

## A G E N D A

**GRANT COUNTY PUBLIC UTILITY DISTRICT  
30 C Street SW – Commission Meeting Room  
Ephrata, Washington  
COMMISSION MEETING  
Tuesday, November 28, 2023**

An Executive Session may be called at any time for purposes authorized  
by the Open Public Meetings Act

- 8:30 a.m.** Executive Session
- 9:00 a.m.** Commission Convenes  
Review and Sign Vouchers
- 9:30 a.m.** Reports from staff
- 12:00 Noon** Lunch with County Commissioners
- 1:00 p.m.** Safety Briefing  
Pledge of Allegiance  
Attendance  
Public requests to discuss agenda items/non-agenda items  
Correspondence  
Business Meeting

### **1. Consent Agenda**

Approval of Vouchers

Meeting minutes of November 14, 2023

### **2. Regular Agenda**

9033 – Resolution Accepting a Bid and Awarding Contract 130-12026H for Dock Crew 2024-2025.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-12000 with Brazil Quality Services LTDA for approval of Professional Services in regards to the Priest Rapids Upgrades for a total not to exceed contract price of \$6,600,000.00 with a contract completion date of December 31, 2030. (3459)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11765 with Absher Construction + Integrus Architecture + Huitt-Zollars Design Build Team (DB Team) in an amount not to exceed \$3,999,891.00 to execute the Validation Period for the new Service Center (SC1) project, utilizing the Progressive Design-Build approach with an estimated contract completion by year-end 2027. (3460)

### **3. Review Items For Next Business Meeting**

XXXX – Resolution Establishing the Public Utility District No. 2 of Grant County, Washington 10-Year Conservation Potential Plan and Two-Year Conservation Target Pursuant to RCW Chapter 19.285.

Motion authorizing the General Manager/CEO to execute Change Order No. 8 to Contract 430-4179 with DataPro Solutions, Inc., increasing the not-to-exceed contract amount by \$77,081.42 for a new contract total of \$601,593.31, extending the contract completion date to December 31, 2024, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 8. (xxxx)

Motion authorizing transfer of \$45,000,000.00 from the Electric Revenue Fund into the Rate Stabilization portion of the Electric System R&C Fund effective December 31, 2023. (xxxx)

Motion authorizing Interlocal Agreement 230-12115 with Grant County Fire District 8 and Interlocal Agreement 430-12116 with all Grant County Fire Districts for fire protection and emergency medical services. (xxxx)

**4. Calendar**

**5. Reports from Staff (if applicable)**

**Adjournment**

# **CONSENT AGENDA**

# Draft – Subject to Commission Review

## REGULAR MEETING OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

November 14, 2023

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 596 502 173# with the following Commissioners present: Nelson Cox, President; Tom Flint, Vice-President; Terry Pyle, Secretary; Larry Schaapman, Commissioner (via virtual Microsoft Teams) and Judy Wilson, Commissioner.

An executive session was announced at 8:30 a.m. to last until 9:00 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g), to discuss pending litigation pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate if disclosure would increase price pursuant to RCW 42.30.110(1)(b). The executive session concluded at 9:00 a.m. and the regular session resumed.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:21 a.m.

The Commission resumed at 9:30 a.m.

A round table discussion was held regarding the following topics: voucher inquiry regarding purchase of new vehicles; Port of Quincy inquiry via Commissioner Schaapman regarding available capacity in the George area; request for final design of pole placement for the Wanapum to Mountain View transmission line project; recent meeting with Samaritan Hospital CEO regarding essential services new connection request; NuScale / UAMPS agreement termination; and Grant PUD continued engagement with X-energy.

Rich Wallen, GM/CEO, recognized the Organizational Change Management (OCM) team for their exceptional service and leadership as change champions while providing support to all levels of the Grant PUD through ongoing communication, education, change navigation, and stakeholder input collection. The following employees were recognized: Karrie Beuscher, Anne Chamberlin, Lindsay Thompson, Heidi Juarez, Taylor Ecklund and Kelli McGhee.

Mike Fleurkens, Project Services Supervisor, and Joe Larkin, Lead Construction Inspector, provided a Brazil Quality Services (BOS) Inspection Services Contract overview.

Rhiannon Fronsman, EPMO Project Manager, and EMPO Nick Bare, Project Manager, presented the Power Delivery Facilities Progressive Design Build Contract overview.

The Commission recessed at 10:55 a.m.

The Commission resumed at 11:05 a.m.

David Brown, Obsidian Principal/Founder; John Cable, Obsidian Principal; Ken Dragoon, Obsidian Director of Hydrogen Development; and Shannon Souza, Obsidian Senior Consultant; shared a presentation regarding Obsidian's commitment to local communities through innovation in the field of renewable energy, energy storage and low carbon fuels. In addition, Brent Gregory, Grant PUD Senior Project Manager, was in attendance during the presentation.

An executive session was announced at 12:00 p.m. to last until 12:55 p.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 12:55 p.m. and the regular session resumed.

Consent agenda motion was made Mrs. Wilson and seconded by Mr. Flint to approve the following consent agenda items:

Payment Number	136780	through	137372	\$26,397,106.55
Payroll Direct Deposit	226589	through	227382	\$2,532,165.91
Payroll Tax and Garnishments	20231101A	through	20231106A	\$1,061,114.23

Meeting minutes of October 24, 2023.

After consideration, the above consent agenda items were approved by unanimous vote of the Commission.

Resolution No. 9032 relative to adopting a budget was presented to the Commission. Motion was made by Mr. Flint and seconded by Mrs. Wilson to approve Resolution No. 9032. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9032

A RESOLUTION ADOPTING A BUDGET FOR THE YEAR 2024 AND CORRESPONDING  
FINANCIAL FORECAST

Recitals

1. Pursuant to RCW 54.16.080 notice of filing, and date and place of hearing on the proposed budget for the District for the year 2024 was published for at least two consecutive weeks in a newspaper printed and of general circulation in the County;
2. The Preliminary Proposed Budget was approved by Commission Resolution No. 9027 on August 22<sup>nd</sup>, 2023;
3. Three public information meetings on the proposed budget were held as follows:
  - October 10, 2023 – 2:00 p.m. at GCPUD HQ, Ephrata, WA
  - October 10, 2023 – 6:00 p.m. Virtual Microsoft Teams Meeting
  - October 12, 2023 – 6:00 p.m. GCPUD Moses Lake Auditorium, Moses Lake, WA
4. Grant PUD considered public comments and letters relating to the proposed budget; and
5. The General Manager / CEO and Grant PUD staff are of the opinion that the revised budget and forecast, attached hereto as Exhibits A and B, are proper for Grant PUD for the year 2024 and recommend its adoption by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington as follows:

Section 1: The budget, attached as Exhibit A, is hereby adopted by Grant PUD for the year 2024.

Section 2: The Financial Forecast, attached as Exhibit B is hereby adopted to reflect Grant PUD's net financial position and key financial metrics for year 2024.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 14<sup>th</sup> day of November, 2023.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Ron Alexander, Managing Director of Power Delivery, provided a status update on repairs occurring at the Soap Lake Substation.

Ryan Holterhoff, Senior Policy Analyst - Government Regulatory Affairs, presented the Federal and State Legislative Update Report.

The Commission recessed at 2:44 p.m.

The Commission resumed at 2:49 p.m.

Cary West, Senior Manager of Customer Solutions, and Chris Buchmann, Customer Service Program Supervisor, provided an overview of the Bi-Annual Conservation Potential Assessment.

Trade association and committee reports were reviewed.

Dmitriy Turchik, Senior Manager of Internal Audit, presented the Internal Audit Report.

An executive session was announced at 3:48 p.m. to last until 4:30 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g), to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate if disclosure would increase price with legal counsel present pursuant to RCW 42.30.110(1)(b). The executive session concluded at 4:30 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 4:30 p.m. on November 14 and reconvened on Friday, November 17 at 9:00 a.m. at the Port of Moses Lake, 7810 Andrews St NE Ste 200, Moses Lake, Washington for the purpose of attending an all-ports meeting and any other business that may come before the Commission with the following Commissioners present: Judy Wilson, Nelson Cox, Tom Flint, and Terry Pyle. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the Commission adjourned at 1:00 p.m. on November 17 and reconvened on Tuesday, November 21 at 8:30 a.m. at Grant PUD’s Main Headquarters Building, Commission Room, 30 C Street SW, Ephrata, Washington for the purpose of attending a workshop and any other business that may come before the Commission with the following Commissioners present: Judy Wilson, Nelson Cox, Tom Flint, Terry Pyle and Larry Schaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

The Commission accepted public comment regarding rates and pricing.

An executive session was announced at 12:00 p.m. to last until 12:55p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g), to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate if disclosure would increase price with legal counsel present pursuant to RCW 42.30.110(1)(b). The executive session concluded at 12:55 p.m. and the regular session resumed.

There being no further business to discuss, the November 14, 2023 meeting officially adjourned at 2:00 on November 21, 2023.

\_\_\_\_\_  
Nelson Cox, President

ATTEST:

\_\_\_\_\_  
Terry Pyle, Secretary

\_\_\_\_\_  
Tom Flint, Vice President

\_\_\_\_\_  
Larry Schaapman, Commissioner

\_\_\_\_\_  
Judy Wilson, Commissioner

# **REGULAR AGENDA**

RESOLUTION NO. 9033

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 130-12026H, FOR  
Dock Crew 2024-2025

Recitals

1. Bids were publicly opened on October 5, 2023 for Contract 130-12026H, for Dock Crew 2024-2025;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;
  - Palouse Power LLC \$13,392,300.10
  - International Line Builders, Inc. \$14,379,560.90
  - Potelco, Inc. \$14,407,419.80
  - Henkles & McCoy, Inc. \$15,386,175.40
  - Cannon Constructors LLC \$15,594,707.90
  - Wilson Construction Company \$17,829,717.00
  - Sturgeon Electric Company, Inc. \$18,005,274.50
3. The low bid, submitted by Palouse Power LLC is both commercially and technically compliant with Grant PUD's contract requirements;
4. The bid is less than the Engineer's Estimate of \$17,438,535.77; and
5. Grant PUD's Senior Manager of Power Delivery Construction Maintenance and Chief Operating Officer concur with staff and recommend award to Palouse Power LLC as the lowest responsible and best bid based on Grant PUD's plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 130-12026H, for Dock Crew 2024-2025 with Palouse Power LLC of Quincy, Washington in the amount of \$13,392,300.10 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28<sup>th</sup> day of November 2023.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner



MEMORANDUM

November 1, 2023

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Chief Operating Officer *Jeff Grizzel*  
Ron Alexander, Managing Director of Power Delivery */s/ Ron Alexander*  
Chris Heimbigner, Senior Manager of Construction and Maintenance *Chris Heimbigner*

FROM: William Coe, Construction and Maintenance Engineer *WCC*

SUBJECT: Approval of Contract 130-12026H

**Purpose:** To request Commission approval of Contract 130-12026H.

This contract is a labor contract awarded to Palouse Power for contract line crew labor, otherwise known as dock crews. This is a two year contract, 2024-2025.

**Discussion:** The District has relied upon dock crews for many years. These dock crews supplement our internal crews performing general construction activities.

The District utilizes these dock crews for three main reasons.

1. Internal staffing levels are not sufficient to address the District's construction needs. Dock crews provide additional labor to construct electric and fiber infrastructure.
2. There is a state mandate that larger construction projects must be completed by contract crews and not internal crews. The ability to assign such projects to an "on-board" dock crew contractor allows for construction to be streamlined without the need to solicit and procure separate construction contracts.
3. Dock crews have unique skills and equipment that are not currently available with District crews, nor would some warrant internal acquisition due to specialty or intermittent need. Underground boring of electric and fiber service infrastructure is performed exclusively by dock crews.

**Justification:** The procurement of dock crews allows for timely and efficient construction of the District's electrical and fiber infrastructure. The absence of dock crews would result in significant delays for construction, inability to construct certain projects, and an inefficient process of soliciting contractors for specific projects.

**Financial Considerations:** This is currently the only viable option to address the construction needs of the District. The District conducted a competitive bid process with favorable results. The seven bids received were:

Palouse Power = \$13,392,300.10  
International Line Builders = \$14,379,560.90  
Potelco = \$14,407,419.80  
Henkles & McCoy = \$15,386,175.40  
Cannon Companies = \$15,594,707.90  
Wilson Construction = \$17,829,717.00  
Sturgeon Electric = \$18,005,274.50

Engineer's estimate = \$17,438,535.77

**Contract Specifics:** This contract will allow contract crews to perform construction activities in 2024-2025.

**Recommendation:** Commission approval to award Contract 130-12026H to Palouse Power for a not-to-exceed total cost of \$13,392,300.10.

**Legal Review:** See attached e-mail(s).

Contract Documents 130-12026H

Dock Crew 2024-2025

for

Public Utility District No. 2  
of Grant County, Washington

Bid Due Date: September 19, 2023

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## INSTRUCTIONS TO BIDDERS

### 1. SUBMISSION OF BID

Sealed Bids shall be received by Public Utility District No. 2 of Grant County, Washington at the District's contracting offices at 154 A Street SE, Ephrata, Washington no later than 2:00 p.m. on September 19, 2023 for Dock Crew 2024-2025 as specified in Contract Documents 130-12026H. Bids received after that time shall be rejected as non-responsive. **Bids will be opened on Wednesday September 20, 2023 at 2:00 p.m. via Microsoft Teams video conference. The video conference will be the only manner by which the public can participate in the Bid opening. To participate in the Bid opening, please join the Teams meeting below:**

## Microsoft Teams meeting

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 239 497 075 414

Passcode: PkDdcW

[Download Teams](#) | [Join on the web](#)

**Or call in (audio only)**

[+1 509-703-5291,,409460397#](#) United States, Spokane

Phone Conference ID: 409 460 397#

[Find a local number](#) | [Reset PIN](#)

The original and one copy of the Bid and all required Bidder's Data shall be delivered in a completely sealed opaque envelope properly addressed to:

Lindsey McDonnell, Procurement Officer  
Public Utility District No. 2  
of Grant County, Washington  
154 A Street SE  
Ephrata, Washington 98823

Phone: (509) 754-7093

E-mail: [lmcdonnell@gcpud.org](mailto:lmcdonnell@gcpud.org)

with the name of the Bidder written on the outside of the envelope and outer shipping container with the following:

Contract Documents: 130-12026H

Bid for: Dock Crew 2024-2025

Bid due: September 19, 2023

Bid opening: September 20, 2023

Each Bid submitted shall constitute an offer to the District and shall be irrevocable for a period of 60 days following Bid opening. Contract Award, if any, shall be made within 60 days from the date of Bid opening.

2. COMPLIANCE WITH BIDDING DOCUMENTS/BIDDER'S EXCEPTIONS

Bids shall be submitted on the Bid Form (see Exhibit "A") provided with the Contract Documents. All Bid proposals must be quoted in U.S. dollars. Any submittals or data which may be required by the Contract Documents to support a Bid shall be attached to the Bid Form. The Bid Form must be properly executed and all blanks must be filled in. All Bids shall be submitted in strict compliance with the Contract Documents, Technical Specifications, and commercial requirements contained herein. Bids which do not comply with these specifications and requirements or which contain or are conditioned upon different terms provided by the Bidder may be rejected. Any Bid which attempts to disclaim liability for the Bidder's negligence or to disclaim liability for damage, which arises from Bidder's acts, to person or property, may be deemed a non-responsive Bid.

Bidder shall specifically identify by paragraph and page number and describe in detail in its Bid proposal each variation or departure from the Contract Documents. If, in the District's opinion, the Bid proposal contains material variations in or departures from the commercial terms or functional design requirements, it may be rejected as being non-responsive.

3. DISCREPANCIES OR OMISSIONS IN CONTRACT DOCUMENTS

If a Bidder finds discrepancies in or omissions from the District's requirements, or if Bidder is in doubt as to the meaning of any provision in the Contract Documents, Bidder shall, at once, notify the District's Procurement Officer. If appropriate, a notice of addendum shall be posted to the District's ProcureWare site, mailed, e-mailed, or otherwise delivered to each person obtaining a set of Contract Documents. Each person requesting an interpretation shall be responsible for the delivery of their request to the District. The District shall not be bound by, nor responsible for, any other explanations or interpretations of the proposed documents other than those given in writing as set forth in this paragraph. Oral instructions, interpretations or representations shall not be binding upon the District.

4. DISTRICT'S RIGHT TO MODIFY CONTRACT DOCUMENTS

The District reserves the right to revise the Contract Documents by addendum prior to the date set for receiving Bids. The Bidder shall acknowledge the receipt of each addendum on the Bid Form to substantiate that its Bid is in accordance with the revised Contract Documents.

5. BIDDER'S WITHDRAWAL OR MODIFICATION OF BID

The Bidder may, without prejudice to itself, withdraw, modify or correct a proposal after it has been deposited with the District; provided such withdrawal, modification, or correction is filed with the District in writing, before the time set for receiving Bids. The original Bid, as modified, shall be considered as the proposal submitted by the Bidder.

6. BID DELIVERY RESPONSIBILITY

It shall be the Bidder's responsibility to deliver the original copy of its properly executed Bid and Bid documents prior to the time for Bid receipt stated above. Bids will only be accepted via United Parcel Service, Federal Express, Bidder walk-in, or other carrier or courier service to the address referenced in Section 1 above; no Bids sent by United States Postal Service will be allowed. The District shall not accept or consider Bids transmitted by any electronic method. No Bid shall be considered which is received after the time stated above and shall be returned unopened. It shall be the sole responsibility of the Bidder to ensure that Bids are delivered at the Bid due date and time established



in Section 1 above or by addendum. It shall also be the sole responsibility of the Bidder to ensure that Bids are properly addressed and labeled in accordance with Section 1 above.

7. BID EVALUATION

For the purposes of evaluating Bids, the District will consider a number of factors and will not evaluate based on cost alone. The District may let the Contract to the lowest responsible Bidder or Bidders based upon the plans and specifications, price and any other factors considered. Consideration will be given to the following:

- A. Total Bid Price.
- B. Bidder's Data (See Instruction No. 8 which follows). **NOTE: Any sealed Bid which does not contain all Bidder's Data indicated in Section 8 as "required" shall be rejected.**
- C. Bidder's compliance with the Contractor Safety Requirements specified in these Contract Documents. **Bids that take exception to these requirements shall be rejected.**
- D. All elements or factors which shall affect the final cost to or benefits to be derived by the District, which may include, but not be limited to:
  - 1. The ability, capacity, and skill of the Bidder to perform the Contract or provide the services required;
  - 2. The character, integrity, reputation, judgment, experience, and efficiency of the Bidder;
  - 3. Whether the Bidder can perform the Contract within the time specified;
  - 4. The quality of performance of previous contracts or services; and
  - 5. The previous and existing compliance by the Bidder with laws relating to the Contract or services.
  - 6. Whether, within the three year period immediately preceding the date of this Bid solicitation, the Bidder has been determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.

8. BIDDER'S DATA/SUBMITTALS

The Bidder shall submit the following information with their sealed Bid:

- A. **REQUIRED or Bid shall be rejected.** Bidder shall submit on the Bid Form the names of Subcontractors who shall perform the HVAC (heating, ventilation, and air conditioning), plumbing and electrical work, and structural steel and rebar installation, or name itself.
- B. Bidder shall submit on the Bid Form the names of any other Subcontractors proposed to perform work under this Contract. Bidder shall attach experience and qualifications of Subcontractors with Bid Form.

The Contractor may subcontract or sublet only such part or parts of the work covered by the Contract Documents as the District may approve. In no event shall Contractor subcontract more than 50% of the work. Subcontractors solely for the convenience or profit of the Contractor may not be approved if, as determined by the District, they would have an adverse effect upon the job. The District shall be the sole judge of such effect. The District reserves the right to refuse any person or organization (Subcontractor) to participate in the work covered by this Contract Document. Contractor shall bind every Subcontractor to, and every Subcontractor must agree to be bound by the terms of the Contract Documents, as far as applicable to the Subcontractor's work. No subcontract shall relieve the Contractor of their responsibilities and the Contractor agrees that they are fully responsible to the District for the acts and omissions of their Subcontractors and of persons employed either directly or indirectly by them. Upon request, the Contractor shall supply the District Representative with two copies of all subcontracts. Nothing contained in the Contract shall create any contractual relationship between any Subcontractor and the District.

- C. Statement of experience. Each Bidder shall submit a detailed description of the Bidder's previous experience in transmission and distribution line construction and maintenance. The Bidder shall include sufficient facts regarding their technical and business organization to enable the District to make an informed decision relating to the qualification of the Bidder to perform the specific work called for in this Contract Document. The Bidder shall have a minimum of five years' experience in successful completion of work similar to that which is set forth in these Contract Documents. Additional experience requirements may be included in the Technical Specifications or elsewhere in these Contract Documents for specific portions of the work. Contractor shall ensure compliance with all such requirements. If any proposed Subcontractors shall be used to meet the Contractor's experience requirements specified in this section, the Subcontractor's experience shall be provided.
- D. Bidder shall submit a list of major equipment proposed by Bidder for use in the installation work, including the year of manufacture. Proposed equipment must have a manufacture date of year 2008 or newer
- E. **REQUIRED or Bid shall be rejected.** Resume of supervisor or supervisors to be utilized on this Contract. Supervisor(s) must have a minimum of five years' experience in supervising jobs of similar size and scope.
- F. Bidder shall provide safety record information for the past three years, consistent with the Contractor Safety Request for Information Form, attached hereto as Exhibit "N".

9. **BIDDER RESPONSIBILITY CRITERIA**

Before Contract Award, a Bidder must meet the following responsibility criteria to be considered a responsible Bidder and qualified to be awarded a public works project in accordance with RCW 39.04.350:

- A. At the time of Bid submittal, the Bidder must have a certificate of registration in compliance with RCW 18.27, a plumbing contractor license in compliance with RCW 18.106, an elevator contractor license in compliance with RCW 70.87, or an electrical contractor license in compliance with RCW 19.28;
- B. Have a current Washington State Unified Business Identifier (UBI) number;

- C. If applicable, have Industrial Insurance (worker's compensation) coverage for the Bidder's employees working in Washington State as required in Title 51 RCW;
- D. If applicable, have an Employment Security Department number as required in Title 50 RCW;
- E. If applicable, have a Washington State Department of Revenue state excise tax registration number as required in Title 82 RCW; and
- F. Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3).
- G. Within the three year period immediately preceding the date of this Bid solicitation, not have been determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.
- H. Have attended training from the department of labor and industries or a training program approved by the department of labor and industries relating to the requirements associated with public works and prevailing wage under chapter 39.04.350 RCW and chapter 39.12 RCW.

The Bidder may be required by the District to submit documentation demonstrating compliance with these criteria.

10. BID BOND

Each Bid shall be accompanied by a certified or cashier's check payable to the order of Public Utility District No. 2 of Grant County, Washington for a sum not less than 5% of the amount of the Total Bid Price, or accompanied by a Bid Bond on the form provided as Exhibit "B", in an amount not less than 5% of the Total Bid Price with a corporate surety licensed to do business in the State of Washington, conditioned that the Bidder shall pay the District as liquidated damages the amount specified in the bond, unless Bidder enters into a Contract in accordance with their Bid and furnishes the Payment and Performance Bond hereinafter mentioned within 10 days from Contract Award. If a Bid is rejected, or if a Bid is accepted and a Contract Form executed, any check shall be returned in each instance within a period of 10 days to the Bidder furnishing the same. If the Bid is one of the three low Bids, such check or bond shall be held by the District until Contract Documents are fully executed by the District and successful Bidder and the Payment and Performance Bond provided per Section 12. If a Bid Bond was provided, 30 days following this period, the original Bid Bond shall be destroyed unless the Surety or Contractor requests the return of the bond, in writing, prior to destruction. The Bidder's failure to submit its Bid Bond on the form attached to the Contract Documents may result in rejection of the Bid.

11. REFUSAL TO EXECUTE CONTRACT

Should the successful Bidder fail or refuse to execute a Contract Form and furnish a Payment and Performance Bond within 10 days following receipt of notification of Contract Award, the Bidder shall be considered to have abandoned the Bid and the check or Bid Bond in the amount of not less than 5% of the Bid delivered with the Bid shall thereupon be due and owing to the District as

liquidated damages for such failure or refusal, and the District may thereupon award the Contract to any other Bidder.

12. PAYMENT AND PERFORMANCE BOND

To assure compliance with the terms of the Contract Documents, the Contractor shall furnish a Payment and Performance Bond in an amount equal to 100% of the amount of the Contract Price, excluding Washington State Sales Tax, with surety or sureties who are acceptable to the District. This Payment and Performance Bond shall remain in force for a period of 365 days after Final Acceptance. Thirty days following this expiration, the original Payment and Performance Bond shall be destroyed unless the Surety or Contractor requests the return of the bond, in writing, prior to destruction. The Payment and Performance Bond must be on the form provided with these Contract Documents as Exhibit "D". The cost of the Payment and Performance Bond shall be included in the Total Bid Price.

13. WAIVE MINOR ERRORS

The District reserves the right to waive minor errors or irregularities in any Bid if it appears to the District that such errors or irregularities in any Bid were made through inadvertence and are not material. Any errors or irregularities so waived must be corrected on the Bid on which they occur prior to the execution of any Contract Form which may be awarded thereon. No Bidder may withdraw their Bid after the hour set for the opening thereof, unless and until Contract Award has been delayed for a period exceeding 60 days after the date of Bid opening.

14. DISTRICT'S RIGHT TO REJECT BIDS

The District reserves the right to reject any and all Bids or to accept the Bid which in its sole and absolute judgment shall under all circumstances best serve the interest of the District.

15. PUBLIC RECORDS ACT

The District is subject to the disclosure obligations of the Washington State Public Records Act of RCW 42.56. The Bidder expressly acknowledges and agrees that its Bid and any information Bidder submits with its Bid is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose Bidder's proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

16. EXAMINATION OF SITE

The Bidder shall satisfy itself concerning the nature and the location of the work, the general and local conditions, particularly those affecting transportation, disposal, handling and storage of materials, availability of labor and applicable wage rates, water and electric power, roads, climate conditions and seasons, and physical conditions at the actual work site and project area as a whole, the equipment and facilities needed preliminary to and during work prosecution, and all other matters which can in any way affect the work or the cost thereof. Failure of the Bidder to acquaint itself with all available information regarding any applicable condition shall not relieve Bidder of the responsibility for properly estimating both the difficulties and the costs of successfully performing the work.

Site inspection for all prospective Bidders shall be scheduled with the District Representative, William Coe, by contacting via email at [Wcoe@gcpud.org](mailto:Wcoe@gcpud.org). Arrangements will be made by the District to allow prospective Bidders access to the site for the purpose of making preliminary

inspections. Availability of and access to the site is otherwise limited; therefore the Bidders are advised to plan their inspections and preliminary measurements as specified herein.

17. QUALIFICATION OF BIDDERS

All Bidders shall be District prequalified Contractors as required by RCW 54.04.085.

18. CONTRACT DOCUMENTS

The Contract Documents consist of the documents listed in the Table of Contents.

The Contract Documents shall bind both the District and the Contractor to all requirements set forth in the components of the Contract Documents stated above.

19. BIDDER QUESTIONS OR CLARIFICATIONS

Bidders are to submit questions or requests for clarification in writing to the District's Procurement Officer. If appropriate, response to Bidder's questions will be posted to the District's ProcureWare web site. The deadline to submit questions or request for clarification to the District shall be five business days prior to the time and date that Bids are due.

## GENERAL CONDITIONS

### GC-1. FORM OF CONTRACT

The form of the Contract shall be unit price type.

### GC-2. DEFINITIONS

Whenever these words occur in the Contract Documents, they shall have the following meanings:

“**BID**” - The written proposal submitted by the Bidder on the Bid Form provided as Exhibit “A” in these Contract Documents.

“**BID EVALUATION**” - The criteria for determining the lowest responsive Bid received in response to the Contract Documents.

“**BID ITEM**” - A line item on the Bid Form which is included in these Contract Documents as Exhibit “A”.

“**BID ITEM PRICE**” - The correctly calculated (extended) price of all units of each Bid Item (Bid Unit Price times Estimated Quantity).

“**BID UNIT PRICE**” - The price per unit on a specific Bid Item.

“**BIDDER**” - Any person or entity who submits a Bid.

“**CONTRACT AWARD**” - Contract Award is defined as the date the successful Bidder is first notified in writing that the District has accepted the Contractor's Bid. Contract Award, if any, shall be made within 60 days after the date of Bid opening.

“**CONTRACT DOCUMENTS**” - The Contract Documents shall include all sections listed in the Table of Contents.

“**CONTRACT PRICE**” - The Total Bid Price plus any optional Bid Items included in the Contract Award and any properly approved Change Orders approved subsequent to Contract Award.

“**CONTRACTOR**” - The successful Bidder who is awarded the Contract to perform the work covered by these Contract Documents.

“**DISTRICT**” OR “**OWNER**” - Public Utility District No. 2 of Grant County, Washington.

“**DISTRICT REPRESENTATIVE**” - The employee designated by the District as its representative during the progress of the work.

“**FINAL ACCEPTANCE**” - Acceptance of the work by the District in writing. Final Acceptance shall not constitute an acceptance by the District of any work performed or goods supplied which are not in strict compliance with the Contract Documents.

“**PROMPT PAYMENT DISCOUNT**” - As provided for on the Bid Form, Contractor may accept the prompt payment discount of 2% 10 days, which shall mean, if the District issues payment within 10 days, the payment due shall be reduced by 2%. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

“SUBCONTRACTOR” - A contractor hired by the Contractor to perform a portion of the work covered by these Contract Documents.

“TOTAL BID PRICE” - The properly calculated total of the Bid Items on the Bid Form.

### GC-3. SUSPENSION OF WORK/TERMINATION OTHER THAN FOR DEFAULT

The District may, at its sole option, by notice in writing to the Contractor suspend or terminate at any time the performance of all or any portion of work to be performed under the Contract. Upon such notice of suspension or termination of work, the District shall designate the amount and type of plant, labor, and equipment to be committed to the work site during the period of suspension or termination. The Contractor shall use its best efforts to utilize its plant, labor, and equipment in such a manner as to minimize costs associated with suspension or termination.

- A. Upon receipt of any such notice, the Contractor shall:
  - 1. Immediately discontinue work as specified in the notice;
  - 2. Place no further orders or subcontracts for material, services, or equipment with respect to suspended or terminated work;
  - 3. Promptly suspend or terminate all orders, subcontracts, and rental agreements to the extent they relate to performance of work suspended or terminated;
  - 4. Continue to protect and maintain the work, including those portions on which work has been suspended;
  - 5. Assist District Representative or District in the maintenance, protection, and disposition of work in progress, plant, tools, equipment property, and materials acquired by Contractor or furnished by Contractor under this Contract; and
  - 6. Complete performance of the work which is not terminated.
- B. As full compensation for such suspension the Contractor shall be reimbursed for the following costs, reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work:
  - 1. A standby charge, as determined to be equitable by the District Representative, to be paid to the Contractor during a period of suspension of work sufficient to compensate the Contractor for keeping, to the extent required in the notice, its organization and equipment committed to the work in a standby status;
  - 2. All reasonable costs, as determined to be equitable by the District Representative, associated with any demobilization and remobilization of the Contractor's plant, forces, and equipment;
  - 3. Any claim on the part of the Contractor for additional time or compensation shall be made within 10 days after receipt, by Contractor, of a notice to suspend work. Failure to submit a claim within the 10 day period shall constitute a waiver of any such claim; and
  - 4. In no event shall the amount to be paid the Contractor pursuant to this section exceed the Contract Price.

- C. Upon receipt of notice to resume suspended work, the Contractor shall immediately resume performance of the suspended work to the extent required in the notice. Any claim on the part of the Contractor for time or compensation shall be made within 10 days after receipt of notice to resume work and the Contractor shall submit a revised project schedule for review.
- D. Upon delivery of a written notice to the Contractor, the District may, without cause and without prejudice to any other right or remedy, elect to terminate the Contract. Upon receipt of any such notice, the Contractor shall take all appropriate steps in part A of this Section GC-3.

Upon any such termination, Contractor shall waive any claims for damages including Contractor's overhead, loss of anticipated profits, and all other inconvenience, expenses, damages, costs and lost profits whatsoever.

If such termination is effected after Contract Award but prior to the District issuing Notice to Proceed to the Contractor, the District shall pay the reasonable, verifiable and directly attributable costs incurred by the Contractor in the preparation of their Bid plus 15% of such costs. If such termination is effected after the District has issued Notice to Proceed and the Contractor has commenced performance hereunder, the District shall pay the reasonable, verifiable and directly attributable costs incurred by the Contractor as determined by the physical progress of the work satisfactorily completed to date plus costs of removing equipment and materials and otherwise demobilizing, plus 10% of the sum of all such costs; provided, said payment shall not in any event exceed the Contract Price hereunder. The payment of the District shall constitute full and complete satisfaction and settlement for the Contractor's overhead, anticipated profits, and all other inconvenience, expenses, damages, costs and lost profits whatsoever. The Contractor shall be entitled to no further payments whatsoever for the work. Amounts retained and accumulated under RCW Chapter 60.28 shall be held and disbursed as provided therein.

Contractor shall submit within 30 days after receipt of notice of termination, a request for adjustment to the Contract Price in accordance with the above provisions. District Representative shall review, analyze, and verify such request, and upon District Representative's approval, the Contract shall be amended in writing accordingly.

Those provisions of the Contract that by their nature survive Final Acceptance under the Contract shall remain in full force and effect after such termination.

#### GC-4. TERMINATION FOR DEFAULT/NONCOMPLIANCE

##### A. Acts of Default

If Contractor fails in any material way to comply with any of the conditions or provisions of the Contract Documents or is unable to pay its debts as they mature or authorizes or takes any action under bankruptcy or reorganization, readjustment of debt, insolvency, liquidation or other similar laws or proceedings it shall be considered an act of default.

##### B. Consequences of Default

In the event of default, the District may immediately, without limiting any other remedy available to it in law or equity, withhold any amount otherwise due under the Contract. The District shall provide written notice of default. In the event the default can be cured,



and Contractor fails to correct the default within 10 days after written notice of default, the District may terminate the Contractor's right to proceed with all or any portion of the work. The District's right to liquidated damages shall not in any manner limit any other remedy available to the District, including but not limited to, the District's right to terminate the Contractor's right to proceed.

C. Noncompliance

The Contractor shall, upon receipt of written notice of noncompliance with any provision of this Contract and the action to be taken, immediately correct the conditions to which attention has been directed. Such notice, when served on the Contractor or its representative at the site of the work, shall be deemed sufficient. If the Contractor fails or refuses to comply promptly, the District Representative may issue an order to suspend all or any part of the work. When satisfactory corrective action is taken, an order to resume work shall be issued. No part of the time lost due to any such suspension order shall entitle the Contractor to any extension of time for the performance of the Contract or to reimbursement for excess costs or damages.

GC-5. ASSIGNMENT

The Contractor shall not assign this Contract or any interest in or part thereof, or any monies due or to become due hereunder, without the prior written approval of the District. Any costs to the District associated with the assignment may be deducted from amounts due to the Contractor.

GC-6. INDEMNITY

- A. Contractor shall be responsible for any and all damage, loss or injury of any kind or nature whatsoever, direct or indirect, to person or property arising out of or in any manner connected with or caused by or resulting from or suffered in connection with the execution of the work provided for in this Contract, or in connection therewith. Contractor agrees to defend, indemnify and hold harmless the District and its representatives (which terms shall be deemed to include directors, officers, employees, agents, and servants, and any other persons directly or indirectly engaged in any activity connected with the performance of the work under the Contract Documents) from and against any and all liabilities, claims, losses, damages or expenses, including reasonable legal fees, and expert witness fees, which may be incurred or sustained by the District or any of their respective employees, by reason of any act, omission, misconduct, negligence, or default on the part of the Contractor or any Subcontractor of the Contractor, and any employees of the Contractor or Subcontractor and except as may otherwise be provided by applicable law. Contractor specifically assumes liability for actions brought by Contractor's own employees against the District and for that purpose Contractor specifically waives any immunity under the Workers Compensation Act, RCW Title 51. The indemnification obligation under this Contract shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefits acts, or other employee benefits acts; provided Contractor's waiver of immunity by the provisions of this paragraph extends only to claims against Contractor by District, and does not include, or extend to, any claims by Contractor's employees directly against Contractor.
- B. The District shall not be responsible or be held liable for any damage to person or property consequent upon the use, misuse or failure of any crane, hoist, rigging, blocking, scaffolding or other equipment used by the Contractor or any of its Subcontractors, even though the said

crane, hoist, rigging, blocking, scaffolding, or other equipment be furnished or loaned to the Contractor by the District. The acceptance and/or use of any such crane, hoist, rigging, blocking, scaffolding or other equipment by the Contractor or its Subcontractors shall be construed to mean that the Contractor accepts all responsibility for any claims for damages whatsoever resulting from the use, misuse or failure of such apparatus whether such damages by its own employees or property or to the employees or property of other Contractors, the District, or otherwise.

- C. Contractor's indemnification obligation shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by the negligence of the District or its agents or employees and not attributable to any act or omission on the part of the Contractor. In the event of damages to person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.
- D. Contractor acknowledges that by entering into a contract with the District, Contractor has mutually negotiated the above indemnity provisions with the District. Contractor's indemnity and defense obligations shall survive the termination or completion of the Contract and remain in full force and effect until satisfied in full.

