep roof:** a roof having a slope greater than 4 in 12 (vertical to horizontal).

**Toe-board:** a low protective barrier that prevents material and equipment from falling to lower levels and which protects personnel from falling.



**Unprotected sides and edges:** any side or edge (except at entrances to points of access) of a walking/working surface (e.g., floor, roof, ramp, or runway) where there is no wall or guardrail system at least 39 inches (1 meter) high.

**Walking/working surface:** any surface, whether horizontal or vertical, on which an employee walks or works, including but not limited to floors, roofs, ramps, bridges, runways, formwork, and concrete reinforcing steel. Does not include ladders, vehicles, or trailers on which employees must be located to perform their work duties.

**Warning line system:** a barrier erected on a roof to warn employees that they are approaching an unprotected roof side or edge and which designates an area in which roofing work may take place without the use of guardrail, body belt, or safety net systems to protect employees in the area.



## Attachment A

### Sample Fall Protection Plan for Residential Construction

For *Southwest Pipe Services Inc.*

This Fall Protection Plan is specific to the following project:

<b>Job Location:</b>	
<b>Date Plan Prepared:</b>	
<b>Date Plan Modified:</b>	
<b>Plan Prepared by:</b>	
<b>Plan Approved by:</b>	
<b>Plan Supervised by:</b>	

# **SECTION 6**

## **REFERENCES & CONTACTS**



## REFERENCES

### **Panhandle Energy**

- Florida Gas Transmission
- Panhandle Eastern
- Trunkline Gas Pipeline
- Trunkline LNG
- Sea Robin Pipeline
- Southern Union Gas Services      **Leo Fajardo**      **(713) 989-2643**
- \*Northern Natural Gas
- \*Northern Border Pipeline
- \*Viking Gas Transmission
- \*Guardian Pipeline
- \*Midwestern Gas Trans.
- 
- \*Previously serviced when part of the Enron Gas Pipeline Group and/or CrossCountry Energy.

**Transwestern Pipeline      Dwayne Brown      (505) 625-8091**

**ExxonMobil      Kevin Graham      (713) 656-3625**

Proud members:



Investment Recovery Association



Pipe Line Contractor Association



## PAST PROJECTS & STATISTICS

- **2004 – 2008:** Purchase Agreement with Panhandle Energy (CrossCountry Energy & Enron Gas Pipelines). Over 8000 tons purchased. Cleared company compressor station sites of scrap & debris.
- **2004 – 2008:** Purchased over 5000 tons of pipe from ExxonMobil, C/O Material Management Resources.
- **2004:** Purchased 5 miles of 30" pipe in the ground from Columbia Gulf Gas Transmission in Lebanon, TN. Mobilized equipment to excavate pipe and remove/abate asbestos coating.
- **2005:** Purchased the following pipelines, easements & fee land from Genesis Crude Oil. Mobilized equipment to excavate pipe. Easements & fee land are currently for sale or lease.
  - 40 Miles – 12": Liberty, MS to Baker, LA
  - 20 Miles – 16": Liberty, MS to Baker, LA
  - 20 Miles – 12": Satsuma to Webster, Harris County, TX
  - 20 Miles – 8": Satsuma to Webster, Harris County, TX
  - 20 Miles – 6": Manvel to Chocolate Bayou, Brazoria County, TX
- **2006:** Purchased 40 miles of abandon Conoco pipeline from land owners. Conoco's Easement Agreements had lapsed due to several years of abandon status.
- **2004 – 2008:** Cleaned over 130 miles (686,400 feet) of coating materials from pipe using our proven processes.



## Contacts

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