



July 31, 2009

File No. 2000-767

Subject: Safety and Safety Reporting

Dear Subcontractor:

In this, our 9th year of providing services to the Navy on the Regional Base Operations Support Contract 1, we feel it is important to re-invigorate and refresh our goals and expectations. Safety & Health is more than a priority at IAP-HILL – it is a fundamental value that is thoroughly entrenched in our culture and is inherent in every aspect of our operations. Our most important assets are our people and nothing is more important than providing them a safe environment in which to work. It's an all-encompassing way of doing business that puts a safe workplace, employee well-being and environmental stewardship at the forefront of everything we do.

To ensure that our commitment to Safety is reflected in day-to-day operations, we want to ensure our Subcontractors are aware of our health and safety program requirements as well as their obligations to comply with all pertinent laws and regulations. Our subcontractors and their subcontractors and all suppliers /vendors must understand that they are obligated to provide a safe and healthy work environment for their employees as well as all other employees and visitors on the work site. Just as we set high levels of safety management performance for our own projects and workforce, we expect demonstrated accomplishments in safety and health protection programs from our subcontractors.

To this end, the H-3 Safety and Health Clause is included in every subcontract issued by IAP-HILL. Some quick reminders of a few of the requirements in that clause:

- Subcontractor is required to have a safety program
- Written safety plan must be in accordance with the Army Corps Of Engineers Safety and Health Manual EM 385-1-1 prior to start of work with a job specific Activity Hazard Analysis.
- Subcontractor shall report all accidents within 24 hours of their occurrence.
- Subcontractor shall submit a full report of damage to government or IAP-HILL property or equipment with 24 hours of occurrence
- **Injuries that are considered as serious shall be reported to the IAP-HILL General Manager immediately.** (Serious includes but is not limited to loss of life, dismemberment, electrical shock, any trenching incident or OSHA citations involving IAP-HILL related jobs.)

We require that you review clause H-3 again and ensure you are in compliance for each job you are subcontracted to perform under the RBOS contract.

In addition to the above, before beginning any activity involving a type of work presenting hazards not experienced in previous project operations or where a new work crew or subcontractor is to perform the work, a Task Safety Instruction or an activity hazard analyses shall be prepared by the subcontractor performing the work activity and submitted to and reviewed with the IAP-HILL job site supervisor. A copy of our TSI form is attached to this letter.

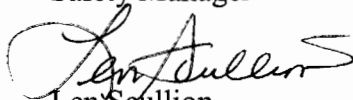
IAP-HILL promotes a strong STOP WORK policy in regards to safety. Our workers are empowered to stop a job if at any time an unsafe working condition exists or arises. We are requiring you to institute a similar policy while performing work as our subcontractor. If at any time you must stop work due to an unsafe condition, you must contact the IAP Hill supervisor or the IAP-HILL Safety Manager immediately. If you have any kind of a safety incident or a question about safety contact our job site supervisor or Safety Manager as quickly as possible.

If you have any questions regarding safe practices, we have also put the links to OSHA, the Army Corps of Engineers Safety Manual and our environmental handbook at our website: <http://www.iaphill.com/Policies/index.html>

Sincerely,



Deane Mills
Safety Manager



Len Scullion
General Manager



Susan Thibodeaux
AGM/ Contracts Administrator Manager

Cc: Mr. Dennis Ferro
Mr. Joe Penell
Mr. Steve Jones

Attachment: Task Safety Instruction Form 3010-029