#### GC-7. LAWS, REGULATIONS, PERMITS

The Contractor and Subcontractors shall comply with all applicable building, health, and construction codes. The Contractor represents that it is familiar with, and shall be governed by and comply with, all Federal, State and local statutes, laws, ordinances, and regulations including amendments and changes as they occur. In the event of a conflict, the most stringent provision shall apply. The Contractor and any Subcontractors shall be responsible for ensuring that its employees fully comply with the District's Code of Ethics, a copy of which is available at the District's offices.

All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Contract shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of the District and Contractor shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Contract shall be exclusively in the Superior Court, County of Grant, State of Washington or the Federal District Court for the Eastern District of Washington at the District's sole option. In the event of litigation to enforce the provisions of this Contract, the prevailing party shall be entitled to reasonable legal fees in addition to any other relief allowed.

Unless the Contract Documents provide otherwise, all permits and licenses necessary to the prosecution of the work shall be secured by the Contractor at its own expense, and Contractor shall give all notices necessary and incident to the due and lawful prosecution of the work.

#### GC-8. DAMAGES

Any claims arising under the Contract by the Contractor shall be made in writing to the District Representative no later than 10 days after the beginning of the event or occurrence giving rise to the claim. Failure to make written claim prior to the time specified in the Contract Documents shall constitute waiver of any such claim.

GC-9. INDEPENDENT CONTRACTOR, SUPERINTENDENT, AND EMPLOYEES

It is understood and agreed that in all work covered by the Contract, the Contractor shall act as an independent contractor, maintaining complete control over its employees and all of its Subcontractors. The Contractor shall perform the work in accordance with its own methods, subject to compliance with the Contract. The Contractor shall perform the work in an orderly and workmanlike manner, enforce strict discipline and order among its employees and assure strict discipline and order by its Subcontractors, and shall not employ or permit to be employed on the work any unfit person or anyone unskilled in the work assigned to them.

The Contractor shall designate in writing before starting work competent, authorized site representative(s) who shall be authorized to represent and act for the Contractor in all matters relating to the Contract. The Contractor's letter designating representative(s) shall clearly define the scope of their authority to act for the Contractor and define any limitations of this authority. Said authorized representative(s) shall be present at the site of the work at all times when work is in progress. Arrangements acceptable to the District shall be made for any emergency work which may be required. The Contractor's authorized representative(s) shall be supported by competent assistants as necessary, and the authorized representative(s) and assistants shall all be satisfactory to the District. All directions given to the authorized representative(s) by the District shall be binding as if given to the Contractor.

The Contractor and its Subcontractors shall employ only orderly workers. Employees deemed by the District to be incompetent, subversive, or disorderly shall be removed from the performance of the work, and such removal shall not form the basis of any claim for compensation or damage upon the District.

The Contractor and Subcontractor shall be responsible for ensuring that its employees fully comply with all applicable federal, state and local laws and support the District's commitment to provide a safe, healthy, and drug free work environment. The Contractor and Subcontractor shall immediately remove any employee from further work when it is determined that they are not fit for duty. Furthermore the Contractor and Subcontractor shall immediately remove any employee from further work if it is determined by the District, at its discretion, that the employee is not fit for duty for any reason. Failure on the part of the Contractor or Subcontractor to comply with any of the above shall be considered an act of default in accordance with Section GC-4.

GC-10. CORRECTION OF WORK/WARRANTY

All materials and equipment incorporated into any work under the Contract shall be new and of the most suitable grade of their respective kinds for their intended uses unless otherwise specified. All workmanship shall be in accordance with sound work practices acceptable to District Representative. Contractor warrants all equipment, materials and labor it furnishes or performs under this Contract against defects in design, materials, and workmanship. Contractor's warranty shall remain in effect for a period of 365 days after Final Acceptance.

If at any time prior to the expiration of the warranty period, Contractor or District discovers any defect in such design, materials or workmanship, the Contractor shall, upon written notice from the District given within a reasonable time after discovery, correct such defects to the satisfaction of the District by redesigning, repairing or replacing the defective work at a time acceptable to District. All costs incidental to such corrective action including removal, disassembly, reinstallation, re-work, re-testing and re-inspection as may be necessary to correct the defect or demonstrate that the previously defective work conforms to the requirements of the Contract shall be borne by the Contractor.

Contractor warrants any and all corrective action against defects in design, materials, and workmanship for a period of 12 months following acceptance by District of the corrected work.

If, after due notice, the Contractor shall refuse or persistently neglect to make corrections so as to meet the requirements of the Contract, the District may proceed to make such corrections as they may be required and Contractor shall reimburse District for all cost and expenses incurred in connection therewith.

The warranty requirements in this section are the minimum requirements for materials, equipment and work under this Contract. Any other warranty requirements specified in the Contract, including the Technical Specifications, are in addition to, and not in lieu of the minimum requirements specified herein.

#### GC-11. CHANGES IN WORK

Without invalidating the Contract, the District may make changes by altering, adding or deducting from the work, and/or make changes in the drawings and specifications requiring changes in the work and/or materials and equipment to be furnished under this Contract; provided such additions, deductions or changes are within the general scope of the Contract. Except as provided herein, no official, employee, agent or representative of the District is authorized to approve any change in this Contract and it shall be the responsibility of the Contractor before proceeding with any change, to satisfy itself that the execution of the written Change Order has been properly authorized on behalf of the District. The District's management has limited authority to approve Change Orders. The current level and limitations of such authority are set forth in District Resolution No. 8609 which may be amended from time to time. Otherwise, only the District's Board of Commissioners may approve changes to this Contract.

Charges or credits for the work covered by the approved changes shall be determined by one or more, or a combination of the following methods, at the District's option:

- A. Unit prices specified in the Contractor's Bid proposal, if any.
- B. An agreed lump sum. When requested, Contractor shall provide a detailed proposal for evaluation by the District, including, as applicable:
  - 1. Detailed proposed labor categories, hours, and rates.
  - 2. Specific materials and quantities.
  - 3. Equipment and equipment hours.
- C. Actual Cost
  - 1. Labor, including foreman, only for employees who will work directly on the work covered by the Change Order.
  - 2. Payroll taxes and fringe benefits.
  - 3. Materials entering permanently into the work.
  - 4. The ownership or rental cost of plant and equipment during the time of use on the project.
  - 5. Power and consumable supplies for the operation of power equipment.

6. Insurance and bonding.
7. The Contractor may include a fixed fee (overhead plus profit) not to exceed 15% to the sum of Items 1 through 6. This fixed fee shall include:
  - a. Reproduction and printing costs including electronic media.
  - b. Communication costs including all phones, faxes, Internet, postage, shipping, delivery, couriers.
  - c. Computer software, printers, scanners, office machines and related costs of operation including consumables.
  - d. Indirect and overhead burden.
  - e. Profit.
8. For any work performed by a Subcontractor, the Contractor's fixed fee is limited to 6%. Items 1 through 7 also apply to the Subcontractor.

When a change is ordered by the District, as provided herein, a Change Order shall be executed by the District and the Contractor before any Change Order work is performed. The District shall not be liable for any payment to Contractor, or claims arising therefrom, for Change Order work which is not first authorized in writing as set forth in this section. All terms and conditions contained in the Contract Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as Exhibit "E" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

The District Representative may instruct the Contractor to make minor changes in the work where such changes are not inconsistent with the purposes of the Contract, do not involve any additional cost and shall not require an extension of the Contract completion date. The Contractor shall make no such changes without receipt of a District Instruction, Exhibit "F", setting forth the changes to be made. Contractor's compliance therewith shall constitute its acknowledgment that such changes shall not result in any claim for additional payment or extension of the Contract completion date. District Instructions, when issued, shall be in writing and signed by the District Representative.

If the Contractor believes the instruction shall result in additional costs or time extensions, Contractor shall promptly notify the District of the same and not proceed with the changes. Contractor shall provide a cost and schedule proposal per District Instruction Item 3 or independently provide an alternative for consideration by the District Representative by submitting a Contractor Change Order Proposal, Exhibit "G".

No waiver of any provision of the Contract, and no consent to departure there from, by either party, shall be effective unless in writing and signed by the waiving or consenting party, and no such waiver or consent shall extend beyond the particular case and purpose involved.

If Contractor believes that any requirement, direction, instruction, interpretation, determination, or decision of the District described in a Change Order entitles Contractor to an adjustment in the Contract Price or time for performance and Contractor refuses to execute the Change Order, then Contractor shall submit a claim as provided in Section GC-8 of this Contract. Notwithstanding the submission of any such claim, Contractor shall proceed without delay to perform the work described in the Change Order.

#### GC-12. PAYMENT/RETAINAGE

Contractor may submit an invoice monthly for work satisfactorily completed during the previous month. The invoice shall contain detailed information identifying the work completed for which payment is sought, including a listing of the number of units of each Bid Item actually furnished multiplied by the applicable Bid Unit Price and any Subcontractor invoices where appropriate. The invoice shall be submitted for District verification. The District will make payment to Contractor within 30 days after District's receipt and approval of said invoice. Contractor understands and agrees that by executing this Contract with the District, the District shall make payment(s) by automated clearing house (ACH). If accepted by the Contractor on the Bid Form and the District issues payment within 10 days, the payment due shall be reduced by 2%.

Invoices shall include the Contract number 130-12026H and a list of the Subcontractors used during the billing period. Invoices shall be addressed as follows:

Public Utility District No. 2  
of Grant County, Washington  
Attn: Accounts Payable  
PO Box 878  
Ephrata, WA 98823

Phone: (509) 793-1450  
E-mail: [AccountsPayable@gcpud.org](mailto:AccountsPayable@gcpud.org)

The District shall withhold the sum of 5% of the amount of each progress payment to the Contractor as retainage in accordance with RCW Chapter 60.28 of the Revised Code of the State of Washington.

If the District is requested in writing by the Contractor, the monies reserved hereunder (retainage) shall be placed in escrow with a mutually agreed upon bank or trust company by the District and interest on such escrowed funds shall be paid to the Contractor as said interest accrues, all as more fully provided in RCW Chapter 60.28. However, any payments made to the Contractor hereunder shall not relieve the Contractor from responsibility under provision of the Contract and warranties. Payment is not to be construed as acceptance by District or certification that the Contractor has performed the work correctly or according to Contract Documents.

#### GC-13. PAYMENTS WITHHELD

In addition to the above percentage retained, the District may withhold the whole or part of any payment to such extent as may be reasonably necessary to protect itself from loss on account of:

- A. Defective or damaged work not remedied or warranties not met.
- B. Claims filed or reasonable evidence indicating filing of claims against the Contractor.
- C. Failure of the Contractor to make payments properly to Subcontractors or for materials, labor, or equipment.
- D. A reasonable doubt that the Contract can be completed for the balance then unpaid.
- E. Damage to another Contractor.

- F. Damage to or loss of District-furnished materials or District property.
- G. Contractor's failure to meet any performance warranties required by the Contract Documents.
- H. Contractor's liability for payments due to the District as the result of terms and conditions of these Contract Documents.

The Contractor shall provide a contact name, address, and email address to facilitate notification if any payment, or portion of any payment, is withheld for any of the reasons above, or for missing documentation or items incorrectly invoiced. Notification shall be made via email, or shall be mailed, properly addressed and stamped with the required postage to the person designated by the Contractor.

#### GC-14. ACCEPTANCE AND FINAL PAYMENT

When the Contractor has completed all work in accordance with the terms of the Contract Documents, the Contractor shall properly execute and submit final invoice to Accounts Payable. Once final invoice has been processed, the District's Procurement Department will issue the Certificate of Completion and Release to be executed by the Contractor and returned to the Procurement Officer. The Certificate of Completion and Release shall constitute a waiver of all claims by the Contractor except for unsettled claims specifically stated, if any.

The Certificate of Completion and Release shall warrant that the Contractor has fully completed its work included in the Contract and has fully paid for labor, materials, equipment, services, taxes and all other costs and expenses of every nature and kind whatsoever resulting from this Contract. If any dispute exists between the Contractor and any person, firm or corporation to which the Contractor might be obligated in connection with this Contract, the Contractor shall state the name of claimant and amount and general nature of claim against the Contractor. The Certificate of Completion and Release shall state the amount and nature of all present and future claims that the Contractor may have against the District relative to this Contract. The Contract work shall not be complete until after the Contractor has returned to the Procurement Officer a properly completed Certificate of Completion and Release.

Upon receipt of Certificate of Completion and Release by the Procurement Officer, the District Representative provides a recommendation relative to Final Acceptance. The District shall, within a reasonable time, take action on Final Acceptance. Such action shall be subject to the condition of the Payment and Performance Bond, legal rights of the District, required warranties, and correction of faulty work discovered after final payment. The District shall have the right to retain from any payment then due the Contractor, so long as any bills or claims remain unsettled and outstanding, a sum sufficient, in the opinion of the District, to provide for the payment of the same. It is also understood and agreed that, in the case of any breach or damage by the Contractor of the provisions hereof, the District may retain from any payment or payments a sufficient sum in the opinion of the District which may become due under any obligation of the District.

Sixty days after Final Acceptance, retainage may be released to the Contractor; provided, however, that there are no claims filed of materialmen or laborers and that the District has received the certificate of the Washington State Department of Revenue of payment in full of all taxes, Employment Security Department release, the approved Washington State Department of Labor and Industries Certificate of Release of the State's Lien on Public Works Contracts form and the approved affidavit showing payment of prevailing wages for the Contractor and any Subcontractors. If any liens remain unsatisfied from the retainage, the Contractor shall refund to the District such amounts

as the District may have been compelled to pay in discharging such liens including all costs and reasonable legal fees.

GC-15. DISTRICT REPRESENTATIVE'S STATUS, AUTHORITY AND PROTEST PROCEDURE

The District Representative shall represent the District. The District Representative has authority to stop the work whenever such stoppage may be necessary to ensure the proper execution of the Contract. District Representative shall also have authority to reject all work, equipment, and materials which do not conform to the Contract and to decide questions which arise in the execution of the work.

Approval by the District Representative signifies favorable opinion and qualified consent. It does not carry with it certification, assurance of completeness, assurance of quality, nor assurance of accuracy concerning details, dimensions, and quantities. It is not an acceptance by the District or certification that Contractor has performed the Contract work correctly or according to Contract Documents. Such approval shall not relieve the Contractor from responsibility for errors or for deficiencies within its control.

All claims of the Contractor and all questions relating to the interpretation of the Contract, including all questions as to the acceptable fulfillment of the Contract on the part of the Contractor and all questions as to compensation, shall be submitted in writing to the District Representative for determination within the applicable time period specified in the Contract Documents.

All such determination and other instructions of the District Representative shall be final unless the Contractor shall file with the District Representative a written protest, stating clearly and in detail the basis thereof, within 10 days after the District Representative notifies the Contractor of such determination or instruction. The protest shall be forwarded by the District Representative to the District's General Manager, who shall issue a decision upon each such protest, and its decision shall be final. Pending such decision, the Contractor, if required by the District Representative, shall proceed with the work in accordance with the determination or instructions of the District Representative.

The District Representative may appoint assistants and inspectors to assist in determining that the work performed and materials furnished comply with Contract requirements. Such assistants and inspectors shall have authority to reject defective material and suspend any work that is being done improperly, subject to the final decisions of the District Representative, or to exercise such additional authority as may be delegated to them by the District Representative. All work done and all materials furnished shall be subject to inspections by the District Representative or inspector at all times during the work.

The District Representative and contact information for this Contract is listed below.

William Coe  
Public Utility District No. 2  
of Grant County, Washington  
PO Box 878  
Ephrata, WA 98823  
(509) 754-6756  
Wcoe@gcpud.org



## GC-16. COOPERATION WITH OTHERS

There may be other contractors or forces of the District working the same area where work under this Contract shall be performed. The Contractor shall fully cooperate with such other contractors and the District's employees and carefully fit their work with the other work consistent with orderly and expeditious performance and completion of the project as a whole.

## GC-17. WAGES PAID BY THE CONTRACTOR

Contractor and its Subcontractors shall comply with all provisions of RCW Chapter 39.12 and Section 2.5 of the Collective Bargaining Agreement (hereinafter referred to as Section 2.5) between the District and IBEW Local No. 77. A copy of Section 2.5 is attached hereto as Exhibit "I". Contractor and its Subcontractors shall pay all laborers, workmen, or mechanics employed by it or them in the performance of this Contract the greater of: (1) the applicable state prevailing wage rate required by (RCW Chapter 39.12); or (2) the applicable wage rate required by Section 2.5. In the event the applicable wage rate(s) required to be paid by the Contractor or its Subcontractors change during the performance of this Contract, Contractor and its Subcontractors shall make any required adjustment so as to fully comply with any applicable state prevailing wage rate law (RCW Chapter 39.12) and Section 2.5. Notwithstanding the foregoing, the District shall not be required to make any adjustment in the Contract Price as a result of changes in either the state prevailing wage rate law or Section 2.5, except as provided in WAC 296-127-023.

Prior to any payments being made to Contractor, the Contractor and each and every Subcontractor of the Contractor or a Subcontractor shall file a "Statement of Intent to Pay Prevailing Wages" which has been approved by the Department of Labor and Industries as required by RCW 39.12.040.

Washington State hourly prevailing wage rates are located at:

<https://www.lni.wa.gov/licensing-permits/public-works-projects/prevailing-wage-rates/>. It shall be the Contractor's responsibility to determine the locality of the work and to confirm with the Washington State Department of Labor and Industries, prior to the Bid due date, that the appropriate classification of work and most current version of the prevailing wage rates are utilized in the preparation of the Contractor's Bid.

**Pursuant to RCW 54.04.070 7(e), Intents and Affidavits for prevailing wages paid must be submitted annually for all work completed by the Contractor and any Subcontractors used within the previous twelve-month period of the unit priced contract. Any filing costs associated with Intents and Affidavits shall be included in the Total Bid Price.**

## GC-18. INSURANCE

- A. Prior to the commencement of any work under this Contract, and at all times during the term of this Contract, Contractor shall obtain and maintain continuously, at its own expense a policy, or policies of insurance with insurance companies rated A- VII or better by A.M. Best, as enumerated below. Any deductible, self-insured retention or coverage via captive \$25K or above must be disclosed and is subject to approval by District's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the Contractor and not recoverable under any part of this Contract.

Contractor Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Contractor against claims for bodily injury (including

death) and property damage (including loss of use). Such insurance shall provide coverage for:

- a. Premises and Operations;
- b. Products and Completed Operations;
- c. Contractual Liability;
- d. Personal Injury Liability (with deletion of the exclusion for liability assumed under Contract);
- e. Pollution Liability (sudden and accidental);
- f. Such insurance shall not exclude coverage for action-over liability claims;
- g. Such insurance shall not exclude coverage for Explosion (X), Collapse (C) and Underground Hazards (U).

with the following **minimum limits**:

- h. \$1,000,000 Each Occurrence
- i. \$1,000,000 Personal Injury Liability
- j. \$2,000,000 General Aggregate (per project)
- k. \$2,000,000 Products and Completed Operations Aggregate

Commercial general liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

2. **Workers' Compensation and Stop Gap Employers Liability: When applicable,** Workers' Compensation Insurance as required by law for all employees. Employer's Liability Insurance, including Occupational Disease coverage, in the amount of **\$1,000,000 for Each Accident, Each Employee, and Policy Limit.** Employer's Liability may be procured as an endorsement to the commercial general liability via the Stop Gap Coverage endorsement. The Contractor expressly agrees to comply with all provisions of the Workers' Compensation Laws of the states or countries where the work is being performed, including the provisions of Title 51 of the Revised Code of Washington for all work occurring in the State of Washington.

If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers (USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or Maritime Employer's Liability (MEL).

3. **Automobile Liability Insurance:** Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned (if any), rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of \$1,000,000 per accident** for bodily injury, property damage or death combined and containing appropriate uninsured motorist and No-Fault insurance provision, where applicable.

Automobile liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

4. **Excess Insurance:** Excess (or Umbrella) Liability insurance with a **minimum limit of \$10,000,000 per occurrence and in the aggregate**. This insurance shall provide coverage in excess of the underlying primary liability limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1, 2 (Employer's Liability only) and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years or the statute of repose.

Excess/umbrella liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

5. **Builders Risk Insurance:** The District shall, at its own expense, carry and maintain "All Risks" forms of "Builders Risk" insurance, against loss of or damage to property including Earthquake and Flood on a replacement cost basis and with a waiver of the coinsurance provision, insuring the District, Contractor, all Subcontractors and all Sub-Subcontractors from and against all risks of physical loss or damage to the work, the foundation, (including permanent and temporary building and contents), materials, equipment and supplies for the full insurable value thereof, while in transit to the job site, while there awaiting installation, during installation and all forms of testing, and until completion and acceptance by District of Contractor's work hereunder. Such insurance shall be written in an amount at least equal to the initial Contract Price as well as subsequent modifications of that sum plus the value of District supplied materials and equipment.

Except for loss or damage caused by earthquake or flood (Optional), Contractor shall pay at its sole cost and expense the deductible for any claim under the builder's risk policy up to \$10,000. Such cost and expense shall not be recoverable under any part of this contract. If the deductible for a claim under the builder's risk policy exceeds this amount, the District shall be responsible for the excess.

Insurance coverage loss or damage to Contractor's or its Subcontractor's tools shall be maintained by Contractor or Subcontractor at its sole discretion and at its own expense. If such insurance is purchased, the policy shall provide a waiver of subrogation in favor of the District.

6. **Aircraft Insurance:** If the performance of the work requires the use of any aircraft that is owned, leased, rented or chartered by Contractor or any of its Subcontractors, Aircraft Liability insurance with a **minimum limit of \$10,000,000 per occurrence** for bodily injury and property damage, including passengers and crew.

Aircraft liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

If Contractor shall hire Subcontractor for all operations and risk involving aircraft exposure, this requirement may be satisfied by Subcontractor's policies. Contractor shall impute the insurance requirements stated in this section to Subcontractor by written contract or written agreement. Any exceptions must be mutually agreed in writing with the District.

- B. Evidence of Insurance - Prior to performing any Services, and within 10 days after receipt of the Contract Award, then annually thereafter, the Contractor shall file with the District a Certificate of Insurance showing the Insuring Companies, policy numbers, effective dates, limits of liability and deductibles with copies of the endorsements or policy documents where policy terms required under Section A are met.

Failure of the District to demand such certificate or other evidence of compliance with these insurance requirements or failure of the District to identify a deficiency from the provided evidence shall not be construed as a waiver of the Contractor's obligation to maintain such insurance. Acceptance by the District of any certificate or other evidence of compliance does not constitute approval or agreement by the District that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements.

The District shall have the right but not the obligation of prohibiting the Contractor or Subcontractor from entering the project site until such certificates or other evidence of insurance has been provided in full compliance with these requirements. If the Contractor fails to maintain insurance as set forth above, the District may purchase such insurance at the Contractor's expense. The Contractor's failure to maintain the required insurance may result in termination of this Contract at the District's option.

- C. Subcontractors - Contractor shall ensure that each Subcontractor meets the applicable insurance requirements and specifications of this Contract. All coverage for Subcontractors shall be subject to all the requirements stated herein and applicable to their profession. Contractor shall furnish the District with copies of certificates of insurance evidencing coverage for each Subcontractor upon request.

1. Major Subcontractors. Contractor shall require Subcontractors with subcontracts having a value in excess of \$1,000,000 to obtain and maintain the insurance coverages listed in Section A above throughout the duration of the project, specific to Subcontractors' work and activities that are directly or indirectly associated with this project; provided, however, Subcontractors' Umbrella Liability insurance may be reduced to:

\$4,000,000 Each Occurrence

\$4,000,000 General Aggregate Limit

\$4,000,000 Products-Completed Operations Aggregate Limit

2. Other Subcontractors. Contractor shall require Subcontractors with subcontracts having a value less than \$1,000,000 to obtain and maintain, at a minimum, commercial general liability insurance, stop gap employers liability and auto liability insurance as described in Section A.1-3 above at all times while working on District premises.
3. All Subcontractors must comply with the Worker's Compensation Law contained in Title 51 of the Revised Code of Washington for all work performed in the State of Washington.

- D. Cancellation of Insurance - The Contractor shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies, to the extent commercially available, or Contractor shall provide 30 days advance written notice to the District for cancellation or any material change in coverage or condition, except 10 days' advance written

notice for cancellation due to non-payment of premium. Should the Contractor receive any notice of cancellation or notice of nonrenewal from its insurer(s), Contractor shall provide immediate notice to the District no later than two days following receipt of such notice from the insurer. Notice to the District shall be delivered by email.

GC-19. SAFETY

The Contractor shall comply with the safety requirements of these Contract Documents, all District policies pertaining to COVID-19 located at <https://www.grantpud.org/for-contractors> and the current version of the applicable requirements of the following codes and standards (including reports and records as required) which includes but are not limited to:

Applicable Local Codes and Statutes	
American Concrete Institute	(ACI)
American Institute of Steel Construction	(AISC)
American National Standards Institute	(ANSI)
American Society of Civil Engineers	(ASCE)
American Society of Mechanical Engineers	(ASME)
American Society for Testing and Materials	(ASTM)
American Welding Society	(AWS)
American Wood Preservers Association	(AWPA)
Division of Occupational Safety and Health	(DOSH)
Edison Electric Institute	(EEI)
Institute of Electrical & Electronics Engineers	(IEEE)
Insulated Cable Engineers' Association	(ICES)
International Building Code	(IBC)
International Energy Conservation Code	(IECC)
International Existing Building Code	(IEBC)
International Fire Code	(IFC)
International Mechanical Code	(IMC)
International Plumbing Code	(IPC)
National Electrical Code	(NEC)
National Electrical Manufacturers' Association	(NEMA)
National Electrical Safety Code	(NESC)
National Fire Protection Association	(NFPA)
Occupational Safety and Health Administration	(OSHA)
Washington Administrative Code	(WAC)
Washington Industrial Safety & Health Act	(WISHA)
Washington State Department of Ecology	(WSDOE)
Washington State Department of Health	(WSDOH)
Washington State Department of Transportation	(WSDOT)
Washington State Department of Labor & Industries	(LNI)
Washington State Energy Code	(WSEC)
United States Environmental Protection Agency	(EPA)

Any accidents or damage to District property shall be reported immediately to the District Representative in accordance with the Contractor Safety Requirements section of these Contract Documents.

Nothing herein shall be deemed to impose any duty or obligation on the District to determine the adequacy or sufficiency of the Contractor and Subcontractors' safety programs. Contractors and

Subcontractors remain solely responsible for safety of the general public and employees, as provided herein.

#### GC-20. INSPECTION

The District Representative, assistants and inspectors shall have access to all places where work is being done or where materials are being manufactured or prepared for use under these Contract Documents and they shall have full access to facilities for unrestricted inspection during working hours of such materials, equipment and work. The District Representative, assistants and inspectors shall be authorized to record their observations in any manner reasonable, including but not limited to recording by photographs.

The District Representative shall be kept informed of the production schedules so that inspections may be adequately performed. The Contractor shall give timely notice of any inspections required or desirable. Re-examination of questioned work may be ordered by the District Representative, and, if so ordered, the work must be uncovered by the Contractor. If such work be found in accordance with the Contract Documents, the District shall pay the costs of re-examination and replacement. If such work be found not in accordance with the Contract Documents, the Contractor shall bear such cost and expedite such necessary corrections.

#### GC-21. CONFLICT AND PRECEDENCE/INTENT

- A. In the event there are any conflicting provisions or requirements in the component parts of the Contract, the several Contract Documents shall take precedence in the following order:
1. Change Orders
  2. Contractor Safety Requirements
  3. Contract Form
  4. Addenda
  5. Specific Requirements
  6. General Conditions
  7. Instructions to Bidders
  8. Payment and Performance Bond
  9. Bid Proposal
- B. The intent of the Contract Documents is to prescribe a complete work. Contractor shall furnish all labor, tools, equipment, transportation, supplies and incidentals required to complete all work. The Contract Price, whether lump sum or unit prices or a combination thereof, shall be full pay for all work and equipment required to fully complete the Contract work.

#### GC-22. PRE-WORK CONFERENCE

The Contractor, upon notification by the District, may be required to attend a pre-work conference prior to starting any work. The purpose of the conference is to discuss, among other considerations, the responsibility of the Contractor and its Subcontractors in the prosecution and progress of the work.

The conference, if any, shall be held on a date mutually agreed upon by the Contractor and the District Representative.

#### GC-23. PROGRESS MEETINGS

Progress review meetings shall be held at regular intervals as deemed necessary by the District Representative. Progress meetings shall be utilized to review the work schedule and discuss any delays, unusual conditions, or critical items which have affected or could affect the progress of the work.

Time is of the essence for this Contract. If at any time during the progress of work, the Contractor's actual progress, in the opinion of the District Representative, is inadequate to meet the Contract completion dates, the District may issue a written notice of noncompliance to the Contractor who shall thereupon take such steps as may be necessary to improve its progress. If within a reasonable period as determined by the District Representative, the Contractor does not improve performance to meet the work schedule, the District may direct the Contractor to accelerate the work through an increase in the Contractor's labor force, the number of shifts, overtime operations, additional days of work per week and/or an increase in the amount of plant; all without additional cost to the District. Neither such notice by the District nor the District's failure to issue such notice shall relieve the Contractor of its obligation to achieve the quality of work and rate of progress required by the Contract.

Failure of the Contractor to comply with the instructions of the District may be grounds for determination by the District that the Contractor is not prosecuting its work with such diligence as shall assure completion within the times specified. Upon such determination, the District may terminate the Contractor's right to proceed with the performance of the Contract, or any separable part thereof in accordance with Section GC-4.

#### GC-24. DELAYS AND EXTENSIONS OF TIME

If the Contractor is delayed at any time in the progress of work by any unforeseeable causes beyond the control of the Contractor, the Contract time shall be extended for such reasonable time as the District Representative shall determine. The Contractor agrees to complete the work within the Contract time as thus extended. Such extensions shall postpone the beginning of period for payment of liquidated damages but they and the events producing them shall not be grounds for claim by the Contractor of damages or for additional costs, expenses, overhead or profit or other compensation. Except for delays caused by the acts or omissions of the District or persons acting for it, extensions of time granted by the District Representative to the Contractor shall be the Contractor's sole and exclusive remedy for any delays due to causes beyond the control of the Contractor.

All claims for extension of time shall be made in writing to the District no more than three days after the Contractor knows or by reasonable diligence should know of the event causing or likely to cause the delay; otherwise, they shall be waived. In the case of a continuing cause of delay only one claim is necessary. Contractor's failure to give such notice promptly and within such time limit shall be deemed sufficient reason by the District Representative for denial of any time extension request.

Avoidable delays in the prosecution or completion of the work, for which no time extension shall be granted, shall include all delays which in the opinion of the District Representative could have been avoided by the exercise of care, prudence, foresight and diligence on the part of the Contractor or its Subcontractors. Additionally, delays in the prosecution of parts of the work which may in themselves be unavoidable but do not necessarily prevent or delay the prosecution of other parts of the work nor

the completion of the whole work within the time herein specified shall constitute avoidable delays for which no time extension shall be granted.

All changes of the time or changes of the schedule shall be made by Change Orders to the Contract pursuant to Section GC-11.

#### GC-25. AUDIT OF RECORDS

Contractor shall maintain records and accounts in accordance with Generally Accepted Accounting Principles (GAAP) in connection with the performance of the Contract which shall accurately document incurred costs both direct and indirect, of whatever nature. If District Representative establishes uniform codes of accounts for the project, Contractor shall use such codes in identifying its records and accounts. District Representative or their representatives shall have the right to examine and copy at all reasonable times, with advance notification, Contractor's records and accounts for the limited purpose of verifying requests for payment when costs are the basis of such payment and for evaluating the reasonableness of proposed Contract Price adjustments and claims. Contractor shall make all records and accounts available to the District for inspection and copying at the District's main offices in Ephrata, Washington.

#### GC-26. DISTRICT'S USE OF CONSTRUCTION AND/OR EQUIPMENT

- A. The District shall have the right to take possession of, use and collect revenues from any completed, partially completed, satisfactory or unsatisfactory portions of the work after the time for completion of the work has expired, but such taking possession and use shall not be deemed an acceptance of any work not completed in accordance with the Contract Documents.
- B. The District shall be responsible for damages incurred as a result of use of the work except when such damages occur as a result of uncompleted work or faulty workmanship or materials. Prior to using any portion of the work, the District may notify the Contractor of inventory of work yet to be completed.
- C. During the progress of the work it may be necessary for the District to have access to the facilities to install certain material.
- D. The District shall have the right to operate all equipment as soon and as long as it is in operational condition, whether or not such equipment has been accepted as complete and satisfactory, except that this shall not be construed to permit operation of any equipment which may be materially damaged by such operation before any required alterations or repairs have been made. All repairs or alterations required by the Contractor shall be made by the Contractor at such times as directed and in such manner as shall cause the minimum interruption in the use of the equipment by the District.

#### GC-27. ENVIRONMENTAL CONTROL

The Contractor and Subcontractors shall comply with all applicable state and federal environmental regulations. Contractor shall take suitable measures and provide suitable facilities to prevent pollution, oil and chemical spills, soil erosion and the introduction of any substances or materials into any stream, river, lake or any other body of water which may pollute or silt the water or constitute substances or materials deleterious to fish or wildlife. Further, Contractor shall use all reasonable efforts to maintain the site of the work free from fugitive dust (i.e. dust that becomes airborne or



visual). Contractor shall be responsible for all cost of corrective measures required as a result of any pollution, erosion or siltation, including its effects on adjacent properties.

GC-28. TAXES

- A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Contractor shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and Subcontractors performing work related to this Contract.
- B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:
  - 1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail sales and use taxes due and Contractor shall be reimbursed by the District for the same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.
  - 2. If the Contractor is not required to have a valid Washington State sales tax identification number, it shall notify the District of the same. In such event, the District, after receiving proper invoices from Contractor, shall make payment of said Washington State retail sales and use taxes levied upon this Contract to the Washington State Department of Revenue.

GC-29. BOND IN LIEU OF RETAINAGE

Pursuant to RCW Chapter 60.28, the Contractor may submit a bond in lieu of the retainage that the District would otherwise keep under the terms of this Contract and pursuant to applicable law. Any such bond submitted in lieu of retainage must be on the form provided with these Contract Documents (see Exhibit “J”). In the event the Contractor fails at any time to pay persons protected under RCW Chapter 60.28 or the District has reason to believe that the District or other obligee under the bond has a claim against the retainage or for other good cause, the District may, at its option, resume retaining from monies earned by the Contractor in such amount as it would otherwise be entitled to retain had the bond not been accepted. Notwithstanding the District’s resuming such retainage, said bond shall remain in full force and effect to the extent of its penal sum, limited to the amount of retainage released to the Contractor. After the Contractor has paid protected persons or otherwise cured any default, the District may, at its option, again release retainage pursuant to the terms of the bond. Not less than 30 days following Final Acceptance, District receipt of an Affidavit of Wages Paid approved by the Washington State Department of Labor & Industries, and District receipt of the proper releases from Washington State Department of Revenue, Employment Security Department, and Washington State Department of Labor and Industries, the original Bond in Lieu of Retainage shall be destroyed unless the Surety or Contractor requests the return of the bond, in writing, prior to destruction. Any costs associated with the Bond in Lieu of Retainage shall be included in the Total Bid Price.

GC-30. NON-WAIVER

No waiver of any provision of this Contract, or any rights or obligations of either party under this Contract, shall be effective, except pursuant to a written instrument signed by the party or parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either party to require the performance of any term of this Contract or the waiver of either party of any breach under this Contract shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other party hereto.

GC-31. 2008 EARLY RETIREMENT FACTORS ACKNOWLEDGEMENT

By executing this Contract, Contractor acknowledges that they are in compliance with RCW 41.50.139 regarding the 2008 early retirement factors per WAC 415-02-325. Contractors found to be in non-compliance shall be responsible for all penalties incurred.

**SPECIFIC REQUIREMENTS**

**SR-1. SCOPE OF WORK/WORK TO BE PERFORMED BY THE CONTRACTOR**

The Contractor shall furnish all materials, equipment, machinery, tools, plant, labor, and transportation to perform construct, rebuild, maintain, repair, remove or transfer the District’s distribution and transmission plants as specified in these Contract Documents for the Dock Crew 2024-2025 at various locations within the District’s service territory which may include Grant, Douglas, Chelan, Adams, Yakima, Lincoln and Kittitas Counties in the State of Washington.

Work under this Contract shall be performed as needed at multiple jobsites. For a list of potential projects reference Exhibit “L”, 2024-2025 Potential Dock Crew Projects. A written authorization containing a specific scope of work shall be issued on the form attached as Exhibit “K”, Authorization for Work, and shall be signed by both the District and the Contractor before the Contractor performs the specified work. The Contractor shall mobilize and begin the requested work no later than 20 working days following receipt of a fully executed Authorization for Work.

**SR-2. COMPLETION SCHEDULE**

The Contractor shall not commence any work under this Contract until after all of the following: (1) receipt of notification of Contract Award; (2) full execution of the Contract Form; (3) providing the required Payment and Performance Bond; (4) providing the required Insurance Certificates; (5) attending the pre-work conference, if any; (6) acceptance by the District of the Contractor’s Site Specific Safety Plan or Accident Prevention Plan, as applicable; and (7) receipt of Notice to Proceed signed by the District. The Contractor shall complete such work in a diligent and workmanlike manner. Work is anticipated to commence January 2, 2024 and completed by December 31, 2025.

**SR-3. MATERIALS AND EQUIPMENT**

**A. Materials Furnished By Contractor**

None.

**B. Materials Furnished By District**

All materials for this project supplied by the District shall be at the District's warehouse located nearest to the project or will be delivered to the project site at the District’s option. The District's warehouses shall be open between 6:30 a.m. – 12:00 p.m. and 12: 30 p.m. – 3:30 p.m. Monday through Thursday, except District observed holidays. The Contractor shall notify the District 24 hours in advance of need for the District-supplied materials. The Contractor shall notify the District 24 hours in advance if District supplied materials are needed. District warehouse contacts are as follows:

<b>Name/Title</b>	<b>Phone Number</b>	<b>E-Mail</b>
Gary Carpenter Moses Lake Warehouse Foreman 10216 Kinder Road NE, Moses Lake, WA 98837	(509) 754-5088 Ext. 3213	gcarpen@gcpud.org
Augustin Mihelich Ephrata Warehouse Foreman 154 A Street SE, Ephrata, WA 98823	(509) 754-5088 Ext. 2268	amihelich@gcpud.org

The Contractor shall sign an itemized receipt for all materials furnished by the District at the time such materials are received by the Contractor. The District shall provide a material list for District-supplied equipment and material for this Contract. The Contractor, after receipt of materials, shall check materials for quantities and conformance with the specifications and shall install these materials and shall be responsible for the replacement of all damaged or lost materials and shall make good damage or shortage in such a manner as not to jeopardize the completion of the project within the scheduled time and without cost to the District. The Contractor shall be responsible for returning to the District's warehouse all salvaged or unused materials and keep written records of the same.

District observed holidays are as follows: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, and Christmas Day. If a holiday falls on Saturday, it will be observed on the previous Friday. If a holiday falls on a Sunday, it will be observed on the following Monday.

SR-4. SUBSTITUTION OF MATERIALS AND EQUIPMENT

Whenever a material, article or piece of equipment is identified on the Contract Drawings or in the Technical Specifications by reference to manufacturers' or vendors' names, trade names, catalog numbers, or the like, it is so identified for the purpose of establishing a standard, and any material, article or piece of equipment or other manufacturers or vendors which shall perform adequately the duties imposed by the general design shall be considered equally acceptable, provided the material, article, or piece of equipment so proposed is, in the opinion of the District, of equal substance, appearance and function. It shall not be purchased or installed by the Contractor without prior written approval from the District Representative.

Offers of substitution of materials or equipment shall include data to substantiate that the "or equal" product meets the following criteria applicable to the time submitted.

- A. The change is adaptable to the design,
- B. The functional performance shall be equal to or better than the item specified,
- C. Where appearance affects the end product, the appearance of the item shall be as good as or better than the item specified,
- D. The maintenance cost for the product or item shall be equal to or less than the item specified including establishing and maintaining necessary stock at the District's facilities,
- E. The quality of materials used and the level of construction of the item shall be as good as or better than the item specified,
- F. The net price of the item shall be within the same price range as the item specified, and
- G. The cost to the District of furnishing and installing the item, including any necessary redesign costs by the District Representative which shall be reimbursed to the District by the Contractor shall be equal to or less than that of the item specified.

When substitute materials or equipment necessitates changes to or coordination with other portions of the work, the data submitted shall include shop drawings showing all such changes. As part of any acceptance of substitute materials or equipment, the Contractor shall furnish all materials, perform all

installation and make all other modifications as may be required to incorporate such changes at no additional cost to the District.

SR-5. WORK ORDER DRAWINGS

Upon receipt of each fully executed Authorization for Work (Exhibit "K"), the Contractor shall set aside one complete set of prints of the work order drawings, upon which he shall record and cause the various Subcontractors to record, all deviations in work, especially pole and device locations, transformers, switchgear, overhead and underground conductor locations, pipe and conduit locations, underground utilities metering and all deviations due to change orders. Notations and changes shall be done in a neat and legible manner as prescribed by the District Representative. On a daily basis, the Contractor shall permit the District to examine and verify that the work order drawings are being kept up to date. Upon completion of each work order drawing, the Contractor shall immediately deliver the set of marked-up prints to the District Representative.

SR-6. UTILITY LOCATIONS

The District will designate, in the work order drawings, the existence of underground facilities known by it which are located in the proposed areas of excavation. Additional utilities such as water lines, sewer line, gas mains, communication cables, etc., may be constructed across, adjacent to, and along the right-of-way. It shall be the Contractor's responsibility to determine their location and to advise various utilities of the intention of performing work within the area, and he shall be responsible for any liabilities incurred due to damage or loss of these facilities. Should any of these utilities be found to be within the limits of the project(s), the Contractor shall advise the District. The District will determine the disposition of the conflicting utility. Contractor shall fully comply with the provisions of RCW Chapter 19.122.

SR-7. SUBCONTRACTORS

When the need arises, the Contractor may use Subcontractors not identified on the Contractor's Supplemental Bid Form for certain portions of work provided the cost does not exceed \$25,000.00 and prior approval is obtained from the District Representative. In no event shall Contractor subcontract more than 50% of the work in this Contract. Subcontracted work approved in accordance with this section, shall be invoiced at cost plus the percentage markup identified for Bid Item No. 75 on the Bid Form. A copy of the invoice showing actual cost must be submitted with the Contractor's invoice to the District. In addition, a copy of the Subcontractors Intent to Pay Prevailing Wages and Affidavit of Wages Paid must be attached in order for payment to be made for that particular work. If the Contractor is subcontracting for items they provided pricing for on their Bid Form, the cost to the District shall not exceed the amount identified on the Bid Form for the subcontracted work, including any markup.

SR-8. SUPERVISION OF CONTRACTOR AND/OR SUBCONTRACTOR WORKERS

Contractor shall supply trained and qualified supervision, per WAC 296-45, for any and all work within the District's switchyard and/or substation. Contractor's supervisor shall be onsite during all work carried out by Contractor and/or Subcontractor's workers and shall be available to the District Representative during the project.

SR-9. MOBILIZATION

Mobilization shall consist of preparatory operations performed by the Contractor, including, but not limited to, those necessary for the movements of its personnel, equipment, supplies, District-supplied material and incidentals to the project site or any District-owned property adjacent to the project site; for the establishment of its field office, buildings and other facilities necessary for work on the project(s); for premiums on bonds for the project and for other operations which it must perform or costs it must incur before beginning work on the various items on the project site(s). Mobilization shall be at the Contractor's expense.

SR-10. NOISE CONTROL

- A. The Contractor shall take special precautions to reduce the noise level from work activities. Noise of work shall be kept from exceeding, as a criterion, the NCA 45 curve inside rooms of adjoining buildings with windows kept closed.
- B. All operations shall be conducted in such a way that employees of the Contractor and District or any other persons are not subjected to noise levels in excess of those prescribed in the Walsh-Healy Act, on occupational noise exposure.
- C. No blasting, air-hammering, excavation or other high noise level operations as determined by the District shall be permitted outside of daylight hours.

SR-11. CONTRACTOR WORK HOURS

All work required to be performed by Contractor shall normally be done between the hours of 8:00 a.m. and 4:30 p.m., Monday through Thursday. Contractor shall provide a minimum 72 hour notice to the District Representative if at any time it becomes necessary or Contractor desires to work at times other than those specified herein or as approved in advance by the District. Approval of any proposed alternative work schedule shall be at the sole discretion of the District Representative.

The Contractor shall be permitted to work on District observed holidays (see Section SR-3.B) when work functions do not require District crew or work force support. Payment for such work will be at the regular Bid Unit Prices specified on the Bid Form with no overtime cost included.

For every hour the Contractor works in excess of the approved work schedule, or works in excess of 40 hours per week, the District shall deduct and retain from the Contract Price, \$125.00 per manhour to cover the District's direct and incidental costs including overhead and overtime payroll costs, required for the inspection and observation of work performed outside of the normal work hours specified above or as identified in the approved schedule. If the unapproved hours or excess hours increase the number of days of work per week, two hours will be charged, in addition to the actual hours, for District's additional travel and preparation time. If the District requests the Contractor to work at times outside of the anticipated work schedule referenced above, the \$125.00 per manhour deduction shall be waived.

SR-12. UTILITIES

It shall be necessary for the Contractor to make arrangements for the following services at its own expense and pay all charges accrued for same during the life of the Contract:

Water

Electric Service  
 Telephone/Internet Access  
 Sanitary convenience (Chemical toilet)  
 Refuse and waste disposal

#### SR-13. STORAGE OF MATERIALS AND EQUIPMENT

If any materials or equipment are stored, they shall be stored so as to ensure the preservation of their quality and fitness. Materials and equipment shall be placed on platforms or other hard, clean surfaces, and not on the ground, and shall be placed under cover and heated adequately to prevent condensation, oxidation or freezing. Stored materials and equipment shall be located so as to facilitate observation. The Contractor shall be responsible for all damage or loss that occurs as a result of its fault or negligence in connection with the care and protection of all materials and equipment until acceptance by the District.

#### SR-14. AMOUNT OF WORK/TERMINATION

The total amount of work to be performed under the Contract shall not exceed the Total Bid Price on the Bid Form unless the District orders additional work by issuance of a Change Order pursuant to Section GC-11. **The work units shown are estimates only and do not guarantee any minimum quantity of work.** Payments will be based on the actual number of units multiplied by the applicable cost per unit from the Contractor's Bid Form for the particular Bid Item. The District may terminate the Contract at any time without incurring liability or being responsible for any payment to Contractor other than for work satisfactorily completed prior to District's termination.

#### SR-15. GUARANTEE OF CREWS

The work to be accomplished by this Contract is high priority for the District, and requires close coordination with other District activities. Therefore, it is very important that the District be able to rely upon having a known number of fully equipped crews available at any time between January 2, 2024 and December 31, 2025. The Contractor shall be able to supply at any time during the Contract, upon a maximum of 20 working days after receipt of a fully executed Authorization for Work (Exhibit "K") from the District, the following:

- A. Basic Construction Crew - The Contractor guarantees the availability of a minimum of four each, four-man basic construction crews, including equipment (see Sections SR-16 and SR-17) and transportation at the Contractor's expense. This includes moving the basic crew and all equipment as specified in this Contract at the Contractor's expense. No payment will be made for time and expenses incurred by the Contractor for mobilizing crew and equipment to the job site.
- B. Supervision – The Contractor's supervising representative shall become acquainted with the District's work practices, specifications and procedures prior to commencing work. When two basic crews or less are utilized under this Contract, such supervising representative shall be available by telephone or in person, as required by District. At the District's option, when three or more basic crews are utilized, the Contractor shall provide a full-time supervising representative (general foreman type) with appropriate transportation and a cellular phone. Such foreman shall maintain constant contact with the District's Line Superintendent or designee as required. The Contractor's supervising representative shall schedule work crews, qualified inspectors and equipment as required by the District to perform the work.

- C. Flaggers – The Contractor shall provide all certified and qualified flagmen (paid at no more than the groundmen’s classification rate) and appropriate equipment including cones, signs and communications, as required, to meet existing laws.

SR-16. EQUIPMENT – BASIC CREW

- A. Basic Construction Crew - The equipment component of a basic construction crew shall consist of: An operationally reliable line truck, completely equipped with a hydraulically powered boom derrick/digger, with hydraulic articulated pole guides, and a 50’ minimum height articulated boom-man lift bucket truck, and a one-ton flatbed companion truck as designated by the District Representative. Pole and equipment trailer to haul up to six 45’ poles, and a four wheel drive backhoe (580 Case or equivalent) with trailer.

Each line truck for distribution work shall be equipped with hand tools, hot sticks (including hot press with properties for compression connectors, shotgun, switch sticks, hand saws, powered chain saws, cutters, volt meter, ammeter, presses etc.). In addition, Contractor shall provide underground type installing tools including but not limited to stripper, kellem grips, reel jacks, stands and cable pulling equipment, capable of three phase installations (capable of pulling three separate cables simultaneously), and Huskie Robo REC 5510 crimping tool.

Every crew utilized shall be equipped with rotation meter, cable locating equipment and an air, electric, or hydraulic powered hot press with necessary dies, and a cellular phone. The District will not provide any tools or equipment to Contractor.

- B. All equipment supplied by the Contractor shall be in good mechanical condition conforming to all Washington State safety laws. Any equipment deemed a safety hazard to the District shall be either repaired or removed from performing District work. The District's Representative will inspect equipment and request equipment be removed from District property as he deems necessary.
- C. Contractor shall furnish one full time mechanic for equipment maintenance for up to four basic construction crews and two full time mechanics for equipment maintenance for up to eight basic construction crews.
- D. All equipment and vehicles shall be adequate and rated to perform the type of work as required by the District and available in time to perform work as required by the District.
- E. All vehicles shall not be manufactured earlier than 2006.
- F. All breakdown of equipment shall be repaired as promptly as possible and a copy of the repair invoice be provided upon request.
- G. The District shall not be charged for the time on any equipment while it is broke down or in an unsafe working condition or any crew time lost because of equipment down time. It shall be the responsibility of the Contractor to provide the District with an accurate account of all equipment down time.

All vehicles used under this work shall be equipped and marked to meet all rules and regulations of the State of Washington and the personnel shall be trained and qualified as may be required by the State of Washington Department of Labor and Industries' Rules and Regulations. All work and



equipment shall meet all requirements of the Occupational Safety and Health Administration, and the Washington Industrial Safety and Health Act of 1973.

SR-17. DISTRICT'S RIGHT TO ALTER CREW SIZE

Actual crew make-ups may vary and shall be so designated by the District. Costs shall be based on unit prices specified on the Supplemental Bid Price Schedule. Any reduction in Basic Crew, when determined by the District, will result in a reduced hourly rate for the Basic Crew. The Contractor shall provide all certified and qualified flagmen (paid at not more than the groundmen's classification rate) as required, to meet existing laws.

Compensation for overtime shall be specified on the Bid Form and Supplemental Bid Price Schedule and shall not exceed 1.75% of the straight time rate.

SR-18. DISTRICT'S RIGHT TO ALTER ADDITIONAL EQUIPMENT LIST

The District may request the Contractor to add or change specialized equipment to the contract with the written authorization and approval by the District's Line Superintendent on completed form – Exhibit "M". The additional equipment will be paid on a unit price basis based on actual quantities.

SR-19. REPORTS

The Contractor shall furnish to the District Representative each week a form showing the location, number of man hours per classification and the number of hours for each specific assignment during the week.

The weekly report shall be made up of Daily Report Forms as supplied by the District. The weekly report shall be delivered as directed by District Representative to the District by 3:00 P.M. on Thursday of the week reported.

SR-20. OUTAGES

All hot line work and outages shall be coordinated with the Line Superintendent assigned to the work. Dispatch hot line clearance and switching shall be handled through the District.

SR-21. IMMINENT THREAT TRAINING

Prior to work starting under this contract, the Contractor's personnel will be given training, by the District's Line Superintendent or their qualified designee, specific to communication protocols when an imminent threat to the transmission system exists. Contractor will be instructed to call District System Operations immediately. At the Pre-Work conference, cards with the District System Operations phone numbers on them will be delivered to the Contractor for placement in the Contractor vehicles used on this project.

SR-22. CUSTOMER RELATIONS

Contractor agrees that its personnel and equipment shall at all times present a neat appearance; all work shall be done, all contacts with customers and all complaints handled with due regard for the District's public relations. Contractor agrees that complaints of any nature received from property owners or public authorities shall receive immediate attention.

All complaints and any action taken by the Contractor in connection with such complaints shall be reported to the District.

SR-23. GATES AND FENCES

Care shall be exercised that fences adjacent to the distribution line are not damaged. Should damage occur to any fence, it shall be repaired immediately, at the Contractor's expense, to standards equal to those of the existing fence.

The Contractor shall construct and maintain at its own expense such temporary fences, gates, and other facilities as shall be necessary for the preservation of crops, control of livestock and protection of life and property.

Before cutting a fence, the Contractor shall take necessary precautions to prevent the straying of livestock and shall prevent the loss of tension in or damage to adjacent portions of the fence.

The Contractor shall comply with the requests of the landowner or lessee regarding leaving gates open or closed.

SR-24. FIRE PREVENTION

There is an extreme fire hazard during periods of dry weather in many of the designated work areas. The Contractor shall not permit unauthorized fires either within or adjacent to the limits of the work. The Contractor shall be responsible for all damage from fire due directly or indirectly to their own activities, to those of Contractor's employees, and to those of Subcontractors and employees.

SR-25. ROCK EXCAVATION

No additional payment shall be made to Contractor for excavation of rock or because of subsurface conditions encountered in the performance of the work. The Contractor's Total Bid Price shall include all such work.

SR-26. CLEANING UP

The Contractor shall at all times keep the premises free from accumulations of waste material or rubbish caused by its employees or work, and, at the completion of the work, it shall remove all its rubbish, tools, equipment, and surplus material from and about the structures. The cleaning up of all erection remnants and debris shall be completed immediately after each of these operations is completed at each work site. The cleaning up of lunch wrappers, garbage, equipment parts, oil filters, and the like shall be done on a day-to-day basis. Fuel, oil, and equipment waste such as drain oil shall be disposed of in approved disposal areas only.

The Contractor shall restore to a satisfactory condition any land which it has disturbed to the extent that erosion or damage to property may result. If the Contractor fails to clean up, the District may do so at the Contractor's expense, and the Contractor and its surety shall be held liable therefore.

Satisfactory restoration of the land shall be completed in an orderly process as soon as practicable following the completion of each phase of the work as it progresses.

SR-27. INSTRUMENT SURVEY

The District will furnish the instrument surveys necessary to establish certain bench marks, base lines and structure locations specifically noted on the work order drawings and such surveys, if any. From the information provided by the District, the Contractor shall develop and make such additional detailed surveys as are needed for the project.

Bench marks, base lines, and structure staking including reference and directional control stakes, as originally established by the District, shall thereafter be maintained by the Contractor who shall be responsible for keeping their accuracy and who shall pay to the District the reasonable cost to the District of reestablishing them if they are disturbed. The Contractor shall notify the District Representative at least 48 hours in advance of the time the Contractor will commence work on any parts of the project requiring surveys furnished by the District.

The Contractor shall provide reasonable and necessary opportunities and facilities to the District Representative for making measurements during the project.

SR-28. RIGHT-OF-WAY

The right-of-way will be furnished by the District for the work covered by these Contract Documents. No permanent structure of any kind, other than the distribution facilities as described in the Contract Documents, are to be erected thereon. The Contractor shall provide right-of-way for ingress or egress across private property where necessary to gain access to the job site. Should the Contractor need additional working space or lands for material yards, job offices, or other purposes outside of the District furnished right-of-way, Contractor shall obtain such additional lands or easements at their own expense.

SR-29. PERMITS

All permits and licenses necessary to the prosecution of the work shall be paid by the District. Contractor shall be responsible for providing all field engineering or other documentation necessary to obtain such permits and licenses to the District, and complying with any terms and conditions of those permits and licenses.

SR-30. ARCHAEOLOGICAL RESOURCES

In the event the Contractor or any of its Subcontractors inadvertently discover archaeological resources at any time during the project, Contractor shall immediately notify the District Representative and suspend all excavation activities at the site.

"Archaeological Resource" shall mean any material remains of human life or activities which are of interest. This shall include all sites, objects, structures, artifacts, implements, and locations of prehistoric or archaeological interest, whether previously recorded or still unrecognized, including, but not limited to objects pertaining to prehistoric and historic American Indian or aboriginal burials, campsites, dwellings, and their habitation sites, including rock shelters and caves, their artifacts and implements of culture such as projectile points, arrowheads, skeletal remains, grave goods, basketry, pestles, mauls and grinding stones, knives scrapers, rock carvings and paintings, and other implements and artifacts of any material or form.

The disturbance of any cairn or Native Indian grave is prohibited by the Indian Graves and Records Act (RCW 27.44).

## SR-31. PHYSICAL SECURITY

If any performance under this Contract is to be conducted on District facilities or worksites, it shall be the responsibility of the Contractor to ensure that its employees and those of its Subcontractors are informed of and abide by the District's Security Policies as if fully set out herein a copy of which shall be provided to the Contractor by the District Representative at the preconstruction meeting or prior to beginning work. Without limiting the foregoing, Contractor and its employees shall be required to:

- A. Keep all external gates and doors locked at all times and interior doors as directed.
- B. Visibly display ID badges on their person at all times.
- C. Stay out of unauthorized areas or in authorized areas outside of authorized work hours, without express authorization from the District.
- D. Provide proper notification to the appropriate parties, and sign in and out upon entry and exit to secured locations. If unsure of who to notify, Contractor shall contact the District Representative.
- E. Immediately notify the District if any of Contractor's employees no longer need access or have left the Contractor's employment.
- F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Contractor in the amount of \$50.00 per badge and the fee for lost or non-returned keys may include the cost to re-key the plant facilities. The Contractor is strictly prohibited from making copies of keys.
- G. Not permit 'tailgating' through any controlled access point (i.e. person(s), authorized or unauthorized, following an authorized person through an entry point without individual use of their issued ID badge or key).
- H. Return all District property, including but not limited to keys and badges, to the District Representative when an individual's access to the facility is no longer needed.
- I. Guest Wireless: The District provides Guest Wireless Internet access to contractors and vendors that need to conduct business in support of the District from personally owned mobile devices such as laptops and smart phones. Contractor personnel are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources.

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before granting such individuals access to restricted areas of District facilities or Protected Information. Criminal background checks may be conducted in such depth as the District reasonably determines to be necessary or appropriate for the type of access to be granted. The cost of such background checks shall be borne by the Contractor.

SR-32. SECURITY, SAFETY AWARENESS TRAINING, DAM SAFETY AWARENESS TRAINING, AND TRANSMISSION AND DISTRIBUTION ACCESS TRAINING

Prior to receiving access to any District facilities, all Contractors, Contractor's employees, Subcontractors and Subcontractor's employees, material suppliers and material supplier's employees, or any person who will be engaged in the work under this Contract that requires access to District facilities, shall be required to take and pass the District's Security and Safety Awareness training before being issued a security access badge to access District facilities. Under no circumstances will the failure of any Contractor or Subcontractor employee to pass the required training, be grounds for any claim for delay or additional compensation.

The Safety and Security Awareness training is available online and is a 20-30 minute training. The training is located at: <https://www.grantpud.org/for-contractors>. All contractors and their employees are required to successfully complete Safety and Security Awareness training before coming onsite. The Security and Safety certificates should be emailed directly to [SecurityTrainingCerts@gcpud.org](mailto:SecurityTrainingCerts@gcpud.org).

District Representative shall ensure that Contractor's employees, subcontractor's and subcontractor's employees have completed and submitted the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted before any security access badges will be issued.

If applicable, Dam Safety Awareness Training is required for Contractors who are performing work in and around Priest Rapids and Wanapum Dams and are badged. The training is available online only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

If applicable, Transmission and Distribution Access Training is required for Contractors, or their Subcontractors, who may hold a clearance or hotline hold order as part of performance of work under this Contract. The training is available online only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

If you are uncertain which of the above courses you or your employees must complete, please contact your District Representative.

## CONTRACTOR SAFETY REQUIREMENTS

### CS-1. PURPOSE

These Contractor Safety Requirements contain safety requirements that are in addition to those specified in the General Conditions. Section CS-2 applies to all work, whereas, Section CS-3 is specific to specialized types of work. To the extent applicable, the Contractor shall ensure that all workers, subcontractors, and suppliers comply with these requirements. In fulfilling these requirements, the Contractor shall also comply with material and equipment manufacturer instructions, and safety and health requirements stated in the Specific Requirements and/or Technical Specification sections where applicable. If there are conflicts between any of the requirements referenced in the Contract Documents, the more stringent requirement shall prevail.

### CS-2. GENERAL

- A. Initial/Warning Notice: Any District employee may notify the Contractor of any safety or health concern. The notice may be delivered verbally to any Contractor employee or subcontractor and the District employee shall notify the District Representative of the Notice. Written notification may be provided to the Contractor at the discretion of the District Representative. The notice shall have the same effect on the Contractor regardless of format or recipient. The Contractor shall take immediate action to mitigate the safety and health concerns identified in the District's notice.
  
- B. Stop Work Order: District employees also have the authority to immediately stop a work activity without issuing the Initial/Warning Notice. The District employee will immediately notify the District Representative of the Stop Work Order. The District Representative may direct the Contractor to stop work due to safety and health concerns. The Stop Work Order may cover all work on the Contract or only a portion of the work. After the District issues a Stop Work Order, the Contractor shall meet with District Representatives (as determined by the District Representative) to present a written statement outlining specific changes and/or measures the Contractor will make to work procedures and/or conditions to improve safety and health. A Stop Work Order can be rescinded only with the written approval of the District Representative.
  - 1. The Contractor shall not be entitled to any adjustment of the Contract price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor's, Subcontractor's, or supplier's control.
  - 2. The District's conduct does not alter or waive the Contractor's safety and health obligations.
  - 3. Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
  - 4. Non-compliance with safety requirements could lead to termination of the contract in accordance with Section GC-4.
  
- C. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Contract.

1. The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.
  2. In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, subcontractor, and their workers shall fully cooperate with the District in this investigation.
  3. All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.
  4. For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- D. The Contractor/subcontractor shall conduct and document job briefings each morning with safety as an integral part of the briefing. The Contractor/Subcontractor shall provide an equivalent job briefing to personnel and/or visitors entering the job site after the original job briefing has been completed. Immediately upon request, the Contractor shall provide copies of the daily job briefing and any other safety meeting notes to the District Representative. The notes, at a minimum, shall include date, time, topics, and attendees and shall be retained by the Contractor for the duration of the Contractor's warranty period.
- E. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to other work being performed that may impact the Contractor's work.
- F. Job Site Reviews Performed by Contractor: Each Contractor and Subcontractor shall perform and document weekly safety reviews of their work area(s) by a competent person as defined by WAC 296-62-020. Immediately upon request, the Contractor shall provide a copy of the documented job site review to the District Representative. Contractor and Subcontractor supervisors/foremen shall take immediate action to correct violations, unsafe practices, and unsafe conditions. The Contractor and Subcontractor shall be solely responsible to review and monitor the work area or location of all their employees during the performance of work.
- G. Site Specific Safety Plan (SSSP): The Contractor shall prepare, implement, and enforce a SSSP for all work included in this Contract. The SSSP shall be delivered to and accepted by the District Representative prior to the start of any on-site work.
1. The SSSP shall, at a minimum, identify and provide mitigation measures for any recognized hazards or conditions. Site and adjacent conditions shall be considered. All significant hazards, including unusual or unique hazards or conditions specific to the Contract work shall be identified and mitigated. The

Contractor shall provide a clear delegation of authority for the work site(s). The Contractor shall identify, locate, and provide direction to the nearest emergency medical facilities. This shall include telephone numbers for emergency services in the area.

2. The Contractor shall make available to all workers at the site(s) the SSSP and ensure that all workers are familiar with the content and requirements of the SSSP. Any subcontractors shall adhere to the Contractor's SSSP.
3. Any emergent hazards not identified in the SSSP shall require a Job Hazard Analysis prior to starting work on the associated job.

In lieu of the SSSP, the District Representative may, at their discretion, accept an Accident Prevention Program implemented and maintained in accordance with Washington state law (WAC 296-155-110).

- H. District Rescue Team and Relation to Contractor Emergencies and Back Shift Operations  
When District Rescue Team is Not Present: Contractors shall be required to submit an Emergency Plan that covers first response and rescues. This is required to be submitted for approval by the District Representative prior to work starting. Contractors are encouraged to familiarize themselves with District First Responder and Rescue Team capabilities. District Response Teams may not be available during all work hours and typically are not available on off-shifts, weekends, and District holidays. Contractors choosing not to provide their own response personnel must include a process that does not rely on the District in the event District Response Teams are not available.
- I. The Contractor shall have a dedicated safety professional on the job site anytime work is being performed. The dedicated safety professional shall have an associate or bachelor degree in Occupational Health and Safety, an OSHA Training Institute Certification, or educational equivalent. At the District Representative's discretion, five years' experience as a safety professional may be substituted for educational requirements.
- J. Contractor shall ensure all crew members, including Subcontractors, performing work are OSHA 10 certified.
- K. The Contractor shall have a designated safety representative on the job site any time work is being performed. The designated safety representative shall have a minimum of OSHA 30 training.
- L. The District reserves the right to request updated Contractor safety information at any time during the performance of this Contract. Such updated information will be provided on the attached Exhibit "N", Contractor Safety Request for Information Form.
- M. Office Work: Contractor personnel who perform work in an office environment at premises owned, leased, possessed, or controlled by the District shall be required to follow at a minimum the following safety and security requirements. This work includes but is not limited to professional services and consulting, technology-related tasks, and training services. Work activities may include working at a desk, attending meetings, touring facilities, and similar activities.
1. Access: The Security Department administers physical access to District facilities. Contractor personnel shall be issued an ID badge or visitor badge to provide access



to work areas as needed per Sections SR-31 and SR-32. Workers without authorized access to an area must be escorted at all times. Any person with authorized access may serve as an escort.

2. Emergency Preparedness: All Contractor personnel, when entering a facility or work area, shall determine the locations of emergency exits, fire extinguishers, first aid kits, AED, and gathering points in case of evacuation.
3. Housekeeping: Contractor personnel shall keep desks, cubicles, meeting rooms, and all other working areas free from clutter and tripping hazards. Work areas shall be cleaned after use according to applicable guidelines posted by the District in such work areas.

### CS-3. SPECIALIZED WORK

- A. Involvement in Job Briefs by Others/Involvement of Others in Contractor's Job Briefs: When work completed by the Contractor will or may affect work being completed by other contractors or by District staff, the Contractor shall ask for a representative from the other contractor or District staff to participate in the Contractor's daily job brief for the purpose of informing the other party of safety hazards that may be encountered as a result of the affected work. Job brief discussion shall include hazards that the other contractor or District staff may encounter as part of the Contractor's work, mitigation measures, clearance points and boundaries, effects that equipment taken out of service or put back into service could have on other parties, Personal Protective Equipment (PPE) requirements and contingency plans. The above is a District requirement.
- B. Temporary Traffic Control: When work activities occur within or adjacent to District access roads, the Contractor shall follow the guidelines for Temporary Traffic Control Planning as specified in the current Manual on Uniform Traffic Control Devices. The plan shall be reviewed and approved by the District Representative prior to implementation. The above is a Code requirement.
- C. Contractor Hazardous Materials Communication: Due to the age of the District facilities there are known materials used in construction that are now classified as hazardous materials such as lead and asbestos. The District Representative shall provide the Contractor with a list of the known hazards in the work area. This list is not comprehensive. The Contractor shall be aware of possible hazards. If the Contractor identifies a possible hazardous material such as lead, asbestos, SF-6 residue and/or hexavalent chromium, all work in that area must stop until the material is tested and identified. The Contractor shall notify the District Representative immediately upon identification of possible hazardous material.

If the material is identified as non-hazardous, work may resume once the materials status has been communicated to the District Representative and Contractor's employees.

If the material is a hazardous substance, proper protocols compliant with regulation must be followed. The above is a Code requirement.

- D. Power Delivery Clearance and Lock Out/Tag Out: Contractor employees shall successfully complete the Power Delivery switching and clearance training program prior to being deemed qualified by the District to lock out or tag out machines or equipment. Contractor employees trained and certified as qualified shall be authorized to switch devices and install safety tags for which they are qualified, under the direction of the District's dispatcher, as

needed. Contractor employees shall follow the same rules for switching and clearances that apply to District employees as outlined in the District's Switching, Tagging and Clearance Procedures.

If a Contractor employee requests a clearance from the District dispatcher for work to be performed on the District's electric system and the employee is deemed qualified, then the clearance may be issued directly to the requester in accordance with the same rules governing District employees. If the requesting Contractor employee is not deemed qualified, then the clearance shall be issued to a District employee who shall act as the clearance holder and oversee all work performed. The above is a combination of Code and District requirements.

1. Electrical

Due to the District's concern for safety, the transformers shall be electrically grounded during all work performed by the District and the Contractor.

2. Fire

a. The Contractor shall exercise all reasonable caution to prevent fires. Flammable rubbish, especially accumulations of paper, excelsior, and oil-soaked materials, shall be removed from the premises and disposed of as soon as possible. Gasoline, alcohol, oil, solvents, and other flammable substances shall be kept in approved safety containers. All protective covers, drop cloths, and tarpaulins are to be flameproof.

b. The Contractor shall supply and keep adequate fire extinguishing equipment on hand at all times, and in close proximity to the equipment being worked on.

3. Personal Protective Equipment

a. Contractor shall have on hand and supply its workers, Subcontractors and sub-suppliers with proper protective clothing as required by OSHA, WISHA, and/or other regulatory agencies. This protective clothing shall be worn at all times when working around the oil processing equipment and when work inside of the transformer is required.

b. Contractor shall have on hand and supply its workers, Subcontractors and sub-suppliers with ear plugs. Ear plugs shall be worn at all times when working around the oil processing equipment and District marked/designated areas requiring ear protection.

c. The Contractor shall provide a correctly calibrated oxygen level meter for use during confined space entry work inside of the transformer. The Contractor shall be responsible for providing and using a correctly calibrated oxygen level meter during RVT operations.

d. The Contractor shall take adequate precautions to prevent injury and loss of life from falling, while working on top of the transformers. The Contractor is advised that wind conditions can change suddenly and that severe gusts up to 50 mph or more may be encountered when working outdoors. Full-body harnesses and lanyards, in accordance with OSHA regulations, are required when working on top of the transformer.

4. Emergencies

If an emergency situation is created or observed by the Contractor at Wanapum or Priest Rapids dams or on Grant PUD land within approximately ½ mile proximity of either dam, the nearest dam control room shall be contacted immediately. For emergency situations occurring elsewhere and where injury has or may occur, 911 shall be called immediately. The District's Dispatch Center should be subsequently contacted for electric system emergencies. All other emergencies shall be routed to the District's Security Operations Center (DSOC).

To contact the Wanapum Control Room from:

- a. A District telephone, dial ext. 2518.
- b. An outside telephone line, dial 1-509-754-5088 ext. 2518.

To contact the Priest Rapids Control Room from:

- c. A District telephone, dial ext. 2718.
- d. An outside telephone line, dial 1-509-754-5088 ext. 2718.

The Wanapum and Priest Rapids control rooms are staffed 24 hours per day.

To contact the Dispatch Center from:

- e. A District telephone, dial ext. 2237 or 2238.
- f. An outside telephone line, dial 1-800-216-5226.

The Dispatch Center is manned 24 hours per day.

To contact the District's Security Operations Center (DSOC):

- g. A District telephone, dial ext. 2014.
- h. An outside telephone line, dial 509-766-2538.

5. Security

The District's check-in/check-out procedure must be followed by the Contractor's employees and Subcontractor(s) whenever they are at the worksite. This procedure will be explained to the Contractor at the pre-work conference.

**EXHIBIT "A" – BID FORM**

COMPANY NAME OF BIDDER: \_\_\_\_\_  
(Full Legal Name)

TO: Public Utility District No. 2  
of Grant County, Washington  
154 A Street SE  
Ephrata, Washington 98823

The undersigned has examined the site, plans and specifications, laws and ordinances governing the improvements contemplated. In accordance with the terms and provisions in the foregoing, the following price is tendered as an offer to perform the work, complete in place and ready for satisfactory operation.

As evidence of good faith, a certified check, Cashier's Check or a Bid Bond in an amount not less than 5% of the Total Bid Price is attached hereto. The undersigned understands and hereby agrees that should the following offer be accepted and the undersigned should fail or refuse to enter into a Contract and furnish the required Payment and Performance Bond and insurance, the undersigned's Certified Check, Cashier's Check or an amount equal to 5% of the Total Bid Price shall be forfeited to the District as liquidated damages.

The Total Bid Price (calculated total of Bid Item Prices 1 through 75) shall be used in the Bid Evaluation. A price must be placed on each blank or the Bid shall not be considered. In case of an error in addition, the correctly calculated total of the Bid Item Prices (Estimated Quantity times Bid Unit Price) shall prevail.

**See Attached Spreadsheets Titled**  
**130-12026H - Exhibit A – Bid Form.xlsx**  
**130-12026H - Supplemental Bid Price Schedule.xlsx**

The Total Bid Price includes the cost of insurance and the Payment and Performance Bond required by Contract Documents but do not include Washington State and Local Taxes.

Bidder understands and agrees to the Insurance requirements of Section GC-18. Yes \_\_\_\_\_ No \_\_\_\_\_

The above quantities are estimated quantities. Payment shall be made by Bid Item based on the actual quantity of the Bid Items completed satisfactorily, up to the amount of the Contract Price. **The undersigned acknowledges and understands a minimum quantity of work is not guaranteed and the District may terminate this contract at any point without incurring any additional cost (see Section SR-14).**  
Yes \_\_\_\_\_ No \_\_\_\_\_

Prompt Payment Discount of 2% 10 days (see Section GC-2). Bidder understands and accepts the Prompt Payment Discount. Yes \_\_\_\_\_ No \_\_\_\_\_

Bidder has enclosed a Cashier's Check, Certified Check or Bid Bond in accordance with Instructions to Bidders Section 10. Yes \_\_\_\_\_ No \_\_\_\_\_

Bidder understands it is their responsibility to determine the locality of the work and to confirm the appropriate classification of work and most current version of the prevailing wage rates are utilized in the preparation of their Bid (see Section GC-17). Yes \_\_\_\_\_ No \_\_\_\_\_

All work shall be completed in accordance with Sections SR-1 through SR-32. Yes \_\_\_ No \_\_\_

Bidder understands and agrees to the Contractor Safety Requirements specified in these Contract Documents. Yes \_\_\_ No \_\_\_

**Please see Instructions to Bidders Section 7 for Bids that take exception to these requirements.**

**Bidder shall submit the names of Subcontractors who shall perform the HVAC, plumbing and electrical work, and structural steel and rebar installation, or name itself in the table below, or their Bid shall be rejected.** See Instructions to Bidders Section 8.A.

Name	Address	Phone	Type of Work	Percent of Bid
			HVAC	
			Plumbing	
			Electrical Work	
			Structural Steel Installation	
			Rebar Installation	

The Subcontractors listed below are proposed to be employed on other portions of the work. See Instructions to Bidders Section 8. If you require additional space to list Subcontractors, please attach a separate sheet.

Name	Address	Phone	Type of Work	Percent of Bid

Bidder has been disqualified from bidding on any public works contracts under RCW 39.06.010 or 39.12.065(3). Yes \_\_\_ No \_\_\_ **MUST BE FILLED IN**

Bidder (full legal name):	
Street Address:	

Mailing Address:			
City, State, and Zip Code:			
Phone:			
Email:			
State Of Incorporation:		If not WA, does Bidder have a physical office located in the state of WA?	Yes __ No __ N/A __
<p>The District uses DocuSign to sign the final Contract Form following Contract Award. Please provide the following information for the person who will be signing the final Contract Form in the event you are the successful Bidder.</p> <p>Name: _____ Title: _____ Email: _____</p>			
Bidder Responsibility Criteria (see Instructions to Bidders Section 9)			
Contractor's License No. (RCW 18.27, RCW 18.106, RCW 70.87, or RCW 19.28)			
Washington State Unified Business Identifier (UBI) No. / Washington State Department of Revenue State Excise Tax No. (Title 82 RCW)			
Industrial Insurance L&I Account ID (Title 51 RCW)			
Washington State Employment Security Department No. (Title 50 RCW)			
Individual, Partnership, Joint Venture, or Corporation?			
If a co-partnership, provide the name of the firm under which business is transacted.			
<p>The Bidder hereby certifies that, within the three year period immediately preceding the date of this Bid solicitation, that the Bidder is not a "willful" violator, as defined in RCW 49.48.082, of any provision of chapters 49.46, 49.48, or 49.52 RCW, as determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction.</p>			
<p>The Bidder hereby certifies that they have attended training from the department of labor and industries or a training program approved by the department of labor and industries relating to the requirements associated with public works and prevailing wage under chapter 39.04.350 RCW and chapter 39.12 RCW. Yes ___ No ___</p> <p>If no, are you on the Public Works Training Exemption List? Yes ___ No ___</p>			
<p>The Bidder hereby certifies that if awarded the public works Contract, each subcontractor, at the time of subcontract execution, shall meet the responsibility criteria listed in RCW 39.04.350(1) and possess an electrical contractor license, if required by RCW 19.28, an elevator contractor license, if required by RCW 70.87, or a plumbing contractor license, if required by RCW 18.106. Yes ___ No ___</p>			

We hereby certify that we are not required to have a Washington State UBI No. or State Excise Tax No. for this work.

Attached hereto is the Bid proposal and all Bidder's Data required in support of this Bid.

Addendum Nos. (list all individually) \_\_\_\_\_ have been received and have been considered in preparing this Bid.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Name (Print): \_\_\_\_\_ Date: \_\_\_\_\_  
Authorized Representative

Location or Place Executed (City and State): \_\_\_\_\_

**Note: Failure to sign the Bid Form above shall result in rejection of the Bid. Digital signatures are not allowed on the Bid Form.**

**EXHIBIT "B" – BID BOND**

**KNOW ALL MEN BY THESE PRESENTS:** That we \_\_\_\_\_ (hereinafter called "the Principal"), as Principal, and \_\_\_\_\_ duly licensed for the purpose of making, guaranteeing or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of Washington, as Surety, are held and firmly bound unto PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON (hereinafter called "the Obligee") in the penal sum of \$ \_\_\_\_\_ lawful money of the United States of America, for the payment of which, well and truly to be made, we hereby bind ourselves and each of our successors and assigns, jointly and severally, firmly by these presents.

**THE CONDITION OF THIS OBLIGATION IS SUCH THAT,** if the Obligee shall make any award to the Principal for \_\_\_\_\_ according to the terms of the proposal or Bid made by the Principal therefore, and the Principal shall duly make and enter into a contract with the Obligee in accordance with the terms of said proposal or Bid and award and shall give bond for the faithful performance thereof with the \_\_\_\_\_, as Surety, or with other Surety or Sureties approved by the Obligee, or if the principal shall, in case of failure so to do, pay to the Obligee the penal amount of the deposit specified in the call for Bids, then this obligation shall be null and void; otherwise it shall be and remain in full force and effect, and the Surety shall forthwith pay and forfeit to the Obligee, as penalty and liquidated damages, the amount of this bond.

**IN WITNESS WHEREOF,** said Principal and said Surety have caused these presents to be duly signed and sealed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

PRINCIPAL

SURETY

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\* Bidder shall attach Power of Attorney for person signing on behalf of Surety.



**EXHIBIT “C” – CONTRACT FORM**

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and Full Legal Name of Contractor (“Contractor”);

**WITNESSETH:**

The parties hereto for the considerations set forth in the Contract Documents agree as follows:

1. **SCOPE OF WORK** - The Contractor agrees to furnish all, materials, equipment, machinery, tools, plant, labor, and transportation in the manner and form provided by the Contract Documents 130-12026H made a part hereof, entitled Dock Crew 2024-2025.
2. **COMPLETION** - The Contractor shall perform the work within the times required by the Contract Documents, failure to do so may result in damage to the District.
3. **PAYMENT** - The District agrees to pay the Contractor for the work herein to be performed in the sum of not to exceed \$ \_\_\_\_\_, subject to the Prompt Payment Discount provision (see Section GC-2), plus applicable Washington State Sales Tax in accordance with the Contract Documents.
4. **PAYMENT AND PERFORMANCE BOND** - The Contractor shall furnish in favor of the District, a Payment and Performance Bond as required by the Contract Documents, and this Contract shall not obligate the District until such Payment and Performance Bond has been tendered.

The parties to this Agreement have caused it to be executed on the dates indicated below. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Public Utility District No. 2  
of Grant County, Washington

Full Legal Name of Contractor

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT "D" – PAYMENT AND PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS, That \_\_\_\_\_  
of \_\_\_\_\_  
, (hereinafter called the "Principal"), and \_\_\_\_\_,  
as Surety, are jointly and severally held and bound unto PUBLIC UTILITY DISTRICT NO. 2 OF GRANT  
COUNTY, WASHINGTON (hereinafter called the "District"), in the sum of \$\_\_\_\_\_ for the  
payment of which we jointly and severally bind ourselves, our heirs, executors, administrators and assigns,  
and successors and assigns, firmly by these presents.

This bond is executed pursuant to and compliance with Chapter 39.08, Revised Code of  
Washington, and all rights and remedies under this bond shall be determined in accordance therewith.

THE CONDITION of this bond is such that, WHEREAS, the said Principal herein, executed a  
certain contract with the District, by the terms, conditions and provisions of which contract the said  
Principal herein, agrees to furnish all material and do certain work, to-wit:  
\_\_\_\_\_ per the Contract  
Documents made a part of said Contract, which Contract as so executed is hereunto attached, is now referred  
to and by reference is incorporated herein and made a part hereof as fully for all purposes as if here set forth  
at length.

NOW, THEREFORE, if the Principal herein shall faithfully and truly observe and comply with the  
terms, conditions and provisions of said Contract in all respects, including all guarantees and warranties  
arising thereunder, and shall well and truly and fully do and perform all matters and things by it undertaken  
to be performed under said Contract, upon the terms proposed therein and within the time prescribed therein,  
or within such extensions of time as may be granted under said Contract and shall hold the District harmless  
from all costs and damages (including reasonable legal fees) which it may incur by reason of any failure to  
do so, and shall fully reimburse and repay the District for all expense which it may incur in making good  
any such failure of performance on the part of the Principal, and shall pay all laborers, mechanics, and  
subcontractors and material suppliers, and all persons who supply such person or persons, or subcontractors,  
with provisions and supplies for the carrying on of such work and shall fully reimburse the District for any  
excess in cost of construction over the cost set in the Contract and any amendments thereto, occasioned by  
any default of the Principal under the Contract and any amendments thereto, then this obligation shall be  
null and void, but otherwise shall remain in full force and effect.

No prepayment or delay in payment and no change, extension, addition, or alteration of any  
provision of the Contract agreed to between the Contractor and the District, and no forbearance on the part  
of the District, shall operate to relieve surety from any liability on this bond, and consent to make these  
alterations without further notice to or consent by the surety is hereby given.

The Surety for value received agrees that no change, extension of time, alteration or addition to the  
terms of the Contract, the specifications accompanying the Contract, or to the work to be performed under  
the Contract shall in any way affect its obligation on this bond, except as provided herein, and waives notice  
of any change, extension of time, alteration or addition to the terms of the Contract or to the work performed.  
The Surety agrees that modifications and changes to the terms and conditions of the Contract that increase  
the total amount to be paid to the Principal shall automatically increase the obligation of the Surety on the  
bond and notice to Surety is not required for such increased obligation.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

"PRINCIPAL"

\_\_\_\_\_  
Full legal company name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

"SURETY"

\_\_\_\_\_  
Full legal company name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

Address of local office and agent, and home  
offices of Surety Company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* Contractor shall attach Power of Attorney for person signing on behalf of Surety.

**EXHIBIT "E" – CHANGE ORDER**

NO. \_\_\_\_

Pursuant to Section GC-11, the following changes are hereby incorporated into this Contract:

- A. Description of Change:
  
- B. Time of Completion: The revised completion date shall be \_\_\_\_\_.  
*OR*  
 The completion date shall remain \_\_\_\_\_.
  
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall remain unchanged (be increased/decreased by the sum of \$\_\_\_\_\_, plus applicable sales tax). This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$\_\_\_\_\_, including changes incorporated by this Change Order.
  
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2  
of Grant County, Washington

Full Legal Name of Contractor

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Name of Authorized Signature  
Title

Name of Authorized Signature  
Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "F" – DISTRICT INSTRUCTIONS**

No. \_\_\_\_\_

Contract No.:	130-12026H	Drawing No. (if applicable):	
Project Name:			

This Instruction is issued in accordance with the terms and conditions of the Contract Documents as:

- 1. An interpretation of Contract Documents, or
- 2. An order to proceed immediately with minor changes not affecting Contract Price or time for completion of the work.

INSTRUCTION:

Sample Only

DO NOT PROCEED with the Instruction 1 or 2 above if you believe this Instruction shall provide the basis for a claim or increase in the Contract Price or time for completion of the work. By signing this Instruction, Contractor hereby agrees that as a result thereof, there shall be no change in Contract Price or time of completion and waives any claim relating thereto.

RECEIPT ACKNOWLEDGED AND INSTRUCTION ACCEPTED (unless CCOP is attached):

Public Utility District No. 2  
of Grant County, Washington

Full Legal Name of Contractor

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Name of Authorized Signature  
Title

Name of Authorized Signature  
Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_

- 3. An order to proceed with preparation and submittal of Contractor Change Order Proposal Form (CCOP, Exhibit "G") immediately for change affecting Contract Price or time for completion of the work.

SUBMIT AN ITEMIZED PROPOSAL for changes in the Contract Price or time for completion of the work if you believe Instruction 3 is a modification to the Contract Documents that affects Contract Price or time for completion of the work. Within three days, the Contractor must submit a CCOP or notify the District Representative, in writing, of the date on which the CCOP submission will be completed.

**EXHIBIT "G" – CONTRACTOR CHANGE ORDER PROPOSAL**

No. \_\_\_\_\_

Contract No: 130-12026H

Date: \_\_\_\_\_

Drawing No.: \_\_\_\_\_

To: Public Utility District No. 2 of Grant County, Washington

- A. Description of Proposal: (attach separate document/pages/drawings, etc., as needed)
- B. Proposed Contract Time of Completion Adjustment: (if any)
  - 1. Describe impact of proposal on Contract time of completion or milestone(s) (attach separate pages, documents as needed).
  - 2. Provide reason/justification for any change to the Contract completion date or required milestone date(s) including a description of circumstances leading to the event that required this proposal (attach separate pages, documents as needed).
  - 3. Provide all supporting data that will be helpful to the District in evaluating the proposed schedule change (attach separate pages, documents as needed).
  - 4. Date event occurred (if applicable) that required this proposal as well as attaching a revised project schedule showing the impact (if any) of the proposed schedule change.
- C. Proposed Contract Price Adjustment: (if any)
  - 1. Indicate proposed increase/decrease to the Contract lump sum or Contract Price.
  - 2. For any proposed Contract Price adjustment, Contractor shall provide a detailed cost breakdown, including all labor categories, hours, rates, material quantities, and equipment hours and charges (attach separate pages, documents as needed).

\$ \_\_\_\_\_ (lump sum/not to exceed)
- D. Impact to project if this Proposal is not accepted: (if any)

Note: The District shall not be liable for any payment to Contractor, or any claims arising therefrom, for any proposal, until such time as a Change Order has been approved and authorized, in writing, by the District (if ever), in accordance with Contract Section GC-11. Contractor understands and agrees that any information contained herein is in no way binding on the District or is submitted only for the purpose of evaluation by the District.

Full Legal Name of Contractor

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "H" – CERTIFICATE OF COMPLETION AND RELEASE**

FROM: \_\_\_\_\_  
(Contractor)

TO: Public Utility District No. 2 of Grant County, Washington  
(District)

Contract No. 130-12026H, entered into the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Between Public Utility District No. 2 of Grant County, Washington and  
\_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_ for  
\_\_\_\_\_  
\_\_\_\_\_

Sample Only

KNOW ALL MEN BY THESE PRESENTS:

1. The undersigned hereby certifies that there is due from and payable by the District to the Contractor under the Contract and duly approved Change Orders and modifications the balance of \$ \_\_\_\_\_.

2. The undersigned further certifies that in addition to the amount set forth in paragraph 1, there are outstanding and unsettled the following items which he claims are just and due and owing by the District to the Contractor:

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_

**(Itemize claims and amounts due - If none, so state)**

3. The undersigned further certifies that all work required under this Contract including work required under Change Orders numbered \_\_\_\_\_ has been performed in accordance with the terms thereof, and that there are no unpaid claims for materials, supplies, or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of this Contract, and that the wage rates paid by the Contractor and all Subcontractors were in conformity with the Contract provisions relating to said wage rates.

4. Except for the amounts stated under paragraphs 1 and 2, hereof, the undersigned has received from the District all sums of money payable to the undersigned under or pursuant to the above mentioned Contractor or any modification or change thereof.

Certificate of Completion and Release  
Page 2

5. That in consideration of the payment of the amount stated in paragraph 1 hereof the undersigned does hereby release the District from any and all claims arising under or by virtue of this Contract, except the amount listed in paragraph 2 hereof; provided however, that if for any reason the District does not pay in full the amount stated in paragraph 1 hereof, said deduction shall not affect the validity of this release, but the amount so deducted shall be automatically included under paragraph 2 as an amount which the Contractor has not released but shall release upon payment thereof. The Contractor further certifies that upon the payment of the amount listed in paragraph 1, hereof, he shall release the District from any and all claims of any nature whatsoever arising out of said Contractor or modification thereof, and shall execute such further released or assurances as the District may request.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Authorized Representative

Location or Place Executed (City and State): \_\_\_\_\_



**EXHIBIT "I" – COLLECTIVE BARGAINING AGREEMENT, SECTION 2.5**

2.5 Contracting and Job Security

2.5.1

The District shall make appropriate provisions in any agreement entered into with any building trades, electrical or mechanical contractor or subcontractor, for the furnishing of work to the District, that such contractor or subcontractor shall conform to the Contract provisions of Washington State law affecting Public Utility District at the time of the contract award, except that contracts let in accordance with Section 2.5.2 shall require adherence to current wage rates. The District shall require contractors to furnish the District with the rates of wages and other employee benefits.

2.5.2

For purposes of the preceding paragraph with respect to contracts for line and substation maintenance and construction, including pole testing and tree trimming, current and prevailing wage rates, employee benefits and working conditions shall be defined as the equivalent of those expressed through collective bargaining for the Union's construction membership. Verification of payment shall be furnished to the Union by way of Contractor certified payroll documents upon request. It is agreed by the parties hereto that this requirement can be fulfilled by the contractors having an agreement with Local 77.

2.5.3

Written notice shall be given to the Union prior to the start of pending contract work.

2.5.4

It is recognized by both the Union and the District that a stable total work force is desirable. To this end, the District shall not use contracting as a reason for reduction of force. In the case of lack of work because of automation or technological change, reductions shall be made by attrition when reassignment is not feasible. Employees so affected shall not lose their established pay rate.

**EXHIBIT “J” – BOND IN LIEU OF RETAINAGE**

KNOW ALL MEN BY THESE PRESENTS, that we \_\_\_\_\_,  
as Principal, and \_\_\_\_\_, as Surety, are held and firmly bound  
unto Public Utility District No. 2 of Grant County, Washington (hereinafter “District”), and to any claimants  
eligible to file a lien or claim against monies retained by the District pursuant to RCW 60.28 (hereinafter  
collectively designated as “Obligees”), from monies earned by Principal in the sum stated below, to the  
payment of which, well and truly to be paid, we bind ourselves, or heirs, executors and successors jointly  
and severally, firmly by these presents.

The condition of the obligations is such that, whereas, the Principal and the District entered into a  
Contract for public improvement for \_\_\_\_\_  
and, whereas, the Principal requested the District to accept this bond in lieu of all of the Contract retainage  
which the District would otherwise be required to withhold pursuant to Chapter 60.28 RCW; and whereas,  
the Principal has submitted to the District this bond executed by itself and the Surety, a corporation  
authorized to issue surety bonds in the State of Washington, in the penal sum of, \$ \_\_\_\_\_  
lawful money of the United States of America, which is 5% of the Contract Price, and the Principal has  
requested the District, within 30 days of delivery of the bond to the District, to release the monies that  
would otherwise be retained; and the District has consented to permit Principal to file this bond in lieu  
hereof.

NOW, THEREFORE, if the Principal shall indemnify the Obligees from all loss which Obligees  
may suffer by virtue of the release of retainage to Principal on monies earned or to be earned, and shall pay  
any sum which Obligees may recover on their claims, together with costs of suit, reasonable legal fees, and  
interest to which the claimants may be entitled consistent with law and any claims, costs of suit and  
reasonable legal fees incurred by the District, then this obligation to be null and void, otherwise to be in  
full force and effect.

Provided: however, it is expressly understood and agreed:

1. This bond is given and accepted under and in accordance with the provisions of RCW 60.28 and is subject to all claims and liens and in the same manner and priority as set forth for retained percentages contained therein.
2. The laws of the State of Washington shall be applicable in the determination of the rights and obligations of the parties hereunder.
3. No right of action shall accrue upon or by reason hereof to, or for the use or benefit of anyone other than the Obligees herein identified.
4. The aggregate liability of the Surety under this bond for claims against this bond shall not exceed the penal sum of this bond unless change orders, changes in quantities of work or materials provided or other amendments to the Public improvement Contract increase the amount the District is required to retain, in which event the aggregate liability of the Surety shall increase by a sum equaling the increase in the Contract Price multiplied by 5%.
5. The Surety acknowledges that increases in Contract Price may occur as identified in the preceding paragraph. The Surety hereby waives any defense of lack of notice of said increases and the consequent increases in retainage released to the Principal against claims by the Obligees, or any of them.

- 6. In the event Principal fails at any time to pay persons protected under Washington law, RCW Chapter 60.28, or the District has reason to believe that the District or other Obligee has a claim against the retainage or for other good cause, the District claim against the retainage may, at its option, resume retaining from monies earned by Principal such amount as it would otherwise be entitled to retain had this bond not been accepted. Notwithstanding the District's resuming such retainage, this bond shall remain in full force and effect to the extent of its penal sum, limited to the amount of retainage released to the Principal. After Principal has paid protected persons or otherwise cured any default, the District may, at its option, again release retainage pursuant to this agreement. Notwithstanding any action the District may take pursuant to this section, Surety shall remain liable as set forth above. It shall be no defense, by Surety or Principal, against any claim under this bond that the District should have resumed retaining monies.

IN WITNESS WHEREOF, said Principal and Surety have hereunto set their hands and seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

"PRINCIPAL"

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Attorney in Fact

"SURETY"

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Attorney in Fact

Address of local office and agent, and home offices of Surety Company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* Contractor shall attach Power of Attorney for person signing on behalf of Surety.

**EXHIBIT "K" – AUTHORIZATION FOR WORK**

Date: \_\_\_\_\_

Issued pursuant to Contract: 130-12026H

Project Number: \_\_\_\_\_

Amendment: \_\_\_\_\_

Project Name: \_\_\_\_\_

District Representative: William Coe

hereby requests and authorizes the Contractor to perform the following work:

**Scope of work** covered by this authorization shall be performed in accordance with all the terms and conditions in the above referenced Contract Documents which are incorporated herein by this reference.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Compensation** is to be paid in accordance with GC-12, Payment/Retainage.

**Miscellaneous:** \_\_\_\_\_

\_\_\_\_\_

PUBLIC UTILITY DISTRICT NO. 2  
OF GRANT COUNTY, WASHINGTON

FULL LEGAL NAME OF CONTRACTOR

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT “L” – 2024–2025 POTENTIAL DOCK CREW PROJECTS

### Potential Projects

#### **K5 Feeder Rebuild**

Rebuild approx. 6.68 miles of 3 phase 336 AAC to 3 phase 795 AAC beginning at K5 disconnect and running along Wahluke slope Road, ending at K152 regulator/Rd G SW. Upgrade K285 regulators to 438 amps. Upgrade K5 getaways to parallel 1100 AL EPR. This rebuild will decrease heavy loading on the conductor and improve voltage in the area.

Preferred completion date: Spring 2024

#### **MA6 Rebuild**

Rebuild approx. 5 miles to 795 AAC beginning at MA242 and running East along Rd 28 SW and north to K254. Upgrade MA6 getaways to parallel 1100 AL EPR. This rebuild will reduce loading on the feeder, improve voltage in the area, and will be one step towards strengthening the tie between Matawa and Wahluke. This rebuild will also be a step towards extending new feeders out of the Wahluke substation to relieve loading on the Matawa substation after Wahluke is rebuilt to include a second lineup.

Preferred completion date: Summer 2024

#### **Crescent Bar Alternative Feeder Upgrade**

Q6 getaways to parallel 1100 AL EPR. Rebuild 3.4 miles on I13 feeder to 795 AAC beginning at the station, construct 0.3 miles of 795 along Rd 8 NW, and construct new 795 AAC OH and 1100 AL EPR UG line down the hill (approx. 1.5 miles) into Q433 disconnect at V2871. Install 3 air switches to offload Q6 feeder onto I13. This project will serve as an alternate source into the Crescent Bar service area.

Preferred completion date: Dec 2024

#### **Burke B26 Rebuild**

Rebuild approx. 1.15 miles of 795 AAC double circuit beginning at the substation and extending to the intersection of W Baseline RD and Beverly Burke RD NW. Rebuild approx. 5.61 miles to 795AAC beginning at the intersection of W Baseline RD and Beverly Burke RD extending SW. Construct an additional 0.4 miles of 3 phase 795 AAC west towards Sunland Estates. This rebuild will split B26 feeder into two feeders, decrease heavy loading on the line, and improve voltage in the area. This rebuild will serve the area of Sunland Estates with a new feeder.

Preferred completion date: Spring 2025

#### **New Seep Lake SL5 Feeder**

Install SL5 breaker. Rebuild 4.22 miles of 4 ACSR with 3 phase 795 AAC beginning at the intersection of RD 10.5 SE and H RD SE and extending west and south along RD E SE ending at the intersection of RD E SE and RD 12 SE. Install 2 air switches. This rebuild will split the heavily loaded SL10 feeder into two feeders and allow for improved back feeding capability for R26 feeder.

Estimated Project Cost: \$685,000. Preferred completion date: Spring 2025

**BJ6 Rebuild**

Upgrade BJ6 feeder getaways to parallel 1100 AL EPR. Rebuild 2.7 miles of 336 AAC to 795 AAC beginning at BJ122 and extending west along RD 3 NE to F92. Upgrade BJ173 regulators to 438 amps. This rebuild will improve back feeding capabilities for Wheeler F33 feeder and Ruff feeder T6.

Preferred completion date: Spring 2025

**GN7 and J14 Rebuild**

Upgrade GN7 and J14 feeder getaways to 1100 AL EPR. Rebuild approximately 7.5 miles of three-phase 1/0 ACSR and 4/0 ACSR with three-phase 795 AAC starting at just north of the intersection of Beverly Burke Rd and SW Rd T.5 then extending south to the intersection of Rd 22.1SW and Hwy 243. Move J51 regulator East of J96 recloser. This rebuild will strengthen the tie between Geneva and Jericho.

Preferred completion date: Summer 2025.

**New Royal R24 Feeder**

Extend 1100 AL EPR UG conductor east from V1853 to RD D SW. Rebuild one mile of 4/0 ACSR beginning at R515 to double circuit 795 AAC and extending north along RD D SW to RD 11 SW. Rebuild 4 miles to 795 AAC beginning at R66 and extending west along RD 11 SW and south along RD G SW to AR78. Upgrade and move R174 regulators to 438 amps. Move R348 capacitor bank. Install 3 air switches. This rebuild will alleviate loading from R15, R14, and AR10 feeders. This rebuild will also upgrade the main line of R15 feeder, allowing it to be a more robust tie with AR9.

Preferred completion date: Summer 2025.

**EXHIBIT “M” – ADDITIONAL EQUIPMENT LIST**

In accordance with Section SR-18, the Contractor agrees to provide the District with the following equipment, which was not included in Exhibit “A”, Bid Form. The equipment rates below include all costs of operation, including fuel, insurance, mileage and maintenance.

Equipment Description	Unit Price

PUBLIC UTILITY DISTRICT NO. 2  
OF GRANT COUNTY, WASHINGTON

FULL NAME OF CONTRACTOR IN CAPS

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

William Coe  
District Representative

Name  
Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT “N” – CONTRACTOR SAFETY REQUEST FOR INFORMATION**



# Contractor Safety Request for Info

<b>Contractor Company Name:</b>		<b>Prepared By:</b>	
<b>Address:</b>		<b>Title:</b>	
		<b>Phone #:</b>	
		<b>Date:</b>	

Years in business under current company name: \_\_\_\_\_

**PRINCIPAL BUSINESS ACTIVITY:**

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Blasting/Painting | <input type="checkbox"/> Instrumentation         | <input type="checkbox"/> Machining      |
| <input type="checkbox"/> Cranes            | <input type="checkbox"/> Lead/Asbestos Abatement | <input type="checkbox"/> Welding/Piping |
| <input type="checkbox"/> Excavation        | <input type="checkbox"/> Cement Work             | <input type="checkbox"/> Electrical     |
| <input type="checkbox"/> Heavy Transport   | <input type="checkbox"/> Drilling                | <input type="checkbox"/> Other _____    |
| <input type="checkbox"/> Labor Service     | <input type="checkbox"/> General Construction    |   |
| <input type="checkbox"/> Scaffold          | <input type="checkbox"/> Hydro-Blasting/Cleaning |   |

**EXPERIENCE MODIFICATION RATE:**

Provide the following health, safety, and environmental (HSE)-related information:

List your company’s interstate or intrastate (if applicable) Experience Modification Rate (EMR) for the three (3) most recent years, as evidenced in workers’ compensation insurance premiums:

Last Year: \_\_\_\_\_                      2-Years Ago: \_\_\_\_\_                      3-Years Ago: \_\_\_\_\_

Higher rates may require a corrective action plan for your company. Provide a copy of the letter from your insurance broker or insurance company evidencing the rate for the last 3 years.

- Check this box if your company has less than the minimum number of employees required by law to carry workers’ compensation insurance or if your company does not have an EMR. (If checked, provide a letter from your insurance company stating this.)



Fill in the following information for the last three available years (use your OSHA 300 Logs)		Last Year	2-Yrs Ago	3-Yrs Ago
(A)	Number of fatalities each year			
(B)	Number of lost workday/restricted activity each year			
(C)	Recordable injury cases each year			
(D)	Total hours each year (do not include non-work time, even though paid)			
(E)	Injury incident rate = $\frac{\text{NO. OF RECORDABLE INJURIES} \times 200,000}{\text{TOTAL HOURS FOR YEAR}}$			

If your company experienced a work-related fatality during this period, provide a brief description of the causes and corrective actions taken.  N/A

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Has Washington State Labor & Industries, OSHA, EPA, or other State or Federal enforcement agency(s) cited and assessed penalties against your company for any “serious,” “willful” or “repeat” violations in the past five years?  Yes  No

If “yes,” attach a separate page describing the citations, including information about the dates of the citations, the nature of the violation, the project on which the citation(s) was or were issued, the amount of penalty paid, if any. If the citation was appealed to the agency Appeals Board and a decision has been issued, state the case number and the date of the decision.

*NOTE: If you have filed an appeal of a citation and the agency appeals Board has not yet ruled on your appeal, or if there is a court appeal pending, you need not include information about the citation.*

Does your company have a written HSE program?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, attach a copy or a summary of your program, including HSE policy you may have.		
Have an orientation program for new hires?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have training program for newly hired/promoted foremen and supervisors?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you hold workplace HSE meetings for supervisors?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, how often? <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Biweekly <input type="checkbox"/> Monthly <input type="checkbox"/> As Needed		
Do you hold employee “toolbox” HSE meetings?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, how often? <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Biweekly <input type="checkbox"/> Monthly <input type="checkbox"/> As Needed		
Do you conduct pre-task HSE planning meetings with employees?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, briefly describe the program format and/or attach a copy.		
Do you conduct workplace HSE inspections?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, who conducts this inspection?		
How often? <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Biweekly <input type="checkbox"/> Monthly <input type="checkbox"/> As Needed		

Is the company a member of any external HSE program that awards certificates of recognition?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If yes, list certificates of recognition your company has received within the past 3 years:

Indicate elements included in your overall HSE program	HSE Program	New Hire Training	Supervisor/Foreman Training
Corporate HSE Policy			
HSE Workplace Committee			
HSE Inspections and Audits			
Personal Protective Equipment			
Hazard Assessment and Communication			
Task Assignment Training			
Respiratory Protection			
Fall Protection			
Scaffolding and Ladders			
Perimeter Guarding			
Housekeeping			
Fire Protection/Prevention			
First- Aid Procedures/Facilities			
Emergency Procedures			
Toxic Substances/Hazard Communication			
Trenching and Excavation			
Signs, Barricades, and Flagging			
Electrical Safety			
Rigging and Crane Safety			
Safe Work Practices			
Safety Supervision			
Toolbox/Workplace HSE Meetings			
Incident Investigation/Reporting			
Abrasive Blasting Safety			
Substance Abuse			
Vehicle Safety			
Use of Compressed Gas Cylinders			
Welding/Cutting			
Medical Evaluation			

	Blood borne Pathogens			
	Employee Discipline			
	High-Pressure Water Cleaning			
	Hot Taps			
	Noise/Hearing Conservation			
	Heat/Cold stress			
	Incentives/Awards for HSE Achievements			
	Spill Prevention/Response			
	Dust Suppression			
	Wastewater/Storm Water Management			
	Hazardous Waste and Solid Waste Management			
	Equipment Emissions			
	Wetlands/Sensitive Habitats			

**THIS INFORMATION MUST BE FURNISHED TO GRANT PUD PRIOR TO THE BIDDING OF ANY CONTRACT OR ONSITE LABOR**

**For further information or assistance in meeting these requirements, please contact the designated Grant PUD District Representative.**

**REVIEW/APPROVAL SIGNATURES**  
GRANT PUD USE ONLY

<p style="text-align: center;">REQUIRED SIGNATURE</p> <p>SAFETY: _____ DATE _____</p> <p>DISTRICT REP. _____ DATE _____</p>	<p style="text-align: center;"> <input type="checkbox"/> RECEIVED      <input type="checkbox"/> FURTHER REVIEW         </p>
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EXHIBIT "A" - BID FORM

Bid Item No.	Description	Unit Type	2024			2025		
			Estimated Quantity	Bid Unit Price	2024 Bid Item Price	Estimated Quantity	Bid Unit Price	2025 Bid Item Price
1	4-man Basic Construction Crew and Equipment as specified in SR-16 and SR-17 <b>Straight Time Rate</b>	Crew Hour	8,320		\$	8,320		\$
2	4-man Basic Construction Crew and Equipment as specified in SR-16 and SR-17 <b>Overtime Rate</b> (shall not exceed 150% of Straight Time Rate)	Crew Hour	400		\$	400		\$
3	Flagger as specified in SR-16 <b>Straight Time Rate</b>	Hour	7,000		\$	7,000		\$
4	Flagger as specified in SR-16 <b>Overtime Rate</b> (shall not exceed 175% of Straight Time Rate)	Hour	400		\$	400		\$
5	General Foreman as specified in SR-16 <b>Straight Time Rate</b>	Hour	120		\$	120		\$
6	General Foreman as specified in SR-16 <b>Overtime Rate</b> (shall not exceed 175% of Straight Time Rate)	Hour	20		\$	20		\$
7	Heavy Line Equipment Man <b>Straight Time Rate</b>	Hour	4,000		\$	4,000		\$
8	Heavy Line Equipment Man <b>Overtime Rate</b> (shall not exceed 175% of Straight Time Rate)	Hour	400		\$	400		\$
25	Reliable line truck	Hour	400		\$	400		\$
26	Dump truck with 14 yard capacity	Hour	400		\$	400		\$
27	Vactor Truck	Hour	400		\$	400		\$
28	Hydraulic crane, 20 ton minimum capacity	Hour	100		\$	100		\$
29	Hydraulic crane, 100 ton minimum capacity.	Hour	100		\$	100		\$
30	Hydraulic crane, 225 ton minimum capacity with 185 ft. main boom	Hour	50		\$	50		\$
31	Hydraulic breaker model TB725X	Hour	100		\$	100		\$
32	FMC skidder equipped with 20,000 lb boom or approved equal	Hour	500		\$	500		\$
33	FMC skidder equipped with 17 ton boom or approved equal	Hour	150		\$	150		\$
34	325 bobcat compact excavator or approved equal	Hour	500		\$	500		\$
35	All-terrain forklift, 6 ft. forks with 6,000 lb. lifting capacity	Hour	300		\$	300		\$

36	D-6 bulldozer or approved equal	Hour	300		\$	300		\$
37	D-8 bulldozer or approved equal	Hour	100		\$	100		\$
38	D-8 bulldozer equipped with vibratory conduit plow or approved equal	Hour	250		\$	250		\$
39	Vermeer 830 conduit/cable plow or approved equal	Hour	500		\$	500		\$
40	Small vibratory cable plow with Maxi-Sneaker C 26 x 12.00 x 12 Tires, Poly Filled P75 cable plow. 18 to 24" inch pulling blade, offset adaptor for blade. Engine block heater "Hydra-Borer" attachment, 50 ft. of drill stem. Drill stem starting guide with one trailer of 6500 GVWR, equipped with additional toolbox for drill stem, 10"x 12"x 10'	Hour	300		\$	300		\$
41	Rockwell trencher	Hour	300		\$	300		\$
42	Trackhoe, 50,000 lb. class	Hour	1,200		\$	1,200		\$
43	Pressure digger, capable of digging holes a minimum of 13 ft. deep and a minimum of 36 in. diameter	Hour	250		\$	250		\$
44	Highline front end loader with forks to lift reels or approved equal	Hour	200		\$	200		\$
45	Portable compactor	Hour	200		\$	200		\$
46	Asphalt cutter	Hour	200		\$	200		\$
47	4-wheel ATV	Hour	200		\$	200		\$
48	Water truck, 2,500 gallon minimum capacity with spray system	Hour	500		\$	500		\$
49	Water Trailer - 500 gallon capacity	Hour	350		\$	350		\$
50	Hydraulic press, 60 ton with dies	Hour	100		\$	100		\$
51	V-groove puller/rewinder or approved equal	Hour	300		\$	300		\$
52	Wire stringing equipment, single drum complete 4,000 lb. minimum tension @ 4 mph. Includes all tension pulling and transportation equipment, and communication radios	Hour	50		\$	50		\$
53	Wire string equipment, four (4) drum complete 7,000 lb. minimum tension @ 4 mph. Includes all tension pulling and transportation equipment and communication radios	Hour	1,200		\$	1,200		\$
54	GMP C cable lasher, P/N 71420 or approved equal	Hour	100		\$	100		\$
55	GMP J2 cable kasher, P/N 86070 or approved equal	Hour	100		\$	100		\$

56	Lashing equipment with cable reel trailer to handle 8-foot reel lasher, pull rope, "Shotgun" arm, lashing wire grip and aerial cable chute guide	Hour	300		\$	300		\$
57	9 HP hydraulic power pack or approved equal, fiber optic cable blower 100 psi minimum, air compressor	Hour	100		\$	100		\$
58	Portable compressor	Hour	500		\$	500		\$
59	Directional boring. One (1) bore with one (1) 2" HDPE conduit (conduit furnished by District)	Linear Feet	5,000		\$	5,000		\$
60	Directional boring. One (1) bore with two (2) 2" HDPE conduit (conduit furnished by District)	Linear Feet	3,000		\$	3,000		\$
61	Directional boring. One (1) bore with one (1) 3" HDPE conduit (conduit furnished by District)	Linear Feet	400		\$	400		\$
62	Directional boring. One (1) bore with one (1) 4" HDPE conduit (conduit furnished by District)	Linear Feet	800		\$	800		\$
63	Directional boring. One (1) bore with one (1) 6" HDPE conduit (conduit furnished by District)	Linear Feet	1,000		\$	1,000		\$
64	Directional boring. One (1) bore with <b>two conduits</b> (QTY 2) 2" HDPE conduits (conduit furnished by District)	Linear Feet	500		\$	500		\$
65	Directional boring. One (1) bore with <b>two conduits</b> (1) 2" HDPE conduit and (1) 3" HDPE conduit (conduit furnished by District)	Linear Feet	300		\$	300		\$
66	Directional boring. One (1) bore with <b>two conduits</b> (1) 2" HDPE conduit and (1) 4" HDPE conduit (conduit furnished by District)	Linear Feet	1,600		\$	1,600		\$
67	Directional boring. One (1) bore with <b>two conduits</b> (1) 2" HDPE conduit and (1) 6" HDPE conduit (conduit furnished by District)	Linear Feet	1,000		\$	1,000		\$
68	Directional boring. One (1) bore with <b>two conduits</b> (1) 4" HDPE conduit and (1) 6" HDPE conduit (conduit furnished by District)	Linear Feet	1,000		\$	1,000		\$
69	One lot (50) fiberglass arm extensions, 6 ft. Maydwell and Hartzell Cat. No. 13443-6 or approved equal	Week	300		\$	300		\$
70	One lot (8) temporary fiberglass dead arms	Week	200		\$	200		\$
71	One lot (12) 795 ACSS bolt grips, 6 bolt minimum	Week	30		\$	30		\$
72	One lot (100) distribution, 6" travelers neoprene lines, Sherman Reilly model X5-100 or approved equal	Week	400		\$	400		\$

73	One lot (50) transmission, 24" travelers neoprene lines, Sherman Reilly or approved equal	Week	50			50		
					\$			\$
	SUBTOTAL BY YEAR (sum of bid items 1-73)				\$			\$
<b>SUBTOTAL FOR CONTRACT TERM</b>								\$
74	Estimated amount for subcontractors for the Contract term (see Section SR-7).	Dollars						\$100,000.00
							Percentage markup below	Percentage markup x \$100,000.00 below
75	Markup for subcontractors utilized in accordance with Section SR-7.	Dollars				\$100,000.00		\$
<b>TOTAL BID PRICE (Sum of Bid Items 1 through 75 For Contract Term)</b>								\$

**SUPPLEMENTAL BID PRICE SCHEDULE**

Alternate personnel, to be used at the District's option for alterations to crew size and make up in accordance with Section SR-15, or for issuance of a duly authorized Change Order in accordance with Section GC-11.

Overtime Rate shall not exceed 175% of Straight Time Rate. District will reduce any rates exceeding limitations to the maximum allowed.

Item No.	Description	2024		2025	
		Straight Time Hourly Rate	Overtime Hourly Rate	Straight Time Hourly Rate	Overtime Hourly Rate
1	Line Crew Foreman	\$	\$	\$	\$
2	Journeyman Lineman	\$	\$	\$	\$
3	Line Equipment Man (shall not exceed 86% of Journeyman Lineman rate)	\$	\$	\$	\$
4	Head Groundman (shall not exceed 76% of Journeyman Lineman rate)	\$	\$	\$	\$
5	Groundman (shall not exceed 72% of Journeyman Lineman rate)	\$	\$	\$	\$
6	Apprentice Lineman 7th Period (shall not exceed 90% of Journeyman Lineman rate)	\$	\$	\$	\$
7	Apprentice Lineman 6th Period (shall not exceed 86% of Journeyman Lineman rate)	\$	\$	\$	\$
8	Apprentice Lineman 5th Period (shall not exceed 78% of Journeyman Lineman rate)	\$	\$	\$	\$
9	Apprentice Lineman 4th Period (shall not exceed 73% of Journeyman Lineman rate)	\$	\$	\$	\$
10	Apprentice Lineman 3rd Period (shall not exceed 69% of Journeyman Lineman rate)	\$	\$	\$	\$
11	Apprentice Lineman 2nd Period (shall not exceed 66% of Journeyman Lineman rate)	\$	\$	\$	\$



**SUPPLEMENTAL BID PRICE SCHEDULE**

Alternate personnel, to be used at the District's option for alterations to crew size and make up in accordance with Section SR-15, or for issuance of a duly authorized Change Order in accordance with Section GC-11.

Overtime Rate shall not exceed 175% of Straight Time Rate. District will reduce any rates exceeding limitations to the maximum allowed.

Item No.	Description	2024		2025	
		Straight Time Hourly Rate	Overtime Hourly Rate	Straight Time Hourly Rate	Overtime Hourly Rate
12	Apprentice Lineman 1st Period (shall not exceed 64% of Journeyman Lineman rate)	\$	\$	\$	\$
13	Powderman (shall not exceed 76% of Journeyman Lineman rate)	\$	\$	\$	\$

## **2024-2025 Dock Crew Projects**

### **K5 Feeder Rebuild**

Rebuild approx. 6.68 miles of 3 phase 336 AAC to 3 phase 795 AAC beginning at K5 disconnect and running along Wahluke slope Road, ending at K152 regulator/Rd G SW. Upgrade K285 regulators to 438 amps. Upgrade K5 getaways to parallel 1100 AL EPR. This rebuild will decrease heavy loading on the conductor and improve voltage in the area.

Estimated Project Cost: \$1,082,000.

Preferred completion date: Spring 2024

### **MA6 Rebuild**

Rebuild approx. 5 miles to 795 AAC beginning at MA242 and running East along Rd 28 SW and north to K254. Upgrade MA6 getaways to parallel 1100 AL EPR. This rebuild will reduce loading on the feeder, improve voltage in the area, and will be one step towards strengthening the tie between Mattawa and Wahluke. This rebuild will also be a step towards extending new feeders out of the Wahluke substation to relieve loading on the Mattawa substation after Wahluke is rebuilt to include a second lineup.

Estimated Project Cost: \$865,000.

Preferred completion date: Summer 2024

### **Crescent Bar Alternative Feeder**

Upgrade Q6 getaways to parallel 1100 AL EPR. Rebuild 3.4 miles on I13 feeder to 795 AAC beginning at the station, construct 0.3 miles of 795 along Rd 8 NW, and construct new 795 AAC OH and 1100 AL EPR UG line down the hill (approx. 1.5 miles) into Q433 disconnect at V2871. Install 3 air switches to offload Q6 feeder onto I13. This project will serve as an alternate source into the Crescent Bar service area.

Estimated Project Cost: \$750,000.

Preferred completion date: Dec 2024

### **Burke B26 Rebuild**

Rebuild approx. 1.15 miles of 795 AAC double circuit beginning at the substation and extending to the intersection of W Baseline RD and Beverly Burke RD NW. Rebuild approx. 5.61 miles to 795AAC beginning at the intersection of W Baseline RD and Beverly Burke RD extending SW. Construct an additional 0.4 miles of 3 phase 795 AAC west towards Sunland Estates. This rebuild will split B26 feeder into two feeders, decrease heavy loading on the line, and improve voltage in the area. This rebuild will serve the area of Sunland Estates with a new feeder.

Estimated Project Cost: \$1,250,000.

Preferred completion date: Spring 2025

### **New Seep Lake SL5 Feeder**

Install SL5 breaker. Rebuild 4.22 miles of 4 ACSR with 3 phase 795 AAC beginning at the intersection of RD 10.5 SE and H RD SE and extending west and south along RD E SE ending at the intersection of RD E SE and RD 12 SE. Install 2 air switches. This rebuild will split the heavily loaded SL10 feeder into two feeders and allow for improved back feeding capability for R26 feeder.

Estimated Project Cost: \$685,000.

Preferred completion date: Spring 2025

### **BJ6 Rebuild**

Upgrade BJ6 feeder getaways to parallel 1100 AL EPR. Rebuild 2.7 miles of 336 AAC to 795 AAC beginning at BJ122 and extending west along RD 3 NE to F92. Upgrade BJ173 regulators to 438 amps. This rebuild will improve back feeding capabilities for Wheeler F33 feeder and Ruff feeder T6.

Estimated Project Cost: \$500,000.

Preferred completion date: Spring 2025

### **GN7 and J14 Rebuild**

Upgrade GN7 and J14 feeder getaways to 1100 AL EPR. Rebuild approximately 7.5 miles of three-phase 1/0 ACSR and 4/0 ACSR with three-phase 795 AAC starting at just north of the intersection of Beverly Burke Rd and SW Rd T.5 then extending south to the intersection of Rd 22.1SW and Hwy 243. Move J51 regulator East of J96 recloser. This rebuild will strengthen the tie between Geneva and Jericho.

Estimated Project Cost: 1,215,000.

Preferred completion date: Summer 2025.

### **New Royal R24 Feeder**

Extend 1100 AL EPR UG conductor east from V1853 to RD D SW. Rebuild 1 mile of 4/0 ACSR beginning at R515 to double circuit 795 AAC and extending north along RD D SW to RD 11 SW. Rebuild 4 miles to 795 AAC beginning at R66 and extending west along RD 11 SW and south along RD G SW to AR78. Upgrade and move R174 regulators to 438 amps. Move R348 capacitor bank. Install 3 air switches. This rebuild will alleviate loading from R15, R14, and AR10 feeders. This rebuild will also upgrade the main line of R15 feeder, allowing it to be a more robust tie with AR9.

Estimated Project Cost: \$900,000.

Preferred completion date: Summer 2025.

ADDENDUM NO. 1

CONTRACT DOCUMENTS 130-12026H

The following changes are incorporated into requirements for Contract Documents No. 130-12026H by this Addendum:

**Instructions to Bidders Section one is replaced in its entirety with the following:**

Sealed Bids shall be received by Public Utility District No. 2 of Grant County, Washington at the District's contracting offices at 154 A Street SE, Ephrata, Washington no later than 2:00 p.m. on October 4, 2023 for Dock Crew 2024-2025 as specified in Contract Documents 130-12026H. Bids received after that time shall be rejected as non-responsive. **Bids will be opened on Thursday October 5, 2023 at 2:00 p.m. via Microsoft Teams video conference. The video conference will be the only manner by which the public can participate in the Bid opening. To participate in the Bid opening, please join the Teams meeting below:**

## Microsoft Teams meeting

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 239 497 075 414

Passcode: PkDdcW

[Download Teams](#) | [Join on the web](#)

**Or call in (audio only)**

[+1 509-703-5291,409460397#](#) United States, Spokane

Phone Conference ID: 409 460 397#

[Find a local number](#) | [Reset PIN](#)

The original and one copy of the Bid and all required Bidder's Data shall be delivered in a completely sealed opaque envelope properly addressed to:

Lindsey McDonnell, Procurement Officer  
Public Utility District No. 2  
of Grant County, Washington  
154 A Street SE  
Ephrata, Washington 98823

**Phone: (509) 906-0927**

E-mail: [lmcdonnell@gcpud.org](mailto:lmcdonnell@gcpud.org)

with the name of the Bidder written on the outside of the envelope and outer shipping container with the following:

Contract Documents: 130-12026H

Bid for: Dock Crew 2024-2025

**Bid due: October 4, 2023**

**Bid opening: October 5, 2023**

Each Bid submitted shall constitute an offer to the District and shall be irrevocable for a period of 60 days following Bid opening. Contract Award, if any, shall be made within 60 days from the date of Bid opening.

**Receipt of this Addendum must be acknowledged by the Bidder on the Bid Form.**

Public Utility District No. 2  
of Grant County, Washington

DATED THIS 14th DAY OF SEPTEMBER, 2023

BY: Lindsey McDonnell  
Procurement Officer

ADDENDUM NO. 2

CONTRACT DOCUMENTS 130-12026H

The following changes are incorporated into requirements for Contract Documents No. 130-12026H by this Addendum:

1. Replace Section SR-15 in its entirety with the following:

The work to be accomplished by this Contract is high priority for the District, and requires close coordination with other District activities. Therefore, it is very important that the District be able to rely upon having a known number of fully equipped crews available at any time between January 2, 2024 and December 31, 2025. The Contractor shall be able to supply at any time during the Contract, upon a maximum of 20 working days after receipt of a fully executed Authorization for Work (Exhibit "K") from the District, the following:

- A. Basic Construction Crew - The Contractor guarantees the availability of a minimum of four each, four-man basic construction crews, **capable of legally performing three-phased energized hot work**. (see Sections SR-16 and SR-17) and transportation at the Contractor's expense. This includes moving the basic crew and all equipment as specified in this Contract at the Contractor's expense. No payment will be made for time and expenses incurred by the Contractor for mobilizing crew and equipment to the job site.
- B. Supervision – The Contractor's supervising representative shall become acquainted with the District's work practices, specifications and procedures prior to commencing work. When two basic crews or less are utilized under this Contract, such supervising representative shall be available by telephone or in person, as required by District. At the District's option, when three or more basic crews are utilized, the Contractor shall provide a full-time supervising representative (general foreman type) with appropriate transportation and a cellular phone. Such foreman shall maintain constant contact with the District's Line Superintendent or designee as required. The Contractor's supervising representative shall schedule work crews, qualified inspectors and equipment as required by the District to perform the work.
- C. Flaggers – The Contractor shall provide all certified and qualified flagmen (paid at no more than the groundmen's classification rate) and appropriate equipment including cones, signs and communications, as required, to meet existing laws.

2. Replace Exhibit "A" Bid Form with attached Exhibit "A" Bid Form – Revised – Addendum No. 2

**Receipt of this Addendum must be acknowledged by the Bidder on the Bid Form.**

Public Utility District No. 2  
of Grant County, Washington

DATED THIS 18<sup>th</sup> DAY OF SEPTEMBER, 2023

BY: Lindsey McDonnell  
Procurement Officer

**COMMERCIAL EVALUATION**

<b>Contract No.:</b>	130-12026H	<b>Contract Title:</b>	Dock Crew 2024-2025
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<b>Bid Opening Date</b>		10/05/2023	
<b>Total No. of Bidders:</b>		7	
<b>Was prequalification required for bidding?</b>		Yes - HVE	
<b>No. of potential Bidders who obtained the Bid documents:</b>		16	
<b>Was this Bid advertised in the newspaper?</b>	Yes	<b>If yes, where?</b>	Spokesman Review
<b>Addenda issued?</b>	Yes	<b>If yes, how many</b>	1

Additional Information

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<b>Cost Estimate:</b>	<b>\$17,438,535.77</b>
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**Bidders**

<b>Name of Bidder:</b>	Cannon Companies		
<b>Total Bid Price:</b>	\$15,594,697.40	<b>Bid Security:</b>	Bid Bond
<b>Signature Certification:</b>	Yes	<b>Delivery / Completion:</b>	As required
<b>Addendum Received:</b>	Yes	<b>Bidder's Data Provided:</b>	Yes
<b>Commercially Compliant?</b>	No (see below)	<b>Technically Compliant?</b>	No (see add'l information)

Additional Information:

Contractor is not HVE prequalified for 2023. They were pre-qualified in 2022 but did not re-apply in 2023. Documentation provided does not allow confirmation of equipment capabilities nor vintage (WLC).
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<b>Name of Bidder:</b>	Palouse Power		
<b>Total Bid Price:</b>	\$13,392,300.10	<b>Bid Security:</b>	Bid Bond
<b>Signature Certification:</b>	Yes	<b>Delivery / Completion:</b>	As required
<b>Addendum Received:</b>	Yes	<b>Bidder's Data Provided:</b>	Yes
<b>Commercially Compliant?</b>	Yes	<b>Technically Compliant?</b>	Yes

Additional Information:

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<b>Name of Bidder:</b>	Sturgeon Electric Co		
<b>Total Bid Price:</b>	\$18,005,252.62	<b>Bid Security:</b>	Bid Bond
<b>Signature Certification:</b>	NA	<b>Delivery / Completion:</b>	As required
<b>Addendum Received:</b>	Yes	<b>Bidder's Data Provided:</b>	No
<b>Commercially Compliant?</b>	No (see below)	<b>Technically Compliant?</b>	No (see add'l information)

Additional Information:

Exhibit "A" – Bid Form page 2. Contractor did not name themselves or another for Electrical Work category. Contractors percentage of work on the project not identified. Subs comprise 18.3% in proceeding Subcontractor table.  
 Supplemental Bid Price Schedule Form not included in packet  
 Model year(s) of equipment on equipment list not provided as required per ITB 8, D. Equipment details not provided (WLC).

<b>Name of Bidder:</b>	Potelco, Inc.		
<b>Total Bid Price:</b>	\$14,320,003.04	<b>Bid Security:</b>	Bid Bond
<b>Signature Certification:</b>	NA	<b>Delivery / Completion:</b>	As required
<b>Addendum Received:</b>	Yes	<b>Bidder's Data Provided:</b>	Yes
<b>Commercially Compliant?</b>	No (see below)	<b>Technically Compliant?</b>	No (see add'l information)

Additional Information:

Bidder failed to provide an equipment list required in ITB 8,D. Equipment information not provided (WLC).

<b>Name of Bidder:</b>	Henkles & McCoy, Inc.		
<b>Total Bid Price:</b>	\$15,386,175.40	<b>Bid Security:</b>	Bid Bond
<b>Signature Certification:</b>	Yes	<b>Delivery / Completion:</b>	As required
<b>Addendum Received:</b>	Yes	<b>Bidder's Data Provided:</b>	No
<b>Commercially Compliant?</b>	No (see below)	<b>Technically Compliant?</b>	No (see add'l information)

Additional Information:

Exhibit "A" – Bid Form page 2. Contractor did not name themselves or another for Electrical Work category. Contractors percentage of work on the project not identified. Subs comprise 15% in proceeding Subcontractor table.  
 Contractor did not provide two copies of their bid. Procurement made a second copy. Percentage of work nor subcontractors not listed (WLC).

<b>Name of Bidder:</b>	Wilson Construction Company		
<b>Total Bid Price:</b>	\$17,829,700.16	<b>Bid Security:</b>	Bid Bond
<b>Signature Certification:</b>	Yes	<b>Delivery / Completion:</b>	As required
<b>Addendum Received:</b>	Yes	<b>Bidder's Data Provided:</b>	Yes



<b>Commercially Compliant?</b>	No (see below)	<b>Technically Compliant?</b>	No (see add'l information)
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Additional Information:

Model year(s) of equipment on equipment list not provided as required per ITB 8, D. Equipment vintage not provided (WLC).

<b>Name of Bidder:</b>	International Line Builders		
<b>Total Bid Price:</b>	\$	<b>Bid Security:</b>	Bid Bond
<b>Signature Certification:</b>	NA	<b>Delivery / Completion:</b>	As required
<b>Addendum Received:</b>	Yes	<b>Bidder's Data Provided:</b>	No
<b>Commercially Compliant?</b>	No (see below)	<b>Technically Compliant?</b>	No (see add'l information)

Additional Information:

Exhibit "A" – Bid Form page 2. Contractor did not name themselves or another for Electrical Work category. Contractors percentage of work on the project not identified. Subs comprise 6.65% in proceeding Subcontractor table. Work composition and subcontractors not identified (WLC).

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-12000 with Brazil Quality Services LTDA for approval of Professional Services in regards to the Priest Rapids Upgrades for a total not to exceed contract price of \$6,600,000.00 with a contract completion date of December 31, 2030.

**MEMORANDUM**

Oct 12, 2023

**TO:** Richard Wallen, General Manager

**VIA:** Julie Pyper, Chief Administrative Officers <sup>DS</sup> JEP  
 Aaron Kuntz, Senior Manager EPMO <sup>DS</sup> AK  
 Dustin Bennett, Manager EPMO <sup>DS</sup> DB  
 Mike Fleurkens, EPMO Project Services Supervisor <sup>DS</sup> MF

**FROM:** Joe Larkin, Lead Construction Inspector, EPMO Project Services. <sup>DS</sup> JL

**SUBJECT:** Professional Services Agreement with Brazil Quality Services (BQS)

**Purpose:** To request Commission approval of Professional Services Agreement #430-12000 with Brazil Quality Services for the Priest Rapids Upgrades for a total not to exceed Contract Price of \$6,600,000.00 and term of 7 years ending in 2030.

**Discussion:** Brazil Quality Services S/C LTDA EPP (BQS) was awarded Professional Services Agreement (PSA) 230-3871 in July 2014 for \$3,800,000.00. This PSA was issued in order to provide third party inspection support for the Priest Rapids Turbine Generator Upgrades project. The original Contract was planned for factory inspection in Brazil and China for turbine manufacturing for about 10 years. This was based on Voith selection of factories in those countries and an expectation that the need for inspections would be similar to the Wanapum turbine and generator scope and would primarily focus on factory, not site inspections. Five Change Orders have increased the contract's current value to \$6,650,000.00. It is anticipated the remaining Contract amount will be spent within 1 year.

Since staff believe it is important for project success to maintain third party inspection services, a Change Order may be issued to the existing contract, or a new Contract could be created. Staff deem a new contract the best path forward. A new contract with additional updated scope is necessary to maintain project Quality Assurance and to reduce risks and scheduling impacts to the project.

The scheduled forecast for the remaining manufacturer (source) inspections and onsite inspections is expected to last until 2030. This new Professional Service Agreement would expire in 2030 also.

The original Priest Rapids Professional Services Agreement 230-3871 was developed using assumptions from recently completed Wanapum upgrade project. A summary of those assumptions is provided below, for reference:

**Wanapum Inspection History****Turbine:**

- BQS inspectors with District inspectors covered international manufacturing predominantly in Brazil and Romania.
- The turbine shop assembly was performed in the USA and District inspectors covered these inspections without the help of BQS.
- Turbine manufacturing performed in the USA was covered by District inspectors.

**Generator:**

- District inspectors were utilized in China for manufacturing of some components.

- BQS inspectors were utilized in Brazil for manufacturing of some components.
- BQS supplemented Wanapum site inspection prior to 2016 and near full time through 2019 following retirement of the District's generator inspector.
- District inspectors were utilized for manufacturing in Canada.

### **Priest Rapids**

Based on the Wanapum turbine/generator project inspection history, project staff initially planned for the Priest Rapids Inspection Contract to cover primarily factory inspection support at international locations as described above. This included minimal on-site inspection costs. After award of this Contract some of the key assumptions about factory location and onsite inspection needs have changed.

### **Manufacturing Inspection**

At the beginning of the Priest Rapids turbine and generator project, contract inspectors were planned to be utilized on a limited basis in China and Brazil. The turbine shop assembly was expected to be performed in the USA. Starting with the second unit, Voith later decided to move these critical turbine shop assemblies from the United States to Brazil. Voith restructured their Brazil operations and again moved the fifth unit shop assembly and subsequent shop assemblies back to the United States.

Voith is now sourcing most of the large turbine components, turbine blades, turbine hubs and internal turbine castings with some finishing machining at foundries in China. Note that some manufacturing is still being performed at the Voith shop in York Pennsylvania, including final machining of the blades and wicket gate manufacturing.

The District intended to support inspections at these facilities using District inspectors with some support from BQS inspectors. We have also experienced the retirement of a key District inspector who was not replaced.

With manufacturing of all large turbine components having been moved to China, and with the impacts of Covid 19 and the changing political climate we've been forced to change our strategy on manufacturing inspections and the use of District inspectors at Chinese locations. We have now become more dependent on our 3<sup>rd</sup> party inspectors that we had previously developed to support District inspectors.

GE is increasingly utilizing offshore sourcing in Europe, North America and other locations for their new generator component fabrications including thrust runners, thrust bearings and supports with intentions to expand this offshore sourcing plan.

As we've seen in the past, these manufacturing plans are continuously subject to change. In order to effectively meet the quality assurance needs of the project we must continue to have a plan that can react to the changing locations.

### **Justification**

The FERC regulations require quality control and inspections independent of the construction contractor. The District's Enterprise Project Management Office Senior Manager (EPMO) and staff believes supplementing District in-house inspection staff with qualified inspectors local to the manufacturing facilities will allow District in-house inspection resources to be managed and dispatched efficiently and effectively and help ensure that inspection of the critical components can be completed on an ongoing basis. Ongoing inspections are an essential part of the District's strategy to ensure that when parts arrive at the Priest Rapids powerhouse and District facilities they are correctly manufactured in accordance with the specification, and they are fit for the intended duty.

Not performing inspections would increase the risk of receiving defective components which could result in schedule delays, contract disputes, unplanned cost increases, or potentially defective parts being put

into service which would create reliability concerns that could result in significant financial impacts to the District. It is not cost effective, due to widespread geographical locations, to solely utilize District personnel to provide routine manufacturing quality control surveillance and inspections at the manufacturers various facilities.

Inspectors perform a critical function monitoring component quality during manufacturing and installation to ensure:

- Parts are being manufactured, rehabilitated, and installed in accordance with the technical requirements, drawings, and procedures. This process ensures a high-quality product. The District specifies detailed quality requirements in our contracts and Inspectors perform a key role in ensuring suppliers understand the requirements and know that the District is monitoring the quality and enforcing the contracts.
- The Inspectors also ensure that issues which arise from the work can be quickly communicated to the District. This enables quality issues to be resolved quickly thereby avoiding lower quality parts and potential schedule delays. This strategy of detailed monitoring of the manufacturing processes of our parts has proven to be very successful at avoiding risks that parts would arrive at site with problems that could not easily be resolved at the site. Inevitably, that would result in either schedule delays or being pressured to compromise and accept sub-standard parts to be used on our units.
- Inspectors also assist in other ways that may not be directly related to quality inspections. They are often able to provide project staff with up-to-date information on progress in the shops, they can provide invaluable assistance coordinating with shop personnel and bridging language and cultural barriers, and they sometimes are able to identify more general concerns that may not be specifically covered by the Contract but are beneficial.
- The Inspectors create daily reports documenting the work for future reference with written descriptions, data sheets, and photos. This process provides clear documentation of the history of our parts in the event there are questions that arise in the future and help resolve any disputes that may arise.

The costs for these inspection services for the Turbine Generator project have been approved by the PWG and included in the budgets for Initiatives 213 and 214.

### **Priest Rapids On-Site Inspection**

The Priest Rapids turbine replacement work schedule requires a full-time second shift crew. Onsite second shift District inspection work requires a full-time inspector. Staffing second shift with a District FTE Inspector is problematic. District staffing has utilized a BQS inspector to fulfill the second shift inspector's role with good success. BQS has provided an experienced, reliable, and cost-effective inspector. This inspector also serves as a Power Productions Operations required District Representative for the second shift. This onsite inspection staffing was not planned in the original BQS contract.

### **Turbine Rehabilitated Components Inspection**

Due to the large number of rehabilitated parts for the Priest Rapids turbines it has not been feasible for District Engineers or Inspectors to perform all the necessary inspections. As a result, a local BQS inspector has been utilized as needed at Voith's shop in York, PA.

### **Generator Rehabilitated Components Inspection**

Generator components including generator shafts and rotor poles are currently refurbished and inspected at shops in North America. District Inspectors and Engineers are supplemented with BQS Inspectors to cover inspections at these facilities.

#### **Power Distribution Transformer Inspection**

Power Delivery Engineering has a need for inspection services at power transformer factories in North America, including Mexico. BQS has qualified inspectors that can be utilized at these locations for in-process production inspections and during FAT/shipping. Power Production has successfully used these BQS inspectors for transformer and high voltage switchgear inspections.

#### **Other District Project Inspection needs**

The EPMO Project Services group has a directive to utilize what has worked for us on the turbine generator projects to support the quality assurance needs of District projects outside of Power Production as future needs and opportunities are identified. The scope of this contract will allow for the use of Task Authorizations to provide inspection support for other future projects, similar to how it will be applied to the Power Delivery projects.

#### **Anticipated inspection contract expenditures 2024-2030**

<b>LOCATION</b>	<b>INSPECTION TYPE</b>	<b>Totals</b>	<b>Notes</b>
<b>ON-SITE</b>			
Priest Rapids	T&G Project Night Shift inspector	<b>\$4,110,000</b>	Continues until end of 2030
<b>OFF-SITE</b>			
China	T&G Project Hub, internals, blades, levers	<b>\$1,600,000</b>	Ends in 2028 when manufacturing is complete
USA/Canada	T&G Project on-call inspector (as needed), field poles, generator shafts, work in Voith York shop.	<b>\$700,000</b>	Continues until end of 2030
Other Projects	PD xfmr, Station Svc., other	<b>\$190,000</b>	
		<b>\$6,600,000</b>	<b><i>7 year contract total</i></b>

#### **Summary**

Due to the continued inspection support requirements as described above, the current Contract not-to-exceed amount will be expended in late 2023.

The need for factory source inspections will continue in China, Europe and other international locations. Additional inspection support is also needed in the United States and Canada including onsite inspection support at Priest Rapids Dam.

Covid 19 pandemic protocols and mitigations have impacted the manufacturing and production processes at our manufacturing suppliers around the world and in particular China. These changes have also resulted in us having limited ability to utilize District Inspectors at some foreign shops.

BQS has continued to provide cost effective, qualified, experienced and reliable inspectors for District projects.

#### **Recommendation**

Commission approval to award Contract No. 430-12000 with Brazil Quality Services for the not to exceed contract price of \$6,600,000 with a contract completion date of Dec 31, 2030.

-End of Memo-

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and Brazil Quality Services LTDA (“Contractor”);

R e c i t a l s :

The District desires to obtain professional services for quality control and inspection services for the projects related to supply and installation of equipment at District Power Production, Power Delivery and all other District facilities; and

The District's Chief Administrative Officer and staff believes supplementing District in-house inspection staff with qualified inspectors local to manufacturing facilities will allow District in-house inspection resources to be managed and dispatched efficiently and effectively and help ensure that inspection of critical components can be completed on an ongoing basis; and

Ongoing inspections are an essential part of the District's strategy to ensure that when parts arrive at District Facilities they are correctly manufactured in accordance with the specification, and they are fit for the intended duty; and

Not performing inspections would increase the risk of potentially defective parts put into service which would create reliability concerns that could result in significant financial impacts to the District; and

It is not cost effective, due to wide spread geographical locations, to solely utilize District personnel to provide routine manufacturing quality control surveillance and inspections at the manufacturers various facilities; and

District staff has found the Contractor to be uniquely qualified to provide inspection and verification of Contract specification compliance in various manufacturing facilities; and

The undersigned Contractor is willing to perform professional services on the terms and conditions specified herein.

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto agree as follows:

1. Scope of Services

Quality control inspection services are anticipated to include, but not limited to the following:

- A. Quality control and inspection support during manufacturing of hydro-electric turbine and generator equipment and components. These manufacturing facilities are in various locations around the world and will be determined by the supplier of the respective components.
- B. Review of the relevant procedures, drawings, and other submittal documents associated with the manufacture, construction, Quality Control and installation of the turbine and generator equipment and components.
- C. Provide Inspection reports written in English.



- D. Other inspection services the District requests on an as-needed basis associated with equipment upgrades within Power Production, Power Delivery and Enterprise Project Management Office projects including but not limited to any ancillary equipment, governor replacement, power transformers, switchgear, and breakers.
- E. Inspection services to support other District projects related to power production, power delivery and Operations and Maintenance.

The District will authorize the Contractor to perform specific tasks by means of a Task Authorization for Professional Services (Appendix "C") to be signed by both the District and the Contractor. Such authorization may be issued by the District Representative. The authorization will define the scope of the task, any time requirements and budget limitations.

The District makes no guarantee as to the actual amount of work to be done. The District reserves the right to suspend or terminate any authorized task at any time or to extend the Contract beyond the initial term by issuance of a Change Order in accordance with Section 5 to complete any work already initiated and/or authorized under the original term and scope of the Contract.

2. Independent Contractor

- A. The Contractor shall operate as, and have the status of, an independent Contractor and will not be an agent or employee of the District nor will it be entitled to any employee benefits provided by the District. All the Contractor's activities will be conducted at its own risk and be in compliance with all federal, state and local laws.
- B. The Contractor shall perform its services with the level of skill, care and diligence normally provided by and expected of professional persons performing services similar to or like those to be performed hereunder. Contractor understands that the District will be relying upon the accuracy, competency, credibility and completeness of the services provided by the Contractor hereunder and that the District and its customers will be utilizing the results of such services.

3. Term - Schedule

This Agreement shall remain in full force and effect until December 31, 2030 or until terminated pursuant to Section 17.

4. Compensation and Payment

- A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in Appendix "A", Rate Schedule, which rates and costs shall not be subject to change until two years after the effective date of this Agreement. Any changes to rates and costs shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter. Each such change shall not exceed the lesser of i.) 5% or ii.) the percentage increase in the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding 12 month period for which CPI-U data is available. Contractor shall notify the District in writing at least 30 days prior to any such rate increase going into effect.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of \$6,600,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 5 below.

- B. Contractor shall submit monthly invoices to the attention of:

Public Utility District No. 2  
of Grant County, Washington  
Attn: Accounts Payable  
PO Box 878  
Ephrata, WA 98823  
Or AccountsPayable@gcpud.org

- C. Invoices shall include the Contract number and a detailed description of the work performed. Any Labor Categories or reimbursable expenses shall be included on the invoice (see Appendix "A").
- D. Payment will be made by the District upon completion of work following District approval of Contractor's invoices. Invoice shall be subject to the review and approval of the District. Invoice shall be in a detailed and clear manner supported by such information the District may require. The District will make payment to Contractor within 30 days after District's receipt and approval of said invoice. Contractor understands and agrees that by executing this Contract with the District, the District shall make payment(s) by automated clearing house (ACH) or International Wire Transfer.
- E. The District Representative may approve additional Contractor employees, personnel categories, and/or equipment rates to be added to the Rate Schedule, if applicable, provided that any additional employees have at least equivalent training and skills and are compensated at the same or lower rates than those listed on the current approved Rate Schedule for similar work. There shall be no change in the total Contract not to exceed amount. All additions must be approved in writing prior to performing services under the Contract.

5. Change Orders

Except as provided herein, no official, employee, agent or representative of the District is authorized to approve any change in this Contract and it shall be the responsibility of the Contractor before proceeding with any change, to satisfy itself that the execution of the written Change Order has been properly authorized on behalf of the District. The District's management has limited authority to approve Change Orders. The current level and limitations of such authority are set forth in District Resolution No. 8609 which may be amended from time to time. Otherwise, only the District's Board of Commissioners may approve changes to this Contract.

Charges or credits for the work covered by the approved changes shall be determined by written agreement of the parties and shall be made on Change Order form as reflected on Appendix "B".

When a change is ordered by the District, as provided herein, a Change Order shall be executed by the District and the Contractor before any Change Order work is performed. When requested, Contractor shall provide a detailed proposal for evaluation by the District, including details on proposed cost. The District shall not be liable for any payment to Contractor, or claims arising there from, for Change Order work which is not first authorized in writing. All terms and conditions

contained in the Contract Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as Appendix "B" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

6. Taxes

- A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Contractor shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and subcontractors performing work related to this Contract.
- B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:
  - 1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail sales and use taxes due and Contractor shall be reimbursed by the District for the same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.
  - 2. If the Contractor is not required to have a valid Washington State sales tax identification number, it shall notify the District of the same. In such event, the District, after receiving proper invoices from Contractor, shall make payment of said Washington State retail sales and use taxes levied upon this Contract to the Washington State Department of Revenue.

7. Hold Harmless and Indemnification

Contractor shall, at its sole expense, indemnify, defend, save, and hold harmless the District, its officers, agents, and employees from all actual or potential claims or losses, including costs and legal fees at trial and on appeal, and damages or claims for damages to property or persons, suffered by anyone whomsoever, including the District, to the extent caused by any negligent act of or omission of the Contractor or its subcontractors, excluding damages caused by the negligence of the District, in the administration or performance of this Agreement or any subcontracts, and for which either of the parties, their officers, agents, or employees may or shall be liable. In situations where liability for damages arises from claims of bodily injury to persons or damage to property, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Contractor or its subcontractors. Contractor waives its immunity under industrial insurance, Title 51 RCW, to the extent necessary to effectuate this indemnification/hold harmless agreement. Contractor's indemnification obligation shall not apply to liability for damages arising out of bodily injury to a person or damage to property caused by the negligence of the District or its agents or employees and not attributable to any act or omission on the part of the Contractor. In the event of damages to a person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.

Contractor acknowledges that by entering into this Contract with the District, it has mutually negotiated the above indemnity provision with the District. Contractor's indemnity and defense obligations shall survive the termination or completion of the Contract and shall remain in full force and effect until satisfied in full.

8. Insurance

- A. Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Contractor shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best or A by S&P, as enumerated below. Any deductible, self-insured retention or coverage via captive \$25K or above must be disclosed and is subject to approval by the District's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the Contractor and not recoverable under any part of this Contract.

Contractor Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Contractor against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:

- a. Premises and Operations;
- b. Products and Completed Operations;
- c. Contractual Liability;
- d. Personal Injury Liability (with deletion of the exclusion for liability assumed under Contract);

with the following **minimum limits:**

- e. \$1,000,000 Each Occurrence
- f. \$1,000,000 Personal Injury Liability
- g. \$2,000,000 General Aggregate (per project)
- h. \$2,000,000 Products and Completed Operations Aggregate

Commercial general liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

2. **Workers' Compensation and Stop Gap Employers Liability:** When applicable, Workers' Compensation Insurance as required by law for all employees. Employer's Liability Insurance, including Occupational Disease coverage, in the amount of **\$1,000,000 for Each Accident, Each Employee, and Policy Limit.** Employer's Liability may be procured as an endorsement to the commercial general liability via the Stop Gap Coverage endorsement. The Contractor expressly agrees to comply with all provisions of the Workers' Compensation Laws of the states or countries where the work is being performed, including the provisions of

Title 51 of the Revised Code of Washington for all work occurring in the State of Washington.

If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers (USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or Maritime Employer's Liability (MEL).

3. **Automobile Liability Insurance:** Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned (if any), rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of \$1,000,000 per accident** for bodily injury, property damage, or death combined and containing appropriate uninsured motorist and No-Fault insurance provision, where applicable.
4. **Excess Insurance:** Excess (or Umbrella) Liability insurance with a **minimum limit of \$1,000,000 per occurrence and in the aggregate**. This insurance shall provide coverage in excess of the underlying primary liability limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1, 2 (Employer's Liability only) and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years or the statute of repose.

Umbrella/Excess liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

5. **Professional Liability:** Contractor shall provide professional liability insurance with a **minimum limit of \$5,000,000 per claim**.

If such policy is written on a claims made form, the retroactive date shall be prior to or coincident with the Effective Date of this Agreement. Claims made from coverage shall be maintained by the Contractor for a minimum of five years following the termination of this Agreement, and the Contractor shall annually provide the District with proof of renewal. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, the Contractor shall purchase an Extended Reporting Period Tail or execute another form of guarantee acceptable to the District to assure financial responsibility for liability for services performed.

If Contractor shall hire subcontractor for all operations and risk involving professional services exposure, this requirement may be satisfied by subcontractor's policies. Contractor shall impute the insurance requirements stated in this section to subcontractor by written contract or written agreement. Any exceptions must be mutually agreed in writing with the District.

- B. Evidence of Insurance - Prior to performing any services, and within 10 days after receipt of the Contract Award, then annually thereafter, the Contractor shall file with the District a Certificate of Insurance showing the Insuring Companies, policy numbers, effective

dates, limits of liability and deductibles with copies of the endorsements or policy documents where policy terms required under Section A are met.

Failure of the District to demand such certificate or other evidence of compliance with these insurance requirements or failure of the District to identify a deficiency from the provided evidence shall not be construed as a waiver of the Contractor's obligation to maintain such insurance. Acceptance by the District of any certificate or other evidence of compliance does not constitute approval or agreement by the District that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements.

The District shall have the right but not the obligation of prohibiting the Contractor or subcontractor from entering the project site until such certificates or other evidence of insurance has been provided in full compliance with these requirements. If the Contractor fails to maintain insurance as set forth above, the District may purchase such insurance at the Contractor's expense. The Contractor's failure to maintain the required insurance may result in termination of this Contract at the District's option.

- C. Subcontractors - Contractor shall ensure that each subcontractor meets the applicable insurance requirements and specifications of this Agreement. All coverage for subcontractors shall be subject to all the requirements stated herein and applicable to their profession. Contractor shall furnish the District with copies of certificates of insurance evidencing coverage for each subcontractor upon request.
- D. Cancellation of Insurance - The Contractor shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies, to the extent commercially available, or Contractor shall provide 30 days advance written notice to the District for cancellation or any material change in coverage or condition, except 10 days advance written notice for cancellation due to non-payment of premium. Should the Contractor receive any notice of cancellation or notice of nonrenewal from its insurer(s), Contractor shall provide immediate notice to the District no later than two days following receipt of such notice from the insurer. Notice to the District shall be delivered by facsimile or email.

9. Assignment

Contractor may not assign this Agreement, in whole or in part, voluntarily or by operation of law, unless approved in writing by the District.

10. Records - Audit

- A. The results of all work and services performed by the Contractor hereunder shall become the property of the District upon completion of the work herein performed and shall be delivered to the District prior to final payment.
- B. Until the expiration of three years after final acceptance by District of all the work, Contractor shall keep and maintain complete and accurate records of its costs and expenses related to the work or this Contract in accordance with sound and generally accepted accounting principles applied on a consistent basis. To the extent this Contract provided for compensation on a cost-reimbursable basis or whenever such records may, in the opinion of the District, be useful in determining any amounts payable to Contractor or

District (e.g., the nature of a refund, credit or otherwise), Contractor shall provide District access to all such records for examination, copying and audit.

11. Nondisclosure

Contractor agrees that it will not divulge to third parties, without the written consent of the District, any information obtained from or through District in connection with the performance of this Contract. Contractor further agrees that it will not, without the prior written consent of District, disclose to any third party any information developed or obtained by the Contractor in the performance of this Contract and, if requested by District, to require its employees and subcontractors, if any, to execute a nondisclosure agreement prior to performing any services under this Contract. Nothing in this section shall apply to:

- A. Information which is already in the Contractor's possession not subject to any existing confidentiality provisions,
- B. Information which, at the time of disclosure, is in the public domain by having been printed and published and available to the public libraries or other public places where such data is usually collected, and
- C. Information required to be disclosed by court order or by an agency with appropriate jurisdiction.

12. Public Records Act

The District is subject to the disclosure obligations of the Washington Public Records Act of RCW 42.56. The Contractor expressly acknowledges and agrees that any information Contractor submits is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose Contractor's proposal and/or information at its sole discretion in accordance with its obligations under applicable law.

13. Applicable Law

Contractor shall comply with all applicable federal, state and local laws and regulations including amendments and changes as they occur. All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of the District and Contractor shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington or the Federal District Court for the Eastern District of Washington at the District's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable legal fees in addition to any other relief allowed.

14. Subcontracts/Purchases

- A. The Contractor is authorized to enter into subcontracts and to make purchases of materials and equipment required for the work. Any material purchases shall be approved in advance by the District Representative and Procurement Officer.

- B. Whenever the cost for any single item of material is estimated to exceed \$5,000.00, the Contractor shall obtain three quotes and submit to the Procurement Officer for approval. These quotes shall be submitted for approval prior to purchasing the material. Approved material shall be invoiced at cost plus the percentage markup identified in Appendix "A". A copy of the invoice showing actual cost must be submitted with the Contractor's invoice to the District. In addition, if prevailing wages apply to the material purchase, a copy of the associated Intent to Pay Prevailing Wages and Affidavit of Wages Paid must be attached. In no event shall a material purchase of like items exceed \$15,000.00.
- C. Before entering into any subcontracts and throughout the duration of the Contract, the District Representative and Procurement Officer may request copies of the subcontractor agreements from the Contractor. Subcontracted work approved in accordance with this section shall be invoiced at cost plus the percentage markup identified in Appendix "A". A copy of the invoice showing actual cost must be submitted with the Contractor's invoice to the District. In addition, if prevailing wages apply to the services provided, a copy of the subcontractors Intent to Pay Prevailing Wages and Affidavit of Wages Paid must be attached in order for payment to be made for that particular work. In no event shall a labor subcontract exceed \$25,000.00.

15. Notices

Any notice or other communication under this Contract given by either party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be deemed served when received and not mailed. Either party may from time to time change such address by giving the other party notice of such change.

<u>District</u>	<u>Contractor</u>
Joe Larkin	Sandro Rogerio Duarte
Public Utility District No. 2	Brazil Quality Services LTDA
of Grant County, Washington	RUA IRMA PIA
PO Box 878	172 Jaguare, sala 7
Ephrata, WA 98823	San Paulo 05335-050
(509) 754-5088 ext 3166	+5511-27380993
jlarkin@gcpud.org	bqs@brazilquality.com

For purposes of technical communications and work coordination only, the District designates Joe Larkin as its representative. Said individual shall have no authority to authorize any activity which will result in any change in the amount payable to Contractor. Such changes, if any, must be by written Change Order issued in accordance with Section 5 to be valid and binding on the District.

16. Termination

- A. District may, at any time, for any reason, terminate Contractor's services in connection with this Agreement, or any part thereof, by designating that portion of the services to be terminated. In case of termination pursuant to this Section A, District will make payment at the rates specified in this Agreement for services properly performed up to the date of termination. However, in no event shall Contractor be entitled to any other payment to or any anticipated fee or profit on unperformed work.



- B. In the event of Contractor's breach or abandonment of this Contract, the District may thereupon and without further notice, terminate this Agreement. The District without waiving any other remedies available to it, may retain any monies otherwise due Contractor under this Agreement to the extent such sums are required to compensate District, in whole or in part, for any loss or damage caused by Contractor's breach or abandonment.

17. Non-Waiver

No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

18. Physical Security

If any performance under this Contract is to be conducted on District facilities or worksites, it shall be the responsibility of the Contractor to ensure that its employees and those of its Subcontractors are informed of and abide by the District's Security Policies as if fully set out herein a copy of which shall be provided to the Contractor by the District Representative at the preconstruction meeting or prior to beginning work. Without limiting the foregoing, Contractor and its employees shall be required to:

- A. Keep all external gates and doors locked at all times and interior doors as directed.
- B. Visibly display ID badges on their person at all times.
- C. Stay out of unauthorized areas or in authorized areas outside of authorized work hours, without express authorization from the District.
- D. Provide proper notification to the appropriate parties, and sign in and out upon entry and exit to secured locations. If unsure of who to notify, Contractor shall contact the District Representative.
- E. Immediately notify the District if any of Contractor's employees no longer need access or have left the Contractor's employment.
- F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Contractor in the amount of \$50.00 per badge and the fee for lost or non-returned keys may include the cost to re-key the plant facilities. The Contractor is strictly prohibited from making copies of keys.
- G. Not permit 'tailgating' through any controlled access point (i.e. person(s), authorized or unauthorized, following an authorized person through an entry point without individual use of their issued ID badge or key).
- H. Return all District property, including but not limited to keys and badges, to the District Representative when an individual's access to the facility is no longer needed.

- I. Guest Wireless: The District provides Guest Wireless Internet access to contractors and vendors that need to conduct business in support of the District from personally owned mobile devices such as laptops and smart phones. Contractor personnel are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources.

The Contractor and any Subcontractors shall comply with the safety requirements of these Contract Documents and all District policies pertaining to COVID-19 located at <https://www.grantpud.org/for-contractors>.

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before granting such individuals access to restricted areas of District facilities or Protected Information. Criminal background checks may be conducted in such depth as the District reasonably determines to be necessary or appropriate for the type of access to be granted. The cost of such background checks shall be borne by the Contractor.

19. Security, Safety Awareness Training, Dam Safety Awareness Training, and Transmission and Distribution Access Training

Prior to receiving access to any District facilities, all Contractors, Contractor's employees, subcontractors and subcontractor's employees, material suppliers and material supplier's employees, or any person who will be engaged in the work under this Contract that requires access to District facilities, shall be required to take and pass the District's Security and Safety Awareness training before being issued a security access badge to access District facilities. Under no circumstances will the failure of any Contractor or subcontractor employee to pass the required training, be grounds for any claim for delay or additional compensation.

The Safety and Security Awareness training is available online and is a 20-30 minute training. The training is located at: <https://www.grantpud.org/for-contractors>. All contractors and their employees are required to successfully complete Safety and Security Awareness training before coming onsite. The Security and Safety certificates should be emailed directly to [SecurityTrainingCerts@gcpud.org](mailto:SecurityTrainingCerts@gcpud.org).

District Representative shall ensure that Contractor's employees, subcontractor's and subcontractor's employees have completed and submitted the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted before any security access badges will be issued.

If applicable, Dam Safety Awareness Training is required for Contractors who are performing work in and around Priest Rapids and Wanapum Dams and are badged. The training is available online only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

If applicable, Transmission and Distribution Access Training is required for Contractors, or their Subcontractors, who may hold a clearance or hotline hold order as part of performance of work under this Contract. The training is available online only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any

delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

If you are uncertain which of the above courses you or your employees must complete, please contact your District Representative.

20. 2008 Early Retirement Factors Acknowledgement

By executing this Contract, Contractor acknowledges that they are in compliance with RCW 41.50.139 regarding the 2008 early retirement factors per WAC 415-02-325. Contractors found to be in non-compliance shall be responsible for all penalties incurred.

21. Contractor Safety Requirements

The following applies if Contractor, or any of its sub-consultants, subcontractors, or suppliers of any tier, performs any activities on premises owned, leased, possessed, or controlled by the District. The Contractor Safety Requirements shall be required when applicable as determined by the District Representative based upon the scope of work. To the extent applicable, the Contractor shall ensure that all workers, sub-consultants, subcontractors, and suppliers comply with these requirements. In fulfilling these requirements, the Contractor shall also comply with material and equipment manufacturer instructions, and safety and health requirements in accordance with WAC 296-126-094 and this Agreement where applicable. If there are conflicts between any of the requirements referenced in the Contract Documents, the more stringent requirement shall prevail.

A. General

Initial/Warning Notice: Any District employee may notify the Contractor of any safety or health concern. The notice may be delivered verbally to any Contractor employee or subcontractor and the District employee shall notify the District Representative of the Notice. Written notification may be provided to the Contractor at the discretion of the District Representative. The notice shall have the same effect on the Contractor regardless of format or recipient. The Contractor shall take immediate action to mitigate the safety and health concerns identified in the District's notice.

B. Stop Work Order: District employees also have the authority to immediately stop a work activity without issuing the Initial/Warning Notice. The District employee will immediately notify the District Representative of the Stop Work Order. The District Representative may direct the Contractor to stop work due to safety and health concerns. The Stop Work Order may cover all work on the Contract or only a portion of the work. After the District issues a Stop Work Order, the Contractor shall meet with District Representatives (as determined by the District Representative) to present a written statement outlining specific changes and/or measures the Contractor will make to work procedures and/or conditions to improve safety and health. A Stop Work Order can be rescinded only with the written approval of the District Representative.

1. The Contractor shall not be entitled to any adjustment of the Contract price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor's, Subcontractor's, or supplier's control.
2. The District's conduct does not alter or waive the Contractor's safety and health obligations.

3. Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
  4. Non-compliance with safety requirements could lead to termination of the contract in accordance with Section 17.
- C. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Contract.
1. The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.
  2. In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, subcontractor, and their workers shall fully cooperate with the District in this investigation.
  3. All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.
  4. For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- D. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to other work being performed that may impact the Contractor's work.
- E. The District reserves the right to request updated Contractor safety information at any time during the performance of this Contract. Such updated information will be provided on the attached Appendix "D", Contractor Safety Request for Information Form.
- F. Office Work: Contractor personnel who perform work in an office environment at premises owned, leased, possessed, or controlled by the District shall be required to follow at a minimum the following safety and security requirements. This work includes but is not limited to professional services and consulting, technology-related tasks, and training services. Work activities may include working at a desk, attending meetings, touring facilities, and similar activities.
1. Access: The Security Department administers physical access to District facilities. Contractor personnel shall be issued an ID badge or visitor badge to provide access to work areas as needed per Sections 18 and 19. Workers without authorized access

to an area must be escorted at all times. Any person with authorized access may serve as an escort.

- 2. Emergency Preparedness: All Contractor personnel, when entering a facility or work area, shall determine the locations of emergency exits, fire extinguishers, first aid kits, AED, and gathering points in case of evacuation.
- 3. Housekeeping: Contractor personnel shall keep desks, cubicles, meeting rooms, and all other working areas free from clutter and tripping hazards. Work areas shall be cleaned after use according to applicable guidelines posted by the District in such work areas.

**Hydroelectric Facility Work Requirements**

- G. Power Plant Personal Protective Equipment: A hard hat, eye protection, and high visibility clothing are required for all personnel in the power plants, with exceptions noted below. Hearing protection is required in the power plant erection bays and in areas designated and marked through signage as hearing protection required areas.

PPE listed above is not required in administrative areas, rest rooms and break areas unless hazards are present due to construction work or other activity. In these cases, the crew foreman or supervisor will determine and post the level of PPE required in the work area. The above is a District requirement.

- H. Foreign Material Exclusion Policy

Contractors performing work on critical equipment in District power plants must comply with the District’s Foreign Material Exclusion Policy, which will be made available to the Contractor by the District Representative at the pre-work conference.

IN WITNESS WHEREOF, the Contractor and the District have executed this Agreement each by its proper respective officers and officials thereunto duly authorized the day and year first above written.

Public Utility District No. 2  
of Grant County, Washington

Brazil Quality Services LTDA

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX “A”  
RATE SCHEDULE**

**DIRECT EXPENSES:**

<b>Job Classification</b>	<b>Location</b>	<b>Hourly rate (USD)</b>	<b>Overtime hourly rate (USD)</b>
Mechanical, electrical, NDE and welding Inspector	Brazil/South America	\$76.35	\$103.70
Mechanical, electrical, NDE and welding Inspector (Note 2)	China	\$130.00	\$175.50
Lead Mechanical Inspector - Site (Note 1)	Priest Rapids/Wanapum Sites	\$194.67	\$262.81
Senior Mechanical Inspector – Site (Note 1)		\$169.27	\$228.51
Mechanical Inspector – Site (Note 1)		\$150.38	\$203.00
Lead Electrical Inspector – Site (Note 1)		\$194.67	\$262.81
Senior Electrical Inspector – Site (Note 1)		\$169.27	\$228.51
Electrical Inspector – Site (Note 1)		\$150.38	\$203.00
Mechanical, electrical, NDE and welding Inspector (traveling)	Canada/USA/Mexico/ Europe/South Korea/India	\$127.25	\$171.79
Specialist inspector, metallurgist	Europe	\$140.00	\$189.00
Contract Administration	Any Country	\$81.52	Not charged
Travel Time (limited to actual time spent traveling)	Any Country	Applicable Hourly rate	Applicable Hourly rate

**Note 1:** Individuals in this job classification area to the Priest Rapids/Wanapum project sites are on a long-term basis and as such are not eligible to be reimbursed for transportation costs, meals or lodging. Approved overtime for the job classification shall be paid at the applicable overtime rate for hours worked beyond 10 hours per day and for hours beyond 40 hours per week, Saturdays, Sundays, and District recognized holidays.

**Note 2:** Individuals in this job classification will be paid a rate that is all inclusive, except for the local per diem as per the Meals and Incidental Expenses section blow. All-inclusive means that all expenses will be included in this rate and that the District will not pay for any travel expenses including but not limited to, lodging, hotels, airfare, train fares, taxi fares, rental cars, and mileage.

The Fixed Hourly Rates specified above apply to work performed during “normal” daily work hours which are typically between 8:00 a.m. and 4:00 p.m., Monday through Friday except for local holidays. Overtime will be paid at the rates specified in table above for hours worked beyond 10 hours per day and for hours beyond 40 hours per week, Saturdays, Sundays, and local holidays.

All overtime shall be pre-approved in writing by the District Representative.

Fixed hourly billing rates shall be in US Dollars and include all i) payroll, payroll taxes and fringe benefits; ii) all reproduction and printing costs including electronic media; iii) communications costs including all phones, faxes, internet, postage, shipping, delivery, couriers; iv) computer, software, printers, scanners,

office machines and related costs of operations including consumables; v) insurance costs; vi) indirect and overhead burden; and vii) profit.

**REIMBURSABLE EXPENSES:**

Reimbursable expenses are those reasonable and necessary costs incurred on or directly for the District's project, including necessary transportation costs, meals and lodging. Any actual expenses in non-US dollars will be converted using the conversion tables at [www.x-rates.com](http://www.x-rates.com) for the applicable period. Reimbursement will be subject to the following limitations:

Meals and Incidental Expenses: Meals and incidental expenses will be limited to the Federal Per Diem rate for meals and incidentals established for the location where lodging is obtained. The current rate for all Grant County locations is \$59.00 per day. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at [www.gsa.gov](http://www.gsa.gov).

Lodging: Lodging will be billed at cost, including applicable taxes, not to exceed 200% of the Federal Per Diem maximum lodging rate for the location where the work is being performed. The current federal maximum lodging rate for all Grant County locations is \$107.00. The District Representative may increase this limit in writing when circumstances require.

Travel: Air travel (at coach class or equivalent), airport shuttles, etc. billed at cost. Ground transportation by privately owned vehicle, if utilized, billed at the Internal Revenue Service mileage rate for privately owned vehicles in effect at the time of travel. Expenses for a rental car, at cost, in the ratio of one mid-size class rental car for each three Contractor's personnel directly engaged in performance of the work at the prevailing rental rates then in effect. Rental car options such as refueling fees, GPS, collision & liability insurance, etc. will not be reimbursed by the District unless such options are approved in advance by the District Representative. **Appropriate insurance coverage should be included in the Contractor's insurance policies.**

Sub-consultants/Subcontractors: Services requested by the District, verifiable by applicable supporting documentation or at specified rates, will be reimbursed to Contractor at cost plus a maximum handling charge of 10%.

Other: All other expenses will be based on actual costs and include appropriate documentation.

**Reimbursable expenses must be accompanied by receipts for airfare, hotel, and rental car, and any other support documentation as the District may require.**

**APPENDIX "B"**  
**CHANGE ORDER**  
NO. \_\_

Pursuant to Section 5, the following changes are hereby incorporated into this Contract:

- A. Description of Change:
  
- B. Time of Completion: The revised completion date shall be \_\_\_\_\_.  
*OR*  
The completion date shall remain \_\_\_\_\_.
  
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall remain unchanged (be increased/decreased by the sum of \$\_\_\_\_\_ plus applicable sales tax). This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$\_\_\_\_\_, including changes incorporated by this Change Order.
  
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2  
of Grant County, Washington

Brazil Quality Services LTDA

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Name of Authorized Signature  
Title

Name of Authorized Signature  
Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**APPENDIX "C"**  
**TASK AUTHORIZATION FOR**  
**PROFESSIONAL SERVICES**

Contract No.:	430-12000	Task Authorization No.:		Amendment No.:	
Project Name:					

The Scope of Services covered by this authorization shall be performed in accordance with all the terms and conditions in the above referenced Contract Documents which are incorporated herein by this reference.

The District hereby requests and authorizes the Contractor to perform the following services:

Sample Only

Compensation is to be paid in accordance with and subject to the limitations in Section 4.A of the Contract Documents. In addition, the total cost of the above described work shall not exceed \$\_\_\_\_\_ without advance amendment of this Task Authorization by the District.

Public Utility District No. 2  
of Grant County, Washington

Brazil Quality Services LTDA

Approved for District

Accepted by Contractor

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: District Representative

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPENDIX "D"  
CONTRACTOR SAFETY REQUEST FOR INFORMATION



# Contractor Safety Request for Info

<b>Contractor Company Name:</b>		<b>Prepared By:</b>	
<b>Address:</b>		<b>Title:</b>	
		<b>Phone #:</b>	
		<b>Date:</b>	

Years in business under current company name: \_\_\_\_\_

**PRINCIPAL BUSINESS ACTIVITY:**

- Blasting/Painting
- Cranes
- Excavation
- Heavy Transport
- Labor Service
- Scaffold
- Instrumentation
- Lead/Asbestos Abatement
- Cement Work
- Drilling
- General Construction
- Hydro-Blasting/Cleaning
- Machining
- Welding/Piping
- Electrical
- Other \_\_\_\_\_

**EXPERIENCE MODIFICATION RATE:**

Provide the following health, safety, and environmental (HSE)-related information:

List your company's interstate or intrastate (if applicable) Experience Modification Rate (EMR) for the three (3) most recent years, as evidenced in workers' compensation insurance premiums:

Last Year: \_\_\_\_\_      2-Years Ago: \_\_\_\_\_      3-Years Ago: \_\_\_\_\_

Higher rates may require a corrective action plan for your company. Provide a copy of the letter from your insurance broker or insurance company evidencing the rate for the last 3 years.

- Check this box if your company has less than the minimum number of employees required by law to carry workers' compensation insurance or if your company does

not have an EMR. (If checked, provide a letter from your insurance company stating this.)

Fill in the following information for the last three available years (use your OSHA 300 Logs)		Last Year	2-Yrs Ago	3-Yrs Ago
(A)	Number of fatalities each year			
(B)	Number of lost workday/restricted activity each year			
(C)	Recordable injury cases each year			
(D)	Total hours each year (do not include non-work time, even though paid)			
(E)	Injury incident rate = <b><u>NO. OF RECORDABLE INJURIES x 200,000</u></b> <b><u>TOTAL HOURS FOR YEAR</u></b>			

If your company experienced a work-related fatality during this period, provide a brief description of the causes and corrective actions taken.  N/A

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Has Washington State Labor & Industries, OSHA, EPA, or other State or Federal enforcement agency(s) cited and assessed penalties against your company for any “serious,” “willful” or “repeat” violations in the past five years?  Yes  No

If “yes,” attach a separate page describing the citations, including information about the dates of the citations, the nature of the violation, the project on which the citation(s) was or were issued, the amount of penalty paid, if any. If the citation was appealed to the agency Appeals Board and a decision has been issued, state the case number and the date of the decision.

*NOTE: If you have filed an appeal of a citation and the agency appeals Board has not yet ruled on your appeal, or if there is a court appeal pending, you need not include information about the citation.*

Does your company have a written HSE program?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, attach a copy or a summary of your program, including HSE policy you may have.		
Have an orientation program for new hires?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have training program for newly hired/promoted foremen and supervisors?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you hold workplace HSE meetings for supervisors?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, how often? <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Biweekly <input type="checkbox"/> Monthly <input type="checkbox"/> As Needed		
Do you hold employee “toolbox” HSE meetings?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, how often? <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Biweekly <input type="checkbox"/> Monthly <input type="checkbox"/> As Needed		
Do you conduct pre-task HSE planning meetings with employees?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If yes, briefly describe the program format and/or attach a copy.

Do you conduct workplace HSE inspections?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, who conducts this inspection? How often? <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Biweekly <input type="checkbox"/> Monthly <input type="checkbox"/> As Needed		
Is the company a member of any external HSE program that awards certificates of recognition?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, list certificates of recognition your company has received within the past 3 years:		

Indicate elements included in your overall HSE program	HSE Program	New Hire Training	Supervisor/Foreman Training
Corporate HSE Policy			
HSE Workplace Committee			
HSE Inspections and Audits			
Personal Protective Equipment			
Hazard Assessment and Communication			
Task Assignment Training			
Respiratory Protection			
Fall Protection			
Scaffolding and Ladders			
Perimeter Guarding			
Housekeeping			
Fire Protection/Prevention			
First- Aid Procedures/Facilities			
Emergency Procedures			
Toxic Substances/Hazard Communication			
Trenching and Excavation			
Signs, Barricades, and Flagging			
Electrical Safety			
Rigging and Crane Safety			
Safe Work Practices			
Safety Supervision			
Toolbox/Workplace HSE Meetings			
Incident Investigation/Reporting			
Abrasive Blasting Safety			

	Substance Abuse			
	Vehicle Safety			
	Use of Compressed Gas Cylinders			
	Welding/Cutting			
	Medical Evaluation			
	Blood borne Pathogens			
	Employee Discipline			
	High-Pressure Water Cleaning			
	Hot Taps			
	Noise/Hearing Conservation			
	Heat/Cold stress			
	Incentives/Awards for HSE Achievements			
	Spill Prevention/Response			
	Dust Suppression			
	Wastewater/Storm Water Management			
	Hazardous Waste and Solid Waste Management			
	Equipment Emissions			
	Wetlands/Sensitive Habitats			

**THIS INFORMATION MUST BE FURNISHED TO GRANT PUD PRIOR TO THE BIDDING OF ANY CONTRACT OR ONSITE LABOR**

**For further information or assistance in meeting these requirements, please contact the designated Grant PUD District Representative.**

**REVIEW/APPROVAL SIGNATURES**  
GRANT PUD USE ONLY

<p style="text-align: center;">REQUIRED SIGNATURE</p> <p>SAFETY: _____ DATE _____</p> <p>DISTRICT REP. _____ DATE _____</p>	<p style="text-align: center;"> <input type="checkbox"/> RECEIVED                      <input type="checkbox"/> FURTHER REVIEW                 </p>
---	---

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11765 with Absher Construction + Integrus Architecture + Huitt-Zollars Design Build Team (DB Team) in an amount not to exceed \$3,999,891.00 to execute the Validation Period for the new Service Center (SC1) project, utilizing the Progressive Design-Build approach with an estimated contract completion by year-end 2027.

## MEMORANDUM

November 2, 2023

**TO:** Rich Wallen, General Manager/Chief Executive Officer

**VIA:** Fallon Long, Managing Director of Integrated Operational Services FL 11/1/2023

**FROM:** Rhiannon Fronsman, Project Manager RCF 11/1/2023  
Nick Bare, District Representative NB 11/1/2023

**SUBJECT:** Award Power Delivery Facilities Project, New Service Center Progressive Design-Build Team Contract 430-11765

### **Purpose:**

To request Commission approval of contract 430-11765 with Absher Construction + Integrus Architecture + Huitt-Zollars Design Build Team (DB team) in the not to exceed amount of \$3,999,891 to execute program validation and pre-design activities for the new Service Center (SC1) project, utilizing the Progressive Design-Build approach.

During the program validation period, the DB team will conduct a comprehensive review of Grant PUD's facilities master plan, gather and analyze information, further assess Grant PUD's existing facilities, and create preliminary future space needs projections. SC1 detailed space descriptions and performance criteria will be established through stakeholder and user group meetings. The DB team will develop the SC1 cost model, schedule of values, target schedule, and risk assessment that will be updated regularly throughout the life of the SC1 project. The DB team will work with Grant PUD to generate and monitor target value design allocation. Target value delivery focuses on delivering customer values within project constraints. The DB team will assist Grant PUD to determine the project cost framework to design and construct SC1 before design commences. Pre-design activities will follow these efforts and the DB team will deliver SC1 50% schematic design.

Once program validation and pre-design activities outlined above are accomplished, a planned contract amendment will be requested via contract change order. The planned amendment will include scope, not to exceed cost, time, and delivery milestones for the DB team to design SC1.

### **Discussion:**

After years of intensive planning and analysis of Grant PUD's future needs and evaluation of certain existing facilities, Grant PUD's Facilities Master Plan effort was completed in 2022. The Master Plan identifies Grant PUD's need to construct new service centers and a headquarters to meet long-term commitments (30 years and beyond) to provide excellent and reliable service, access, and efficiencies to our customers. The design and construction of these new facilities will be staggered over time to minimize the impact on both customers and employees during the transition. Additionally, this approach allows for a separate economic review of each facility, ensuring that any potential rate impacts on our customers are minimized.

Implementation of the Facilities Master Plan will begin with design and construction of SC1. A portion of the DB team's validation period discussed above will include programming for all 3 planned new facilities to ensure an integrated, holistic view is achieved to maximize efficiencies.

County growth and demand for Grant PUD services are increasing and the existing Ephrata and Moses Lake service centers and headquarters facility are inadequate to keep up with current and long-term service demands. These facilities are not in compliance with Federal and State requirements, including ADA, Energy, and Building Codes. Constructing new, innovative, and more efficient facilities is a more cost-effective and functional approach compared to improving the existing facilities. The current buildings lack appropriate office space, storage space, restrooms, breakrooms, parking, and conference rooms, resulting in overcrowding and the need to disperse staff across leased spaces. By investing in new facilities, Grant PUD can address these challenges and create an environment that allows current employees to return to co-location. This will not only enhance their collaboration but also provide ample room for future Grant PUD and customer growth opportunities.

### **Justification:**

Design and construction of SC1 will correct deficiencies and non-compliance, as well as create a building that meets Grant PUD's safety and reliability standards and capitalizes on resiliency opportunities. SC1 will co-locate currently dispersed departments that collaborate closely to perform work and allow space for future department growth. Crews will have adequate space to meet, receive and provide training to better and safely provide service to customers, and properly store tools and equipment to protect Grant PUD assets.

SC1 will correct long-standing issues of aging buildings that remodel concepts have been pieced together over decades of time. Years of temporary break-fixes and deferred upgrades have compounded to create inefficiencies for various departments and work groups with a lack of basic necessities to enable employees to effectively complete their work. Grant PUD has assessed concept designs and projected costs for remodeling and improving the existing Ephrata and Moses Lake service centers. However, it has been determined that these costs are ineffective and impractical when compared to constructing new facilities. While costly improvements to the existing facilities would enable us to meet short-term requirements, they would not facilitate long-term future growth to meet organizational objectives and customer needs.

If the contract request is not awarded for the DB team to begin SC1 project work, Grant PUD will continue to incur significant costs to continue operating from the aging Ephrata service center. Many components at the service center are outdated and reaching the end of their usable lifecycle, there is a backlog of deferred maintenance items, and there are building system failures occurring on a regular basis. As services to our customers continue to expand, additional leased space may be required to house employees and assets.

### **Financial Considerations:**

Through the 2019-2022 Master Planning effort, estimated total project cost was calculated. In February 2023, a cost estimation firm was enlisted to review and validate the Master Plan cost estimate. The cost estimator concluded, based on Master Plan programming, the SC1 total estimated project cost (escalated to construction midpoint Q2 2026) in the amount of \$235,408,470. That escalated estimate is comprised of \$163,630,256 for design and construction and \$71,778,214 for owner costs. Owner costs are the



additional cost required to bring a project to operable status, such as but not limited to property acquisition, inventory, furnishings, materials and equipment not provided by the contractor, labor, and services.

The progressive design-build method allows Grant PUD and the DB team to work together to refine scope, schedule, budget, and funding before establishing a final design concept and cost proposal. The total project cost estimates will be refined as the DB team moves through design and will be communicated and analyzed. The DB team will practice target value design to provide Grant PUD quality scope within an established budget.

The new SC1 project was evaluated and considered for financial approval in August 2022. \$6.04M capital budget was approved to fund project initiation and planning. Adequate budget is available to begin the DB team's work on this project.

The DB team estimates \$3,999,891 not to exceed cost to complete validation and pre-design activities. Grant PUD will only incur costs for time and expense authorized and performed. Estimated costs for SC1 design and construction will be refined as project planning continues to Guaranteed Maximum Price (GMP). Additional capital funding requests will be presented for approval as the project progresses.

#### **Contract Specifics:**

The progressive design-build project delivery approach is regulated by the Revised Code of Washington State that allows, under some circumstances, alternative public works contracting procedures that may best serve public interest when implemented in an open and fair process based on objective and equitable criteria. The SC1 project meets the criteria established in RCW 39.10, as determined by the State of Washington, Department of Enterprise Services Project Review Committee in March 2023.

The progressive design-build procurement approach has elevated Grant PUD's access to highly skilled contractors and designers. Interested DB teams were solicited by Request for Qualifications. Responding DB teams were evaluated and scored on their experience and qualifications in the following areas: successfully deliver projects similar in scope and complexity of the SC1 project; their capabilities of utilizing the progressive design-build alternate delivery approach; and their past performance utilizing Disadvantaged Business Enterprise (DBE), Minority & Women owned Business Enterprise (MWBE) and small businesses. Seven (7) DB teams responded to Grant PUD's request for qualifications and the highest scoring three (3) teams were issued Request for Proposals. The finalists were further evaluated and scored on their progressive design-build approach for SC1, cost tracking and guaranteed maximum price development approach, design and construction management approaches, project safety management, claims history, and their inclusion plan for DBE, MWBE and small businesses.

The Absher Construction + Integrus Architecture + Huitt-Zollars DB Team is the highest scoring respondent to Grant PUD's SC1 project request. The DB team has worked with Grant PUD to refine scope, deliverables, and milestones to successfully begin the project validation phase and developed a level of effort to complete validation tasks. The \$3,999,891 not to exceed contract price will be paid only for time and expense incurred for work the DB team performs to complete the validation and pre-design activities scope and requirements through 2024. The not to exceed price includes costs for professional services (personnel), site investigation allowances, and subconsultants to conduct site-work.

Grant PUD has utilized the Design-Build Institute of America's (DBIA) recommended contract agreement and general conditions for the progressive design-build alternate delivery method. Revisions and clarification to DBIA's recommendations have been managed by our specialized legal counsel, Robynne Thaxton. Robynne partnered with Grant PUD to support our two other progressive design-build projects in Power Delivery. Robynne is a leading legal expert in construction law and alternate procurement in Washington State and in the nation. She has served, or is serving, on multiple state and national boards that develop and establish best practices for alternative procurement and state RCWs. All alterations to DBIA contractual recommendations during contract negotiations have been vetted and approved by Robynne.

Insurance and bonding requirements and proof of the ability to obtain the necessary coverages were required from viable DB team candidates during the procurement process.

Once validation period efforts are near completion and project requirements and scope are better defined, a planned change order will be requested to continue the DB team's work. The change order will request approval for design of the site and structures, followed by the establishment of the Guaranteed Maximum Price (GMP) to construct the project as designed. Establishment of the GMP will initiate another planned change order/GMP amendment to build the project.

Estimated project completion is by the end of 2027. The project schedule will be better refined during the validation period and through thorough project planning efforts.

**Recommendation:**

Commission approval to execute contract 430-11765 with Absher Construction + Integrus Architecture + Huitt-Zollars Design Build Team (DB team) in the not to exceed amount of \$3,999,891 to execute the Validation Period for the new Service Center (SC1) project, utilizing the Progressive Design-Build approach.

**Legal Review:**

See attached e-mail(s).

Standard Form of  
Agreement Between  
Owner and Design-  
Builder – Cost Plus  
Fee with an Option  
for a Guaranteed  
Maximum Price

**Document No. 530**

Third Edition, 2022

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Washington, D.C.



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# Standard Form of Agreement Between Owner and Design-Builder – Cost Plus Fee with an Option for a Guaranteed Maximum Price

*This document has important legal consequences. Consultation with  
an attorney is recommended with respect to its completion or modification.*

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This **AGREEMENT** is made as of the \_\_\_\_\_ day of \_\_\_\_\_  
in the year of \_\_\_\_\_, by and between the following parties, for services in connection with the Project  
identified below:

**OWNER:**

*(Name and address)*

Public Utility District No. 2 of Grant County, Washington  
154 A Street SE  
Ephrata, WA 98823

**DESIGN-BUILDER:**

*(Name and address)*

**Absher Construction Company**  
**123 Easy Street, Suite 3A**  
**Wenatchee, WA 98011**

**PROJECT:**

*(Include Project name and location as it will appear in the Contract Documents)*

Progressive Design-Builder for New Ephrata Service Center

In consideration of the mutual covenants and obligations contained herein, Owner and Design-Builder  
agree as set forth herein.

## **Article 1**

### **Scope of Work**

**1.1** Design-Builder shall perform all design and construction services, and provide all material, equipment, tools and labor, necessary to complete the Work described in and reasonably inferable from the Contract Documents.

## **Article 2**

### **Contract Documents**

**2.1** The Contract Documents are comprised of the following:

**2.1.1** All written modifications, Contract Amendments, minor changes and Change Orders to this Agreement issued in accordance with DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (2022 Edition, as amended) ("General Conditions of Contract"), including but not limited to the GMP Amendment in accordance with Section 6.6 herein, provided such Amendment is executed between the parties;

**2.1.2** This Agreement, including all exhibits but excluding, if applicable, the GMP Amendment;

.1	Exhibit A:	Owner's Project Criteria
.2	Exhibit B1:	Design-Builder's Insurance Requirements
.3	Exhibit B2:	Performance and Payment Bond for Design-Build Projects
.4	Exhibit C:	Scope of Services
.5	Exhibit D:	Phase 1 Level of Effort
.6	Exhibit E:	Hourly Rates, Unit Prices, and Allowance Items
.7	Exhibit F:	Form GMP Amendment
.8	Exhibit G:	Form Change Orders
.9	Exhibit H:	Bond in Lieu of Retainage
.10	Exhibit I:	Nondisclosure Agreement.
.11	Exhibit J:	Owner's Safety Requirements
.12	Exhibit K:	Certificate of Completion and Release
.13	Exhibit L:	Background Check ID Verification
.14	Exhibit M:	Collective Bargaining Agreement, Section 2.5
.15	Exhibit N:	Work Change Directive
.16	Exhibit O:	Travel Reimbursement Policy

**2.1.3** The General Conditions of Contract; and

**2.1.4** Initial Project Scope, Design Submissions, the Design Log, and the Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions of Contract and Exhibit C, the most recent approved documents governing over previously approved documents.

## **Article 3**

### **Interpretation and Intent**

**3.1** Design-Builder and Owner, prior to execution of the Agreement, shall carefully review all the Contract Documents, including but not limited to the various documents comprising the Owner's Project Criteria, for any conflicts or ambiguities. Design-Builder and Owner will discuss and resolve any identified conflicts or ambiguities prior to execution of the Agreement.

**3.2** The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event inconsistencies, conflicts, or ambiguities between or among the Contract Documents are discovered after execution of the Agreement, or after the parties' execution of the GMP Amendment, Design-Builder and Owner shall attempt to resolve any ambiguity, conflict or inconsistency informally, recognizing that the Contract Documents shall take precedence in the order in which they are listed in Section 2.1 hereof.

**3.3** Terms, words and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract.

**3.4** If Owner's Project Criteria contain design or prescriptive specifications: Design-Builder shall be entitled to reasonably rely on the accuracy of the information represented in such design or prescriptive specifications and their compatibility with other information set forth in Owner's Project Criteria, including any performance specifications, for the purposes of developing the Scope of Services for the Validation Period, the Validation Period Not to Exceed Amount, and the Design-Builder's Fee Percentage set forth in Design-Builder's Proposal. However, during the Validation Period in Phase 1, Design-Builder is required to perform an independent evaluation of all Owner Provided Information, including but not limited to any design or prescriptive specifications as required in Section 2.02 of Exhibit C. Further, regardless of the inclusion of design or prescriptive specifications or criteria, Design-Builder shall remain responsible for meeting the performance requirements of the Project, including but not limited to the requirements that the Project meet the Owner's Project Criteria, the Initial Project Scope, the Basis of Design Documents as well as all applicable Legal Requirements. Provided Design-Builder complies with other requirements set forth in this Agreement such as those regarding notice of claims to Owner and identification of differing site conditions, Design-Builder shall be entitled to an adjustment in the Scope of Services for the Validation Period Scope, the Validation Period Not to Exceed Amount and/or the Design-Builder's Fee Percentage, but only to the extent Design-Builder's cost and/or time of performance have been adversely impacted by such inaccurate design specification or prescriptive specifications that are inconsistent with meeting the performance requirements.

**3.5** The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents. The Contract Documents may not be changed, modified, or altered except in writing signed by the parties.

**3.6** Design-Builder was selected based in part on the qualifications of the Key Team Members identified in the Design-Builder's Statement of Qualifications and Proposals. Design-Builder may not substitute the identified Key Team Members without written permission from Owner, such permission shall not be unreasonably withheld. Any substituted Key Team Member must possess the same or better qualifications as the previously approved Key Team Member.

## **Article 4**

### **Ownership of Work Product**

**4.1 Work Product.** All drawings, specifications and other documents and electronic data, including such documents identified in the General Conditions of Contract, furnished by Design-Builder to Owner under this Agreement ("Work Product") are deemed to be instruments of service and Design-Builder shall retain the ownership and property interests therein, including but not limited to any intellectual property rights, copyrights and/or patents, subject to the provisions set forth in Sections 4.2 through 4.5 below.

**4.2** Upon Owner's payment in full for all Work performed under the Contract Documents, Design-Builder (a) grants Owner a limited license to use the Work Product in connection with Owner's use of service of the Project and (b) transfers all ownership and property interests, including but not limited to any intellectual property rights, copyrights and/or patents, in that portion of the Work Product that consists of

engineering design elements and specifications that are unique to the Project. Specifically, and without limitation thereto, the Work Product set forth in subsection (b) above shall include designs and data developed in connection with the Owner's proprietary information in the 20 series drawings as well as the IP SCADA system. The parties shall specifically designate those portions of the Work Product for which ownership in the Work Product shall be transferred. Such grant and transfer are conditioned on Owner's express understanding that its alteration of the Work Product without the involvement of Design-Builder is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier (collectively the "Indemnified Parties"), and on Owner's obligation to provide the indemnity set forth in Section 4.5 below.

***[At the parties' option, the following may be used in lieu of Section 4.2.]***

Upon Owner's payment in full for all Work performed under the Contract Documents, Design-Builder: (a) grants Owner a limited license to use the Work Product in connection with Owner's occupancy of the Project; and (b) transfers all ownership and property interests, including but not limited to any intellectual property rights, copyrights and/or patents, in that portion of the Work Product that consists of architectural, engineering and other design elements and specifications that are unique to the Project. The parties shall specifically designate those portions of the Work Product for which ownership in the Work Product shall be transferred. Such grant and transfer are conditioned on Owner's express understanding that its alteration of the Work Product without the involvement of Design-Builder is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier (collectively the "Indemnified Parties"), and on Owner's obligation to provide the indemnity set forth in Section 4.5 below.

**4.3 Owner's Limited License upon Owner's Termination for Convenience or Design-Builder's Election to Terminate.** If Owner terminates this Agreement for its convenience as set forth in Article 8 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under the Contract Documents, grant Owner a limited license to use the Work Product to complete the Project and subsequently occupy, maintain, and furnish the Project, and Owner shall thereafter have the same rights as set forth in Section 4.2 above, conditioned on the following:

**4.3.1** Use of the Work Product is at Owner's sole risk without liability or legal exposure to any Indemnified Party, and on Owner's obligation to provide the indemnity set forth in Section 4.5 below, and

**4.3.2** Owner shall not be required to pay Design-Builder compensation for the right to use the Work Product to complete the Project and subsequently use the Work Product in accordance with Section 4.2 if Owner resumes the Project through its employees, agents, or third parties.

**4.4 Owner's Limited License upon Design-Builder's Default.** If this Agreement is terminated due to Design-Builder's default pursuant to Section 11.2 of the General Conditions of Contract, then Design-Builder grants Owner a limited license to use the Work Product to complete the Project and subsequently occupy the Project, and Owner shall thereafter have the same rights and obligations as set forth in Section 4.2 above. Notwithstanding the preceding sentence, if it is ultimately determined that Design-Builder was not in default, Owner shall be deemed to have terminated the Agreement for convenience, and Design-Builder shall be entitled to the rights and remedies set forth in Section 4.3 above.

**4.5 Owner's Indemnification for Use of Work Product.** If Owner is required to indemnify any Indemnified Parties based on the use or alteration of the Work Product under any of the circumstances identified in this Article 4, Owner shall defend, indemnify and hold harmless such Indemnified Parties from and against any and all claims, damages, liabilities, losses and expenses, including attorneys' fees, arising out of or resulting from the use or alteration of the Work Product.



## **Article 5**

### **Contract Time**

**5.1 Date of Commencement.** The Work shall commence within ten (10) days of Design-Builder's receipt of Owner's Notice to Proceed ("Date of Commencement") unless the parties mutually agree otherwise in writing.

**5.2 Substantial Completion and Final Completion.**

**5.2.1** The Validation Period shall be completed no later than the date set forth in Section 6.6.1.1 below. The parties will establish a date for Phase 1 Completion at the conclusion of the Validation Period and for Substantial Completion of the entire Work during Phase 1 and as part of the GMP Amendment ("Scheduled Substantial Completion Date").

**5.2.2** Interim milestones and/or Substantial Completion of identified portions of the Work ("Scheduled Interim Milestone Dates") shall be determined during Phase 1. The Parties may establish separate Substantial Completion Dates for portions of the Project. For each Substantial Completion Date, the parties will comply with the process established in Section 6.6 of the General Conditions. Substantial Completion of the Project shall occur when the last portion of the Project has achieved Substantial Completion.

**5.2.3** Final Completion of the Work or identified portions of the Work shall be achieved as expeditiously as reasonably practicable. Final Completion is the date when all Work is complete pursuant to the definition of Final Completion set forth in Section 1.2. of the General Conditions of Contract.

**5.2.4** All of the dates set forth in this Article 5 (collectively the "Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract.

**5.3 Time is of the Essence.** Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

**5.4 Liquidated Damages.** Design-Builder understands that if Substantial Completion is not attained by the Scheduled Substantial Completion Date, Owner will suffer damages which are difficult to determine and accurately specify. The parties will establish liquidated damages for the failure to timely complete the Project during Phase 1 and will include the liquidated damages in the GMP Amendment.

**5.5** Any liquidated damages assessed pursuant to this Agreement shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties and any other damages, whether special or consequential, and of whatsoever nature, incurred by Owner which are occasioned by any delay in achieving the Contract Time(s) for which liquidated damages are established.

**5.6 Owner's Review Time.** Unless otherwise set forth in the Contract Documents, the parties have established the following maximum and minimum amount of time for Owner to review Design Submissions and the Project Schedule or any updates thereto unless the parties agree in writing otherwise.

**5.6.1** Owner shall have a minimum of 14 days of receipt by Owner to review all Design Submissions, the Project Schedule and any updates thereto.

**5.6.2** Owner shall make reasonable efforts to review and (if applicable) provide a response to Design-Builder on all Design Submissions, the Project Schedule and any updates thereto within 21 days of receipt by Owner. If Owner is unable to review and respond within the established timeline, Owner shall provide written notice to Design-Builder.

## **Article 6**

### **Contract Price**

#### **6.1 Contract Price.**

**6.1.1** Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract a contract price ("Contract Price") as set forth herein.

**6.1.1.1** Subject to the provisions of the Contract Documents, the Owner shall pay Design Builder for each Phase of the Project in accordance with Section 6.6 of the Agreement. Design Builder's compensation shall be subject to the Validation NTE, the Phase 1 NTE and the GMP, as applicable. The Validation NTE, the Phase 1 NTE, and the GMP, as applicable, shall be the maximum amount that the Design Builder may be compensated for the applicable Contract Phase, as amended pursuant to this Contract. The maximum amount that the Design Builder may be compensated pursuant to this Agreement for any given phase shall also be referred to as the Contract Price ("Contract Price"). The elements of the Design Builder's compensation, subject to the Contract Price are set forth herein. If the sum of the Design-Builder's compensation is less than the Phase 1 NTE and/or the GMP, as applicable, the savings shall go to the Owner.

**6.1.1.2** The parties acknowledge that the scope of work for this Project is not fully developed at the time of execution of the Agreement. The Design-Builder shall develop the Basis of Design Documents and other deliverables in Exhibit C such that the total Compensation to the Design-Builder shall not exceed the Target Budget or GMP, as applicable, unless the parties agree in writing to increase the GMP or the Design-Builder is otherwise entitled to an increase to the GMP pursuant to the terms of the Contract Documents.

#### **6.2 Design-Builder's Fee Percentage.**

**6.2.1** Design-Builder's Fee Percentage shall be: two and six tenths percent (2.60%) of the Cost of the Work, as adjusted in accordance with the Contract Documents.

**6.2.1.1** The Design-Builder's Fee Percentage shall include the following items, which shall not be charged as a Cost of the Work.

6.2.1.1 All profit of the Design-Builder for this Project; and

6.2.1.2 All regional and home office overhead expenses, including labor and materials, phone, facsimile, postage, internet service, and other incidental home office expenses attributed to Work on this Project.

**6.2.1.2** The Design-Builder's Fee Percentage set forth above does not apply to Self-Performed Construction Work as defined in Section 1.03.N of Exhibit C. The Design-Builder's Fee Percentage on Self-Performed Construction Work pursuant to Section 1.04.D of Exhibit C is eight and one half percent (8.50%).

**6.2.1.3** The Design-Builder's Fee Percentage and the Design-Builder's Fee Percentage on Self-Performed Construction Work shall not be applied to the Design-Builder's insurance and bonding costs set forth in Section 6.3.12, the cost for taxes, tariffs or duties as set forth in Section 6.3.14, or the costs of permits as set forth in Section 6.3.15.

**6.2.2** If the Parties enter into the GMP Amendment, Design-Builder shall be paid a lump sum fee (the "Lump Sum Fee") determined by multiplying the applicable Design-Builder's Fee Percentage by the estimated Cost of the Work included in the GMP Amendment. If the parties have negotiated Self-Performed Construction Work pursuant to Section 1.03 of Exhibit C, the Lump Sum Fee shall also include the Design-Builder's Fee Percentage on Self-Performed Construction Work. The estimated Cost of the Work shall include the Lump Sum General Conditions Amount. The Lump Sum Fee will be earned and paid on a monthly basis following execution of the GMP Amendment on a percentage of completion basis. The Design-Builder's Contingency as defined in Section 6.4.4.1.b and the Design-Builder's Insurance and Bonding costs shall be excluded from the Cost of the Work when calculating the Lump Sum Fee.

**6.2.3** The Lump Sum Fee established in the GMP Amendment shall not be modified unless the GMP varies, either upward or downward, by more than five percent (5%) from the GMP set forth in this Agreement ("Original GMP").

**6.2.3.1** If the GMP increases by more than five percent (5%) above the Original GMP, the Lump Sum Fee shall be increased by the amount of the Fee Percentage multiplied by that portion of the Cost of the Work that is in excess of one hundred five percent (105%) of the Cost of the Work set forth in the Original GMP.

**6.2.3.2** If the GMP decreases by more than five percent (5%) below the Original GMP, the Lump Sum Fee shall be decreased by the amount of the Fee Percentage multiplied by that portion of the Cost of the Work that is less than ninety-five percent (95%) of the Cost of the Work set forth in the Original GMP.

**6.2.3.3** The Design Builder's Contingency as defined in Section 6.4.4.1.b. shall be excluded from the Cost of the Work when calculating adjustments to the Lump Sum Fee.

**6.2.3.4** The Design-Builder's Insurance and Bonding Costs shall be excluded from the Cost of the Work when calculating adjustments to the Lump Sum Fee.

**6.3 Cost of the Work.** The term Cost of the Work shall mean costs reasonably and necessarily incurred by Design-Builder in the proper performance of the Work. Unless included in the Lump Sum General Condition the Cost of the Work shall include only the following:

**6.3.1** Wages of direct employees of Design-Builder performing the Work at the Site or, with Owner's written agreement, at locations off the Site; provided, however, that the costs for those employees of Design-Builder performing design services shall be calculated on the basis of prevailing market rates for design professionals performing such services or, if applicable, those rates set forth in an exhibit to this Agreement.

**6.3.2** Wages or salaries of Design-Builder's supervisory and administrative personnel engaged in the performance of the Work and who are located at the Site or working off-Site to assist in the production or transportation of material and equipment necessary for the Work.

**6.3.3** Wages or salaries of Design-Builder's personnel stationed at Design-Builder's principal or branch offices, but only to the extent said personnel are identified in Exhibit E and performing the function set forth in said Exhibit.

**6.3.4** Unless included in Lump Sum General Conditions, costs incurred by Design-Builder for employee benefits, premiums, taxes, insurance, contributions and assessments required by law, collective bargaining agreements, or which are customarily paid by Design-Builder, to the extent such costs are based on wages and salaries paid to employees of Design-Builder covered under Sections 6.3.1 through 6.3.3 hereof.

**6.3.5** The reasonable portion of the cost of travel, accommodations and meals for Design-Builder's personnel necessarily and directly incurred in connection with the performance of the

Work pursuant to the guidelines set forth in Exhibit O. Such costs must be approved in writing by Owner in advance.

**6.3.6** Payments properly made by Design-Builder to Subcontractors and Design Consultants for performance of portions of the Work, including any insurance and bond premiums incurred by Subcontractors and Design Consultants. Contracts with Subcontractors and Design-Consultants that are paid on the basis of a Lump Sum must be approved in advance by the Owner, such approval shall not be unreasonably withheld. Payments to Subcontractors and Design-Consultants shall be consistent with the hourly rates set forth in Exhibit E.

**6.3.7** Costs, including transportation, inspection, testing, storage and handling, of materials, equipment and supplies incorporated or reasonably used in completing the Work. The material costs shall be based upon the net cost after all discounts or rebates, freight costs, express charges, or special delivery costs, when applicable. No lump sum costs will be allowed except when approved in writing in advance by the Owner. Discounts and rebates based on prompt payment need not be included, however, if the Design-Builder offered but the Owner declined the opportunity to take advantage of such discount or rebate.

**6.3.8** Costs (less salvage value) of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by the workers that are not fully consumed in the performance of the Work and which remain the property of Design-Builder, including the costs of transporting, inspecting, testing, handling, installing, maintaining, dismantling and removing such items.

**6.3.9** Costs of removal of debris and waste from the Site.

**6.3.10** The reasonable costs and expenses incurred in establishing, operating and demobilizing the Site office, including the cost of facsimile transmissions, long-distance telephone calls, postage and express delivery charges, telephone service, photocopying and reasonable petty cash expenses.

**6.3.11** Rental charges and the costs of transportation, installation, minor repairs and replacements, dismantling and removal of temporary facilities, machinery, equipment and hand tools not customarily owned by the workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and incurred in the performance of the Work. The rental charge and the applicable rental cost as established by the lower of the local prevailing rate published in the Rental Rate Blue Book by Data Quest, San Jose, California or the actual rate paid to an unrelated third party as evidenced by rental receipts. Rates and quantities of equipment rented that exceed the local fair market rental costs shall be subject to the Owner's prior written approval. Total rental charges for equipment or tools shall not exceed 75% of the fair market purchase value of the equipment or the tool. Actual, reasonable mobilization costs are permitted if the equipment is brought to the site solely for the change in the Work. The rental rates are the maximum rates allowable for equipment of modern design and in good working condition and include full compensation for furnishing all fuel, oil, lubrication, repairs, maintenance, and insurance. When rental rates payable do not include fuel, lubrication, maintenance, and servicing, as defined as operating costs in the Blue Book, such operating costs shall be reimbursed based on actual costs. Equipment not of modern design and/or not in good working condition will have lower rates. Hourly, weekly, and/or monthly rates, as appropriate, will be applied to yield the lowest total cost. The rate for equipment necessarily standing by for future use (and standing by for no longer than two (2) weeks) on the changed Work shall be 50% of the rate established above. The total cost of rental allowed shall not exceed the cost of purchasing the equipment outright. If equipment is required for which a rental rate is not established, the Rental Rate Blue Book, an agreed rental rate shall be established for the equipment, which rate and use must be approved by the Owner prior to performing the Work

**6.3.12** Premiums for insurance and bonds required by this Agreement or the performance of the Work are reimbursable; however, the Design-Builder's Fee Percentage shall not be applied to the cost for insurance and bonds.

**6.3.13** All fuel and utility costs incurred in the performance of the Work.

**6.3.14** Sales, use or similar taxes, tariffs or duties incurred in the performance of the Work; however, the Design-Builder's Fee Percentage shall not be applied to these costs.

**6.3.15** Costs for permits, royalties, licenses, tests and inspections incurred by Design-Builder as a requirement of the Contract Documents; however, the Design-Builder's Fee Percentage shall not be applied to the cost of permits.

**6.3.16** The cost of defending suits or claims for infringement of patent rights arising from the use of a particular design, process or product required by Owner, paying legal judgments against Design-Builder resulting from such suits or claims, and paying settlements made with Owner's consent.

**6.3.17** Deposits which are lost, except to the extent caused by Design-Builder's negligence.

**6.3.18** Costs incurred in preventing damage, injury or loss in case of an emergency affecting the safety of persons and property.

**6.3.19** Accounting and data processing costs related to the Work.

**6.3.20** Other costs reasonably and properly incurred in the performance of the Work to the extent approved in writing by Owner and not included in the Design-Builder's Contingency pursuant to Section 6.4.4.1.b.

#### **6.4 Other Methods of Compensation**

Within the Phase 1 NTE or the GMP, the parties may agree to the following methods of pricing Design-Builder's Compensation

##### **6.4.1 Allowance Items and Allowance Values.**

**6.4.1.1** Any and all Allowance Items, as well as their corresponding Allowance Values, are set forth in the Exhibit E or the GMP Amendment and are included within any established NTE and the GMP, as applicable.

**6.4.1.2** Design-Builder and Owner have worked together to review the Allowance Items and Allowance Values based on design information then available to determine that the Allowance Values constitute reasonable estimates for the Allowance Items. Design-Builder and Owner will continue working closely together during the preparation of the design to develop Construction Documents consistent with the Allowance Values. Nothing herein is intended in any way to constitute a guarantee by Design-Builder that the Allowance Item in question can be performed for the Allowance Value.

**6.4.1.3** No work shall be performed on any Allowance Item without Design-Builder first obtaining in writing advanced authorization to proceed from Owner. Owner agrees that if Design-Builder is not provided written authorization to proceed on an Allowance Item by the date set forth in the Project schedule, due to no fault of Design-Builder, Design-Builder may be entitled to an adjustment of the Contract Time(s) and Contract Price.

**6.4.1.4** The Allowance Value for an Allowance Item includes the direct cost of labor, materials, equipment, transportation, taxes and insurance directly associated with the applicable Allowance Item. All other costs, including design fees, Design-Builder's overall

project management and Lump Sum General Conditions Costs, Design-Builder's Fee Percentage, Lump Sum Fee, are deemed to be included in the original Contract Price, and are not subject to adjustment, regardless of the actual amount of the Allowance Item.

**6.4.1.5** Whenever the actual cost for an Allowance Item is more than or less than the stated Allowance Value, the Contract Price shall be adjusted accordingly by Change Order, subject to Section 6.4.1.4; however, Design-Builder must provide written notice of the difference between the actual cost and the Allowance Value pursuant to the Changes provisions in the General Conditions. The amount of the Change Order shall reflect the difference between actual costs incurred by Design-Builder for the particular Allowance Item and the Allowance Value.

#### **6.4.2 Not To Exceed Sums**

**6.4.2.1** The Owner and Design Builder may establish Not to Exceed ("NTE") Sums for specific scopes of the Work ("NTE Scopes"). Any such NTE Sum will be negotiated between the Owner and Design-Builder and memorialized through a Change Order.

**6.4.2.2** For each scope of work for which a NTE Sum has been established, the Design-Builder shall be reimbursed for the NTE Scope as a Cost of the Work; however, Design-Builder's compensation shall not exceed the NTE Sum without a written Change Order.

**6.4.2.3** Design-Builder shall not request reimbursement for costs that are within the NTE Scope unless those costs are identified in the Payment Application as subject to the NTE Sum. Except as allowed in Section 6.4.4.1.b, costs that are within the NTE Scope that are in excess of the NTE Sum shall be the sole responsibility of the Design-Builder.

**6.4.3.4** NTE Sums and NTE Scopes may only be modified by Change Order pursuant to the General Conditions.

#### **6.4.3 Lump Sums**

**6.4.3.1** The Owner and Design-Builder may establish Lump Sums for specific scopes of the Work. Any such Lump Sum will be negotiated between the Owner and Design-Builder. The Lump Sum agreed upon by the Parties shall be incorporated into the GMP Amendment or other Change Order, and the parties shall include the following information:

- a. A specific description of the Scope of the Work that is subject to the Lump Sum;
- b. An updated Schedule of Values that incorporates the Lump Sum; and
- c. Any milestone dates associated with the scope of the Work associated with the Lump Sum.

**6.4.3.2** For each scope of work for which a Lump Sum has been established, the Design-Builder shall be compensated pursuant to the Schedule of Values set forth above based on the percentage of the Scope of the Work subject to the Lump Sum that has been completed.

**6.4.3.3** Design-Builder shall not request reimbursement for costs that are within the scope of the Lump Sum unless those costs are identified in the Payment Application as

subject to the Lump Sum. Except as allowed in Section 6.4.4.1.b, costs that are within the scope of the Lump Sum that are in excess of the Lump Sum shall be the sole responsibility of the Design-Builder.

**6.4.3.4** Lump Sums may only be modified via Change Order pursuant to the General Conditions

**6.4.4 Contingencies**

**6.4.4.1** The Parties shall establish, as part of any NTE and the GMP, the following Contingencies which are available for Design-Builder's exclusive use for the below described unanticipated costs it has incurred that are not the basis for a Change Order under the Contract Documents (collectively "Contingency Items"). Contingency Items include the costs described below, for which Design-Builder must provide written notice to the Owner. The Owner may, in its discretion, approve other costs that may be reimbursed under a Contingency; however, in no case shall the Design-Builder be entitled to use the Contingency for payment of Liquidated Damages that it may be assessed pursuant to this Agreement.

- (a) Cost of the Work Contingency. The Cost of the Work Contingency is reimbursed as a Cost of the Work. The Cost of the Work Contingency is available to the Design-Builder for the following items:
  - (i) Trade buy-out differentials;
  - (ii) Escalation of materials; and
  - (iii) Other direct Costs of the Work that are not included in the Design-Builder's Contingency, but only with the prior written consent of the Owner.
- (b) Design-Builder's Contingency. The Design-Builder's Contingency is available to the Design-Builder for items that are not excluded by Section 6.5 hereof and include but are not limited to the following items:
  - (i) Overtime or acceleration;
  - (ii) Costs incurred by Design-Builder in repairing or correcting defective, damaged or nonconforming Work, design errors or omissions (excluding any warranty or corrective Work performed after Substantial Completion), provided that such Work was beyond the reasonable control of Design-Builder, or caused by the ordinary mistakes or inadvertence, and not the negligence, of Design-Builder or those working by or through Design-Builder. If the costs associated with such Work are recoverable from insurance, Subcontractors or Design Consultants, Design-Builder shall exercise its best efforts to obtain recovery from the appropriate source and provide a credit to Owner if recovery is obtained;
  - (iii) Legal costs, court costs and costs of mediation and arbitration reasonably arising from Design-Builder's performance of the Work, provided such costs do not arise from disputes between Owner and Design-Builder;
  - (iv) Subcontractor or other tier defaults to the extent not compensated by any surety or bond; or

(v) Costs that are in excess of an NTE Sum or Lump Sum.

**6.4.4.2** Except as set forth in Section 6.4.4.3 below, the Design-Builder shall be reimbursed for Contingency Items in the same manner as set forth in Section 6.3 of the Agreement; however, Design-Builder's compensation for Contingency Items shall not cumulatively exceed the amount set forth as the Design-Builder's Contingency in the applicable NTE or GMP without a written Change Order.

**6.4.4.3** Design-Builder shall not be entitled to apply the Design-Builder's Fee Percentage for items reimbursed under Section 6.4.4.1.b, the Design-Builder's Contingency. Further, the amounts included in the Design-Builder's Contingency set forth in Section 6.4.4.1.b shall be excluded from the calculation set forth in Section 6.2.2 to establish the Lump Sum Fee and the calculation set forth in Section 6.2.3 to determine whether the GMP has changed.

**6.4.4.4** Provided the parties agree, the Contingencies may be available to Owner to modify the scope of work that is set forth in the Owner's Project Criteria, the Initial Scope, or the Basis of Design Documents.

**6.4.4.5** Design-Builder shall provide Owner notice of all anticipated charges against the Contingencies and shall provide Owner as part of the monthly status report required by the General Conditions of Contract an accounting of the Contingency, including all reasonably foreseen uses or potential uses of the Contingency in the upcoming three (3) months. Design-Builder agrees that with respect to any expenditure from a Contingency relating to a Subcontractor default or an event for which insurance or bond may provide reimbursement, Design-Builder will in good faith exercise reasonable steps to obtain performance from the Subcontractor and/or recovery from any surety or insurance company. Design-Builder agrees that if Design-Builder is subsequently reimbursed for said costs, then said recovery will be credited back to the Contingency.

#### **6.4.5 Lump Sum General Conditions Costs**

**6.4.5.1** If the Parties enter into the GMP Amendment, the Parties shall establish an amount for the Lump Sum General Conditions Costs. The costs that make up the Lump Sum General Conditions Costs shall be developed using a fully Open Book process. The parties shall determine the portions of the Cost of the Work set forth in Section 6.3 that are included in the Lump Sum General Conditions Costs, and the parties shall include a description of such costs in the GMP Amendment. Unless the parties agree in writing otherwise, the costs that will be included in the Lump Sum General Conditions Costs are as follows:

- a. Wages or salaries of Design-Builder's supervisory and administrative personnel engaged in the performance of the Work and who are located at the Site or working off-Site to assist in the production or transportation of material and equipment necessary for the Work. Specifically, the following personnel are included in the Lump Sum General Conditions Amount:
  - i. Project Executive
  - ii. Project Manger
  - iii. Superintendent and/or Construction Manager
  - iv. Quality Control Manager
  - v. Project Field Engineer and/or Design Manager



- vi. Project Controls
  - vii. Project Scheduler
  - viii. Safety Manager
- b. Wages or salaries of Design Builder's personnel stationed at Design Builder's principal or branch offices, but only to the extent said personnel are approved in advance of the performance of the Work in writing by the Owner.
- c. Costs incurred by Design-Builder for employee benefits, premiums, taxes, insurance, contributions and assessments required by law, collective bargaining agreements, or which are customarily paid by Design-Builder, to the extent such costs are based on wages and salaries paid to employees of Design-Builder covered under this Section.
- d. The reasonable portion of the cost of travel, accommodations and meals for Design-Builder's personnel necessarily and directly incurred in connection with the performance of the Work and with the written consent of the Owner as set forth below:
- i. Meals and Incidental Expenses: Meals and incidental expenses will be limited to the Federal Per Diem rate for meals and incidentals established for the location where lodging is obtained. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at [www.gsa.gov](http://www.gsa.gov).
  - ii. Lodging: Lodging will be billed at cost, including applicable taxes, not to exceed 200% of the Federal Per Diem maximum lodging rate for the location where the work is being performed.
  - iii. Travel: Air travel (at coach class or equivalent), airport shuttles, etc. billed at cost. Ground transportation by privately owned vehicle, if utilized, billed at the Internal Revenue Service mileage rate for privately owned vehicles in effect at the time of travel. Expenses for a rental car (including fuel), at cost, in the ratio of one mid-size class rental car for each three Contractor's personnel directly engaged in performance of the work at the prevailing rental rates then in effect. Rental car options such as refueling fees, GPS, collision & liability insurance, etc. will not be reimbursed by the Owner unless such options are approved in advance by the Owner's Representative. Appropriate insurance coverage should be included in the Contractor's insurance policies.
- e. The reasonable costs and expenses incurred in establishing, operating and demobilizing the Site office, including the cost of facsimile transmissions, long-distance telephone calls, postage and express delivery charges, telephone service, photocopying and reasonable petty cash expenses.
- f. Premiums for insurance and bonds required specifically by this Agreement or the performance of the Work by the Design Builder.
- g. Accounting and data processing costs related to the Work.
- h. Fees paid by the Design-Builder for the approval of Statements of Intent to Pay Prevailing Wages and certification of Affidavits of Wages Paid by the industrial statistician of the State Department of Labor and Industries. The Design-Builder will remain responsible for the actual submittal of the documents to the industrial statistician and the determination of the locality of the work to confirm the appropriate classification of work. In order to receive this reimbursement, the Design-Builder will be required to submit to Owner a

list of its subcontractors at all tiers and have their Statements of Intent to Pay Prevailing Wages on file with the Owner.

- i. General administrative costs not specifically listed in this subsection, including but not limited to the following:
  - i. Shop Drawing Reproduction
  - ii. Construction Schedule & Updates
  - iii. Safety/Security
  - iv. Field Office Set-up (mobilization/demobilization)
  - v. Office Supplies
  - vi. Telephone System
  - vii. Telephone Service Charge
  - viii. Computer Network/System Set-up
  - ix. Courier Service
  - x. Postage (Fed-X, USPS)
  - xi. Furniture/Equipment
  - xii. Office Cleaning
  - xiii. Project Superintendent Vehicle
  - xiv. Computers
  - xv. Copy Machine
  - xvi. Temporary Electric Hook-up/Removal
  - xvii. Temporary Electric Material
  - xviii. Project Signage
  - xix. Temporary Water Hook-up/Removal
  - xx. Drinking Water & Supplies
  - xxi. Chemical Toilets
  - xxii. O&M Manuals
  - xxiii. Project Record Documents
  - xxiv. Field Engineering/Layout Survey

**6.4.5.2** For the Costs of the Work that are included in the Lump Sum General Conditions Costs, the Design-Builder shall no longer be entitled to be reimbursed for such costs as part of the Cost of the Work, and the Design Builder's sole compensation for the costs set forth in the identified General Conditions shall be through the Lump Sum General Conditions Costs.

**6.4.5.3** The Owner shall have the right to examine the back-up documentation establishing the Lump Sum General Conditions Costs, including but not limited to all estimates, proposals, contracts and other financial documentation on a transparent basis.

**6.4.5.4** The Lump Sum General Conditions Costs shall only be modified if the Design-Builder is entitled to compensation for a delay pursuant to Section 8.2 of the General Conditions. Any modification to the Lump Sum General Conditions Costs shall be calculated as follows:

- a. The Design Builder shall be entitled to receive a liquidated daily rate for extended General Conditions Costs (“Design-Builder’s Delay Rate”) for each day that the Contract Time is extended pursuant to Section 8.2 of the General Conditions.
  - i. The Design-Builder’s Delay Rate shall be calculated by dividing the Lump Sum General Conditions Costs by the number of days in the Contract Time set forth in the GMP Amendment for Phase 2.
  - ii. Then, the Design-Builder’s Delay Rate is multiplied by the number of days that the Contract Time is extended for Design-Builder’s Delay, subject to a determination of entitlement pursuant to Article 8 of the General Conditions.
  - iii. The result from the Design-Builder’s Delay Rate multiplied by the number of days is the Extended General Conditions Costs which shall be added to the Lump Sum General Conditions Costs by Change Order and paid to the Design Builder pursuant to the Schedule of Values, subject to a determination of entitlement pursuant to Article 8 of the General Conditions.
- b. The Design-Builder’s Delay Rate shall not apply to delays occurring after Substantial Completion is achieved.
- c. The Parties agree that determining the Design Builder’s damages for delay in Phase 2 would be extremely difficult or impracticable to determine and that the Design-Builder’s Delay Rate, as calculated in this Section 6.4.5.4, is a reasonable estimate of and reasonable sum for such damages; therefore, the Design-Builder’s Delay Rate shall be payable to the Design Builder as liquidated damages and not as a penalty.

#### **6.4.6 Unit Prices and Hourly Rates**

- 6.4.6.1** Any Unit Prices and Hourly Rates shall be agreed upon in writing and set forth in Exhibit E to the Agreement. Design-Builder shall not charge more than a specified Unit Price or Hourly Rate than the amount set forth in Exhibit E, as modified through the Contract Documents.
- 6.4.6.2** Once established, Unit Prices and Hourly Rates shall not be subject to audit and may only be changed by Change Order.
- 6.4.6.3** Design-Builder must maintain a record of the number of Unit Prices and Hours billed using Hourly Rates for review by Owner.

#### **6.5 Non-Reimbursable Costs.**

- 6.5.1** The following shall not be deemed as costs of the Work:

- 6.5.1.1** Compensation for Design-Builder’s personnel stationed at Design-Builder’s principal or branch offices, except as provided for in Sections 6.3.1, 6.3.2 and 6.3.3 hereof.

- 6.5.1.2** Overhead and general expenses, except as provided for in Section 6.3 hereof, or which may be recoverable for changes to the Work.

- 6.5.1.3** The cost of Design-Builder’s capital used in the performance of the Work.

- 6.5.1.4** If the parties have agreed on a GMP, costs that would cause the GMP, as adjusted in accordance with the Contract Documents, to be exceeded.

## 6.6 Project Phases

### 6.6.1 Phase 1

**6.6.1.1 Validation Period.** During the first 365 days of Phase 1, Design-Builder shall engage in Validation of the Project information as set forth in Exhibit C, Section 2.02 (the "Validation Period").

a. **Compensation.** During Phase 1, the Design Builder shall be compensated for the following:

- i. The Cost of the Work set forth in Section 6.3;
- ii. Design-Builder's Fee Percentage set forth in Section 6.2.1 multiplied by the Cost of the Work, less insurance and bonding costs, which shall not be multiplied by the Design-Builder's Fee Percentage; and
- iii. Contingency Items charged under Section 6.4.4.1.b.

b. **Validation Period Not to Exceed Amount.** Design-Builder guarantees that its Compensation during the Validation Period of Phase 1 shall not exceed the Phase 1 Not to Exceed Amount ("Validation Period NTE") of three million nine hundred ninety-nine thousand eight hundred ninety-one Dollars (\$3,999,891.00). Documents used as a basis for the Validation Period NTE shall be identified in Exhibit D to this Agreement. Design-Builder agrees that it will be responsible for paying all costs of completing the Work which exceed the Validation Period NTE, as adjusted in accordance with the Contract Documents.

c. During the Validation Period, the parties will collaboratively develop the Phase 1 Not to Exceed Amount ("Phase 1 NTE"), Phase 1 Completion Date, the Phase 1 Scope of Work, a Target Budget, a Target Schedule, the Initial Project Scope, and other Submittals as set forth in Exhibit C. At the conclusion of the Validation Period, provided the parties agree on the applicable terms, the parties shall enter into a Contract Amendment to establish the Phase 1 NTE, the Phase 1 Completion Date, the Target Budget, the Target Schedule, and the Initial Project Scope and to finalize the other Submittals required by Exhibit C.

**6.6.1.2 Design Development/Phase 1.** After the Validation Period, Design-Builder shall engage in the remainder of the Phase 1 activities as set forth in the Contract Documents. Design-Builder guarantees that its compensation from the Validation Period until the conclusion of Phase 1 will not exceed the Phase 1 NTE. Documents used as a basis for the Phase 1 NTE shall be identified as an Exhibit to the Contract Amendment set forth in Section 6.6.1.1.c above. Design-Builder agrees that it will be responsible for paying all costs of completing the Work which exceeds the Phase 1 NTE, as adjusted in accordance with the Contract Documents. Design-Builder shall be compensated during this period pursuant to 6.6.1.1.a above.

**6.6.1.3 GMP Proposal.** At the conclusion of Phase 1, Design-Builder shall submit a GMP Proposal to Owner which shall include the deliverables set forth in Exhibit C, unless the parties mutually agree otherwise. The GMP Proposal shall include all Work necessary to complete the Project.

a. **Submission of the GMP Proposal.** Submission of the GMP Proposal constitutes Design-Builder's representation and agreement that it has adequately investigated the site and the project parameters, the Project is adequately defined, the Final Basis of Design Documents are sufficiently defined to provide

an accurate GMP and Project Schedule, and subject to the assumptions and clarifications in the GMP Proposal, the Project is sufficiently clear and understandable for the Design-Builder to perform the Work in accordance with the Contract Documents for an amount that will not exceed the Original GMP.

**b. Review and Adjustment to GMP Proposal.** After submission of the GMP Proposal, Design-Builder and Owner shall meet to discuss and review the GMP Proposal. If Owner has any comments regarding the GMP Proposal or finds any inconsistencies or inaccuracies in the information presented, it shall promptly give written notice to Design-Builder of such comments or findings. If appropriate, Design-Builder shall, upon receipt of Owner's notice, make appropriate adjustments to the GMP Proposal. To assist in the Owner's review of the GMP Proposal, the Design Builder shall, upon the Owner's Request, provide all information, including but not limited to all data, reports, cost analysis, pricing, designs and specifications on which the Design Builder relied or used as a basis for the GMP Proposal. The Owner shall make its best efforts to review any revised GMP Proposal within thirty (30) days of receipt of the revised GMP Proposal.

**c. Acceptance of GMP Proposal.** If Owner accepts the GMP Proposal, as may be amended by Design-Builder, the terms of the GMP Proposal shall be set forth in the GMP Amendment. At the Owner's option, the GMP may be converted into a Lump Sum.

**d. Failure to Accept the GMP Proposal.** If Owner rejects the GMP Proposal, the GMP Proposal shall be deemed withdrawn and of no effect. In such event, Owner and Design-Builder shall meet and confer as to how the Project will proceed, with Owner having the following options:

- i. Owner may suggest modifications to the GMP Proposal, whereupon, if such modifications are accepted in writing by Design-Builder, the GMP Proposal shall be deemed accepted and the parties shall proceed in accordance with Section 6.6.1.3.c above;
- ii. Owner may terminate this Agreement for convenience in accordance with Article 8 hereof.

**e. Performance of Work After Submission of GMP Proposal.** The Design-Builder shall not perform any Work after the submission of the GMP Proposal until the Owner has approved and signed the GMP Amendment unless the Design-Builder obtains the Owner's prior, written consent to perform such Work and only to the extent that such Work is expressly described in writing in such written consent. If Design-Builder performs such Work, Design-Builder shall be compensated pursuant to the written approval.

**6.6.1.4 Early GMPs.** The parties may agree to establish a GMP for portions of the Work prior to establishing the GMP for the entire project "Early GMP".

a. For each Early GMP, the Design-Builder will follow the process set forth in 6.6.1.3 above to establish the Early GMP, the scope associated with the Early GMP (the "Early GMP Scope"), and the schedule associated with the Early GMP Scope ("the Early GMP Schedule").

b. For each Early GMP, the parties shall determine the deliverables applicable to each Early GMP Proposal prior to its submission.

- c. Early GMPs will be established through an Early GMP Amendment, which shall follow the same form as Exhibit F.

## **6.6.2 Phase 2, Post GMP Period**

**6.6.2.1 Compensation.** During Phase 2, the Design Builder shall be compensated for the following, all subject to the GMP:

- a. The Cost of the Work set forth in Section 6.3;
- b. Design-Builder's Lump Sum Fee established pursuant to Section 6.2.3;
- c. Any additional Lump Sum amounts established pursuant to Section 6.4.3;
- d. Contingency Items charged under Section 6.4.4.1.b;
- e. Design-Builder's Lump Sum General Conditions Costs established pursuant to Section 6.4.5;
- f. Any Allowances established by the Parties in the GMP Amendment.

**6.6.2.2 GMP** The GMP Amendment shall establish a binding GMP between the Parties. Design Builder agrees that it will be responsible for paying all costs of completing the Phase 2 Work which exceed the GMP, as adjusted in accordance with the Contract Documents. Execution of the GMP Amendment constitutes Design Builder's representation and agreement to the following:

- a. The Project is adequately defined, that the Basis of Design Documents are sufficiently defined to provide an accurate Guaranteed Maximum Price;
- b. The Project is sufficiently clear and understandable for the Design Builder to perform the Work in accordance with the Contract Documents for an amount that will not exceed the GMP and within the Project Schedule; and
- c. If the Work cannot be completed for the agreed GMP, any additional costs shall be the responsibility of the Design Builder, and Design Builder hereby assumes liability for such costs without reimbursement by the Owner.

**6.6.3.3** If the parties decide to convert the GMP into a Lump Sum, Design-Builder shall be compensated pursuant to Section 6.4.3 of the Agreement.

## **6.6.3 Savings and Incentives.**

**6.6.3.1** If the sum of the actual Cost of the Work and Design-Builder's Fee (and, if applicable, any prices established under Section 6.1.2 hereof) is less than the GMP, as such GMP may have been adjusted over the course of the Project, the difference ("Savings") shall go 100% to the Owner.

**6.6.3.2** The parties reserve the right to negotiate an incentive plan during Phase 1.

## **Article 7**

### **Procedure for Payment**

#### **7.1 Progress Payments.**

**7.1.1** Design-Builder shall submit to Owner on the fifteenth (15th) day of each month, beginning with the first month after the Date of Commencement, Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract.

**7.1.2** Owner shall make payment within thirty (30) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract.

**7.1.3** If Design-Builder's Fee under Section 6.2.1 hereof is a lump sum amount, the amount of Design-Builder's Fee to be included in Design-Builder's monthly Application for Payment and paid by Owner shall be proportional to the percentage of the Work completed, less payments previously made on account of Design-Builder's Fee.

#### **7.2 Retainage on Progress Payments.**

**7.2.1** The Owner will withhold retainage pursuant to RCW Chapter 60.28, and Owner shall release such retainage pursuant to state law. Pursuant to RCW Chapter 60.28, the Design-Builder may submit a bond in lieu of the retainage that the Owner would otherwise keep under the terms of this Contract and pursuant to applicable law. Any such bond submitted in lieu of retainage must be on the form provided in a form acceptable to the Owner or on the form provided as Exhibit H. In the event the Design-Builder fails at any time to pay persons protected under RCW Chapter 60.28 or the Owner has reason to believe that the Owner or other obligee under the bond has a claim against the retainage or for other good cause, the Owner may, at its option, resume retaining from monies earned by the Design-Builder in such amount as it would otherwise be entitled to retain had the bond not been accepted. Notwithstanding the Owner's resuming such retainage, said bond shall remain in full force and effect to the extent of its penal sum, limited to the amount of retainage released to the Design-Builder. After the Design-Builder has paid protected persons or otherwise cured any default, the Owner may, at its option, again release retainage pursuant to the terms of the bond. Any costs associated with the Bond in Lieu of Retainage shall be Design-Builder's sole responsibility.

**7.3 Final Payment.** Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.8 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment pursuant and subject to RCW Chapter 60.28 and RCW Chapter 39.08 and all applicable laws and regulations, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.8.2 of the General Conditions of Contract.

**7.4 Interest.** Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest commencing five (5) days after payment is due at the statutory rate of interest.

**7.5 Record Keeping and Finance Controls.** Design-Builder acknowledges that this Agreement is to be administered on an "open book" arrangement relative to Costs of the Work. Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of six (6) years after Final Payment, Owner and Owner's accountants, the Washington State Auditor, and other governmental agencies entitled to audit the records shall be afforded access to, and the

right to audit from time to time, upon reasonable notice, Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to the Work, all of which Design-Builder shall preserve for a period of six (6) years after Final Payment. Such inspection shall take place at Design-Builder's offices during normal business hours unless another location and time is agreed to by the parties. Any multipliers or markups agreed to by Owner and Design-Builder as part of this Agreement are only subject to audit to confirm that such multiplier or markup has been charged in accordance with this Agreement, with the composition of such multiplier or markup not being subject to audit.

**7.6 Public Records Act.** The Owner is subject to the disclosure obligations of the Washington State Public Records Act of RCW 42.56. Design-Builder expressly acknowledges and agrees that its Statement of Qualifications and Proposal and any information Design-Builder submits with its Statement of Qualifications and Proposal is subject to public disclosure pursuant to the Public Records Act or other applicable law and the Owner may disclose Design-Builder's Statement of Qualifications and Proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

## **Article 8**

### **Termination for Convenience**

**8.1** If Design-Builder is terminated for convenience pursuant to Section 11.6 of the General Conditions, and the parties have agreed to a payment to Design-Builder in the case of such termination of convenience, Owner shall pay Design-Builder for the following in addition to the amount set forth in Section 11.6.1 of the General Conditions:

**8.1.1** The fair and reasonable sums for overhead and profit on the sum of items set forth in Section 11.6.1 of the General Conditions

**8.1.2** The total amount to be paid to Design-Builder, exclusive of costs described in Section 11.6.1.2 of the General Conditions, shall not exceed the total GMP.

## **Article 9**

### **Representatives of the Parties**

#### **9.1 Owner's Representatives.**

**9.1.1** Owner designates the individual listed below as its Senior Representative ("Owner Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: (Fallon Long, Managing Director of Internal Services, flong@gcpud.org, Public Utility District No. 2 of Grant County, Washington, Post Office Box 878, Ephrata, WA 98823; (509) 237-4882)

**9.1.2** Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract: (Nick Bare, District Representative, [nbare@gcpud.org](mailto:nbare@gcpud.org), Public Utility District No.2 of Grant County, Washington, Post Office Box 878, Ephrata, WA 98823; (612) 618-4959)

#### **9.2 Design-Builder's Representatives.**



**9.2.1** Design-Builder designates the individual listed below as its Senior Representative (“Design-Builder’s Senior Representative”), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: (James Christianson, Vice President of Operations, Absher Construction Company, (253) 446-3323).

**9.2.2** Design-Builder designates the individual listed below as its Design-Builder’s Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract: (Aaron Binger, Project Executive, Absher Construction Company, (253) 446-3320).

## **Article 10**

### **Bonds and Insurance**

**10.1 Insurance.** Design-Builder and Owner shall procure the insurance coverages set forth in the Insurance Exhibit attached hereto and in accordance with Article 5 of the General Conditions of Contract.

**10.2 Bonds and Other Performance Security.** Upon execution of this Agreement, Design-Builder shall provide performance and payment bonds within 10 business days pursuant to RCW Chapter 39.08 equal to one hundred percent (100%) of the Validation NTE in the form set forth in Exhibit B2. Upon execution of any Contract Amendment increasing the amount of a Not to Exceed Amount (NTE) or the Guaranteed Maximum Price (GMP), Design-Builder shall provide a performance and payment bond within 10 business days pursuant to RCW Chapter 39.08 equal to one hundred percent (100%) of the increase of the Not to Exceed Amount or the GMP, as applicable, in the form set forth here in Exhibit B2.

## **Article 11**

### **Other Provisions**

**11.1 Other provisions, if any, are as follows:** *(Insert any additional provisions.)*

**11.2 Wages.**

**11.2.1** The Design-Builder and its Subcontractors, Consultants and Sub-Consultants shall comply with all provisions of RCW Chapter 39.12 and Section 2.5 of the Collective Bargaining Agreement (hereinafter referred to as Section 2.5) between the Owner and IBEW Local No. 77. A copy of Section 2.5 is attached hereto as Exhibit N. The Design-Builder and its Subcontractors, Consultants and Sub-Consultants shall pay all laborers, workmen, or mechanics employed by it or them in the performance of this Contract the greater of: (1) the applicable state prevailing wage rate required by (RCW Chapter 39.12); or (2) the applicable wage rate required by Section 2.5. In the event the applicable wage rate(s) required to be paid by the Design-Builder and its Subcontractors, Consultants and Sub-Consultants change during the performance of this Contract, an adjustment shall be made so as to fully comply with any applicable state prevailing wage rate law (RCW Chapter 39.12) and Section 2.5. Notwithstanding the foregoing, the Owner shall not be required to make any adjustment in the Contract Price as a result of changes in either the state prevailing wage rate law or Section 2.5, except as provided in WAC 296-127-023. The schedule of prevailing wage rates for the locality or localities of the Work is determined by the Industrial Statistician of the Department of Labor and Industries. It is the Design-Builder’s responsibility to verify the applicable prevailing wage rate.

**11.2.2** Before payment is made by the Owner to the Design-Builder for any Work performed by Design-Builder or any Subcontractor, Consultant or Sub-Consultant whose work is included in the

application for payment, the Design-Builder shall submit, or shall have previously submitted, to the Owner a Statement of Intent to Pay Prevailing Wages, approved by the Department of Labor and Industries, certifying the rate of hourly wage paid and to be paid each classification of employees, laborers, workers, or mechanics employed for the Work by Design-Builder, Consultants, Subcontractors and Sub-Consultants. The "Statement of Intent to Pay Prevailing Wages" shall include: (1) the Design-Builder's registration number; and (2) the prevailing wages under RCW 39.12.020 and the number of workers in each classification. Each voucher claim submitted by the Design-Builder for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the pre-filed statement or statements of intent to pay prevailing wages on file with the City.

**11.2.3** Design-Builder's Subcontractors required to pay the prevailing rate of wages shall post in a location readily visible at the job site: (1) a copy of a "Statement of Intent to Pay Prevailing Wages" approved by the industrial statistician of the Department of Labor and Industries; and (2) the address and telephone number of the industrial statistician of the Department of Labor and Industries where a complaint or inquiry concerning prevailing wages may be made.

**11.2.4** Prior to release of the retainage, the Design-Builder shall submit to the Owner an Affidavit of Wages Paid, approved by the Department of Labor and Industries, for the Design-Builder and every Consultant, Sub-Consultant, and Subcontractor of any tier that performed work on the Project.

**11.2.5** Disputes regarding prevailing wage rates shall be referred for arbitration to the Director of the Department of Labor and Industries. The arbitration decision shall be final and conclusive and binding on all parties involved in the dispute as provided for by RCW 39.12.060.

**11.2.6** Each Application for Payment submitted by Design-Builder shall state that prevailing wages have been paid in accordance with the pre-filed statement(s) of intent, as approved. Copied of the approved intent statements(s) shall be posted on the job site with the address and telephone number of the Industrial Statistician of the Department of Labor and Industries where a complaint or inquiry concerning prevailing wages may be made.

**11.2.7** In compliance with WAC Chapter 296-127, Design-Builder shall pay to the Department of Labor and Industries the currently established fee(s) for each statement of intent and/or affidavit of wages paid submitted to the Department of Labor and Industries for certification.

**11.2.8** Consistent with WAC 296-127-320, the Design-Builder and all Consultants, Sub-Consultants and Subcontractors shall submit a certified copy of payroll records if requested.

### **11.3 Hours of Labor**

**11.3.1** Design-Builder shall comply with applicable provisions of RCW Chapter 49.28, and such provisions are incorporated herein by reference.

**11.3.2** RCW 49.28 permits entities performing public works contracts to enter into an agreement where employees work up to ten hours in a calendar day, subject to the provisions of the statute. No such agreement may provide that employees work ten-hour days for more than four calendar days a week. Any such agreement is subject to approval by the employees.

**11.3.3** All work required to be performed by Design-Builder shall normally be done between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, exclusive of Owner observed holidays see or as identified in the approved schedule. Design-Builder shall provide a minimum seventy-two (72) hour notice to the Owner's Representative if at any time it becomes necessary or Design-Builder desires to work at times other than those specified herein or as approved in advance by the Owner. Approval of any proposed alternative work schedule shall be at the sole discretion of the Owner's Representative.

#### **11.4 Off Site Prefabricated Items.**

**11.4.1** In accordance with RCW 39.04.370, Design-Builder shall submit certain information about off-site, prefabricated, nonstandard, project specific items produced under the terms of the contract and produced outside Washington as a part of the Affidavit of Wages Paid form filed with the Washington State Department of Labor and Industries.

**11.5 Nondiscrimination.** No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this contract because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities.

**11.6 Business Registration Requirement.** Design-Builder represents and warrants that it and all of its subconsultants, subcontractors and suppliers are properly licensed to perform the work for which they are contracted and have all applicable business licenses, including but not limited to any licenses or registrations required by the State of Washington and any other regulatory authority. Design-Builder shall be solely responsible for contacting the State of Washington Business License Services at <http://bls.dor.wa.gov> or 1-800-451-7985 to obtain a business registration.

**11.7 Contractor's Registration Requirement.** Design-Builder represents and warrants that it and all of its subconsultants, subcontractors and suppliers performing construction work are properly licensed pursuant to RCW

**11.8 Apprenticeship.** The requirements for use of apprentices shall be in accordance with RCW 39.04.320.

**11.9 Non-Disclosure Agreement.** The Design-Builder shall sign the Non-Disclosure Agreement attached hereto as Exhibit I.

#### **11.10 PROJECT MANAGEMENT CONTRACTOR PARTICIPATION**

**11.10.1** The District utilizes a standard approach to implementing projects by using well-defined internal standard frameworks for both project management and organizational change management. The framework procedures and associated tools and templates are required to be used for all projects as defined by the District's Enterprise Project Management Office. The Contractor shall, as directed by the District, utilize and/or actively participate in the District's application of its project management and organization change management frameworks to guide the implementation of projects and/or change events that this Contract contributes towards. To the extent applicable, the Contractor shall ensure that all workers, subcontractors, and suppliers also comply with these requirements.

**11.10.2** The Contractor shall provide upon request by the project team key project information required to properly manage the project. Requested information may include but is not limited to delivery and completion dates, resource estimates and availability, quality inspection and testing plans, cost estimates and forecasts, safety metrics, and any known risks or constraints associated with these. The Contractor shall provide requested project information as required to not delay project reporting or project progress, cause witness or hold points to be missed, or cause any scope or cost increases.

The Contractor shall attend the appropriate project meetings as requested by the project team to provide key input to project parameters pertaining to this Contract. These meetings may include but are not limited to project kickoff meetings, preconstruction meetings, Job Site Reviews, Root Cause Evaluations, Steering Committee and Commission updates, and Monthly Business Reviews. Meetings may be in-person or virtual depending on the needs of the project. The

Contractor shall make a judicious effort to attend meetings at the appropriate dates and times as required to not delay any portion of the project progress or cause any scope or cost increases.

The Contractor agrees to provide requested project closeout information with the detail and in the format requested by the project team. This information may include but is not limited to record drawings, testing and commissioning data, operation and maintenance (O&M) manuals, training information, quality history, etc. Failure to provide all requested documentation that is acceptable to the project team shall delay acceptance and final payment by the District.

**11.11 Submission of Information Regarding Utilization and Inclusion**

**11.11.1** Design-Builder and its subcontractors and designers shall submit to Owner and project information required by RCW 39.10.320 regarding plans for inclusion of underutilized businesses as subcontractors and suppliers including, but not limited to, businesses certified by the Office of Minority and Women Business Enterprises (“OMWBE”), Veteran Certified Businesses, and Small Businesses.

**11.11.2** Design-Builder shall submit to Owner and the Washington State Office of Minority and Women’s Business Enterprises its utilization of businesses certified by the OMWBE and Veteran Certified Businesses as required in RCW 39.10.330(8).

In executing this Agreement, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

**OWNER:**

**DESIGN-BUILDER:**

\_\_\_\_\_  
*(Name of Owner)*

\_\_\_\_\_  
*(Name of Design-Builder)*

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Printed Name)*

\_\_\_\_\_  
*(Printed Name)*

\_\_\_\_\_  
*(Title)*

\_\_\_\_\_  
*(Title)*

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Design-Builder’s California Contractor License(s):

\_\_\_\_\_  
*(Name of Licensee)*

\_\_\_\_\_  
*(Classification and License Number)*

\_\_\_\_\_  
*(Expiration Date)*

Design-Builder’s Employer Identification No:

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(XX-XXXXXXX)

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# Standard Form of General Conditions of Contract Between Owner and Design-Builder

**Document No. 535**

Third Edition, 2022

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Washington, D.C.



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# Article 1

## General

### 1.1 Mutual Obligations.

1.1.1 *Owner and Design-Builder* commit at all times to cooperate fully with each other and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

### 1.2 Basic Definitions.

1.2.1 *Agreement* refers to the executed contract between Owner and Design-Builder under DBIA Document No. 530, *Standard Form of Agreement Between Owner and Design-Builder – Cost Plus Fee With an Option for a Guaranteed Maximum Price* (2022 Edition, as revised).

1.2.2 *Basis of Design Documents* are the documents set forth in Section 3.05.E of Exhibit C.

1.2.3 *Construction Documents* are the documents, consisting of Drawings and Specifications, to be prepared or assembled by Design-Builder consistent with the Owner's Project Criteria and the Basis of Design Documents unless a deviation from the Owner's Project Criteria or Basis of Design Documents (as applicable) is specifically set forth in a Change Order executed by both Owner and Design-Builder, as part of the design review process contemplated by Section 2.4 of these General Conditions of Contract.

1.2.4 *Contract Amendment* is a written amendment to the Contract Documents that incorporates additional terms into the Contract Documents. Later Contract Amendments govern over earlier Contract Amendments.

1.2.5 *Contract Time* consists of the dates set forth in Article 5 of the Agreement.

1.2.6 *Day* or *Days* shall mean calendar days unless otherwise specifically noted in the Contract Documents.

1.2.7 *Design-Build Team* is comprised of Design-Builder, Design Consultant, and key Subcontractors identified by Design-Builder.

1.2.8 *Design-Builder's Fee Percentage* means the Fee Percentage set forth in Section 6.2 of the Agreement. Unless otherwise noted, the term "Design-Builder's Fee Percentage" includes both the Design-Builder's Fee Percentage in Section 6.2.1 and the Design-Builder's Fee Percentage on Self-Performed Construction Work identified in Section 6.2.1.2.

1.2.9 *Design Consultant* is a qualified, licensed design professional who is not an employee of Design-Builder, but is retained by Design-Builder, or employed or retained by anyone under contract with Design-Builder, to furnish design services required under the Contract Documents. A Design Sub-Consultant is a qualified, licensed design professional who is not an employee of Design Consultant but is retained by Design Consultant or employed or retained by anyone under contract to Design Consultant, to furnish design services required under the Contract Documents.

1.2.10 *Design Submission or Submittal* means any and all documents, shop drawings, electronic information, including computer programs and computer generated materials, data, plans, drawings, sketches, illustrations, specifications, descriptions, models, and other information developed, prepared, furnished, delivered or required to be delivered by, or for, Design-Builder (1) to the Owner under the Contract Documents; or (2) developed or prepared by or for the Design-Builder specifically to discharge its duties under the Contract Documents.

1.2.11 *Early GMP* is a GMP for a portion of the Work that is established prior to the establishment



of the GMP for the entire Work as set forth in Section 6.6.1.4 of the Agreement.

**1.2.12** *Early GMP Schedule* is the Schedule for progress and completion of an Early GMP Scope.

**1.2.13** *Early GMP Scope* is the Scope of Work for an Early GMP.

**1.2.14** *Final Completion* of the Project shall be deemed to have occurred when all of the following have occurred:

- (a) All requirements for Substantial Completion for all portions of the Project that has achieved Substantial Completion and Punch List Completion have been fully satisfied;
- (b) Owner shall have received and accepted a final certificate of occupancy allowing use and occupancy of the Project
- (c) Owner shall have received and accepted all Construction Documents, Record Documents, as-built schedule, right-of-way record maps, surveys, test data and other deliverables required under the Contract Documents;
- (d) Design-Builder shall have delivered all operating manuals, warranties and other deliverables required by the Contract Documents;
- (d) All special tools, equipment, furnishings and supplies purchased and/or used by Design-Builder as provided in this Contract have been delivered to Owner and all replacement spare parts shall have been purchased and delivered to Owner free and clear of Liens
- (e) All of Design-Builder's obligations under the Contract Documents (other than obligations which by their nature are required to be performed after Final Completion) shall have been satisfied in full or waived in writing by Owner;
- (f) Design-Builder shall have delivered to Owner a Notice of Final Completion for the Project; and
- (g) All other conditions to Final Completion in this Contract shall have been satisfied.

.1 Owner will issue a Certificate of Final Acceptance to Design-Builder at such time as Owner determines that Final Acceptance has occurred.

.2 Final Completion will not prevent Owner from correcting any measurement, estimate or certificate made before or after completion of the Work, nor shall it prevent Owner from recovering from Design-Builder, its Surety(ies), or other provider of performance security or any combination of the foregoing, overpayment or other costs sustained for failure of Design-Builder to fulfill the obligations under the Contract Documents.

**1.2.15** *Force Majeure Events* mean any of the following events (provided such events are beyond the reasonable control of the Design-Builder and are not due to an act or omission of the CMR) which materially and adversely affects the Design-Builder's obligations hereunder and which event (or the effects of which event) could not have been avoided by due diligence and use of reasonable efforts by the Design-Builder:

- (a) Any earthquake exceeding 3.5 on the Richter scale epicentered within 25 miles of the specific location of damage on the Site, any earthquake exceeding 5.0 on the Richter scale epicentered within 50 miles from the specific location of damage on the Site, and any earthquake exceeding 6.5 on the Richter scale epicentered within 75 miles from the specific location of damage on the Site, based on the final determination regarding the location and magnitude of the earthquake published by the National

Earthquake Information Center in Golden, Colorado;

- (b) Any blockade, rebellion, or war;
- (c) Any riot, act of terrorism, or civil commotion within twenty (20) miles of the Project;
- (d) The suspension of Work at the Site ordered by a Governmental Entity due to an epidemic or pandemic;
- (e) Unusually Adverse Weather; and
- (f) Strikes, labor disputes, work slowdowns, work stoppages, boycotts or other similar labor disruptions for which the Design-Builder is not responsible

**1.2.16** *General Conditions of Contract* refer to this DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (2022 Edition, as revised).

**1.2.17** *GMP Proposal* or *Proposal* means that proposal developed by Design-Builder in accordance with Section 6.6 of DBIA Document No. 530, *Standard Form of Agreement Between Owner and Design-Builder, Cost Plus Fee With an Option for a Guaranteed Maximum Price* (2022 Edition, as revised).

**1.2.18** *Hazardous Materials*, including “hazardous substances” and “hazardous waste,” means any (a) substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. (“CERCLA”); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (“RCRA”); the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Water Act, 33 U.S.C. § 1251 et seq., each as amended, or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, (b) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court, (c) petroleum or crude oil excluding de minimus amounts and excluding petroleum and petroleum products contained within regularly operated motor vehicles, and (d) asbestos or asbestos-containing materials in structures and or other improvements on or in the Site (other than mineral asbestos naturally occurring in the ground).

**1.2.19** *Key Team Members* mean those individuals and position descriptions identified by Design-Builder during the project procurement and other individuals identified as Key Team Members with the agreement of both parties, such agreement shall not be unreasonably withheld.

**1.2.20** *Legal Requirements* are all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

**1.2.21** *Liens* mean any pledge, Lien, security interest, mortgage, deed of trust or other charge or encumbrance of any kind, or any other type of preferential arrangement (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature of a security instrument and the filing of or agreement to file any financing statement or other instrument intended to perfect a security interest).

**1.2.22** *Nonconforming Work* is any Work that is found to not be in conformance with the Contract Documents.

**1.2.23** *Open Book Basis* means providing the Owner all underlying assumptions, price quotes and data associated with pricing or compensation (whether of the Design-Builder or the Owner) or adjustments thereto, including assumptions as to costs of the Work, schedule, composition of equipment spreads, equipment rates, labor rates, productivity, estimating factors, design and

productivity allowance, contingency and indirect costs, risk pricing, discount rates, interest rates, and other items reasonably required by the Owner to satisfy itself as to the reasonableness of the amount.

**1.2.24** *Owner's Project Criteria* are developed by or for Owner to describe Owner's program requirements and objectives for the Project, including use, space, price, time, site and expandability requirements, as well as submittal requirements and other requirements governing Design-Builder's performance of the Work. Owner's Project Criteria may include conceptual documents, design criteria, design performance specifications, design specifications, LEED® or other sustainable design criteria and other Project-specific technical materials and requirements.

**1.2.25** *Site* are those areas designated in writing by the Owner for performance of the Work and such additional areas as may, from time to time, be designated in writing by the Owner for the Design-Builder's use in performance of the Work. For purposes of insurance (subject to any notification and other requirements imposed by the insurer(s) for approval), indemnification, safety and security requirements, the prevailing wage requirements, and payment for use of equipment, the term "Site" shall also include (a) the field office sites, (b) any property used for bonded storage of material for the Project approved by the Owner, (c) staging areas dedicated to the Project, and (d) areas where activities incidental to the Project are being performed by the Design-Builder or Subcontractors covered by the worker's compensation policy included in the insurance described in Exhibit B, but excluding any permanent locations of Design-Builder or such covered Subcontractors.. The Site is described in Exhibit H.

**1.2.26** *Subcontractor* is any person or entity retained by Design-Builder as an independent contractor to perform a portion of the Work and shall include Design Consultants, materialmen and suppliers.

**1.2.27** *Sub-Subcontractor* is any person or entity retained by a Subcontractor as an independent contractor to perform any portion of a Subcontractor's Work and shall include Design Subconsultants, materialmen and suppliers.

**1.2.28** *Substantial Completion or Substantially Complete* means\

- (a) The Design-Builder has completed the Work or designated portion of the Work, in accordance with the Contract, such that the Project is in a condition that it can be used in a normal and safe manner, subject only to Punch List items and other Work that do not affect the ability to occupy the Project or designated portion thereof for such normal use and operation;
- (b) The Project or designated portion thereof is sufficiently completed in accordance with the Contract, as modified by any executed Change Orders, so that it can be used for its intended purpose;
- (c) All conditions to acceptance by Utility Owners have been satisfied or waived, and any waivers approved by the Owner, in its sole discretion;
- (d) The Design-Builder has completed commissioning the Work or designated portion thereof in accordance with the commissioning requirements in the Closeout Plan, and the commissioning tests have been successfully performed and satisfied (subject to such commissioning which is identified in the commissioning requirements to be conducted after Substantial Completion);
- (e) To the extent applicable, all authorities having jurisdiction have confirmed (and issued all pertinent Governmental Approvals or other documents in respect thereof) that the building and structures on the Site applicable to the portion of the Work for which Substantial Completion is sought are ready for occupancy; and
- (f) All other conditions to Substantial Completion in the Contract shall have been satisfied.

**1.2.29** *Unusually Adverse Weather* means weather that satisfies all of the following conditions:

- (a) Unusually severe precipitation, sleet, snow, hail, heat, or cold conditions in

excess of the norm for the location and time of year it occurred and could not have been reasonably anticipated, documented by 10-year climatological data obtained by the CMR from the nearest nationally recognized reporting station to the Site;

- (b) Unanticipated for the time of year;
- (c) Occurring at the Site; and
- (d) Having a materially adverse effect on the scheduled Work.

**1.2.30** *Work* is comprised of all Design-Builder's design, construction and other services required by the *Contract Documents*, including procuring and furnishing all materials, equipment, services, incidentals, and labor whether expressly required by or reasonably inferable from the *Contract Documents*.

**1.2.31** *Extreme Market Conditions* mean an increase in either material or labor prices that are in excess of five percent (5%) from the price that forms the basis of the GMP amendment, provided the following conditions are present for each increase:

- (a) The cause of the increase in the material and/or labor price is an unusual or unexpected event in the market and not the actions or inactions of the Design-Builder;
- (b) Design-Builder has made efforts to mitigate the impact and effect of the increase in the material and/or labor prices; and
- (c) The unusual or unexpected event in the market impacts the market as a whole rather than an impact that is limited to the Design-Builder or the Project.

## Article 2

### **Design-Builder's Services and Responsibilities**

#### **2.1 General Services.**

**2.1.1** Design-Builder's Representative shall be reasonably available to Owner and shall have the necessary expertise and experience required to supervise the Work. Design-Builder's Representative shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder. Design-Builder's Representative may be replaced only with the mutual agreement of Owner and Design-Builder.

**2.1.2** Unless the parties agree on a different time period for submission of a status report, Design-Builder shall provide Owner with reports detailing the progress of the Work as set forth in Exhibit C, including but not limited to (i) whether the Work is proceeding according to schedule; (ii) whether discrepancies, conflicts, or ambiguities exist in the *Contract Documents* that require resolution; (iii) whether health and safety issues exist in connection with the Work; (iv) status of the contingency accounts; and (v) other items that require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the *Contract Price* and within the *Contract Time(s)*. In addition to the frequency set forth in Exhibit C, status reports shall be submitted with Design-Builder's draft *Payment Applications* as a pre-requisite to payment.

**2.1.3** Design-Builder shall prepare and submit the schedules and deliverables set forth in Exhibit C, including but not limited to the *Project Schedule* for the execution of the Work for Owner's review and response. The *Project Schedule* shall indicate the dates for the start and completion of the various stages of Work, including the dates when Owner information and approvals are required to enable Design-Builder to achieve the *Contract Time(s)*. The *Project Schedule* shall be revised as required by Exhibit C and the conditions and progress of the Work, but such revisions shall not relieve Design-Builder of its obligations to complete the Work within the *Contract Time(s)*, as such dates may be adjusted in accordance with the *Contract Documents*. Owner's review of, and

response to, the Project Schedule and other deliverables provided by Design-Builder shall not be construed as relieving Design-Builder of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

**2.1.4** The parties will meet within seven (7) days after execution of the Agreement to discuss issues affecting the administration of the Work and to implement any procedures additional to Exhibit C, including those relating to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

**2.1.5** Representatives of the Design-Build Team, including at a minimum of the Design-Builder's Representative and a representative from the lead designer and lead constructor, shall meet with the Owner at least on a weekly basis and shall provide to the Owner a written update regarding the status of the Project, including but not limited to the information required in Exhibit C and any issues that may have a material effect on the Project. The Design-Build Team shall issue meeting minutes within three days of meeting.

**2.1.6** Design-Builder hereby assigns to Owner all its interest in first-tier subcontracts now or hereafter entered into by Design Builder for performance of any part of the Work. The assignment will be effective upon acceptance by Owner in writing and only as to those subcontracts which the Owner designates in writing. The Owner may accept said assignment at any time during the course of the Work and prior to Final Completion in the event of a suspension or termination of Design Builder's rights under the Contract Documents. Such assignment is part of the consideration to the Owner for entering into the Contract with Design Builder and may not be withdrawn prior to Final Completion.

## **2.2 Design Professional Services.**

**2.2.1** Owner does not intend to contract for, pay for, or receive any design services which are in violation of any professional licensing laws, and by execution of the Agreement, Design-Builder acknowledges that Owner has no such intent. Design-Builder shall, consistent with applicable state licensing laws, furnish through qualified, licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Contract Documents. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant.

**2.2.2** Design-Builder shall employ only Design Consultants and/or Design Subconsultants who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Prior to the date that Design Consultants and/or Design Subconsultants perform Work on the Project, Design-Builder shall identify in writing to Owner all Design Consultants and Design Subconsultants. To the extent that Design-Builder has not selected a Design Consultant or Design Subconsultant prior to performing the Work, Design-Builder shall provide Owner in writing a list of any subsequently added Design Consultants and/or Design Subconsultants and their scope of Work prior to their performing Work on the Project. Owner may reasonably object to Design-Builder's selection of any Design Consultant or Design Subconsultant, provided that the Contract Price and/or Contract Time(s) shall be adjusted to the extent that Owner's decision impacts Design-Builder's cost and/or time of performance. Design-Builder shall not substitute a listed Design Consultant or Subconsultant without obtaining Owner's prior written consent; such consent shall not be unreasonably withheld. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant or Design Subconsultant, including but not limited to any third-party beneficiary rights. Design-Builder assumes responsibility to Owner for the proper performance of the Work of the Design Consultants and any Sub-Consultant and any acts and omissions in connection with such performance.

**2.2.3** Any references in the Contract Documents to Design-Builder's responsibilities or

obligations to “perform” the design portions of the Work shall be deemed to mean that Design-Builder shall “furnish” the design for the Project.

### **2.3 Standard of Care for Professional Services.**

**2.3.1** The standard of care for all professional services performed to execute the Work shall be the care and skill ordinarily used by members of the applicable profession practicing under similar conditions at the same time and locality of the Project. The Design-Builder shall also perform the design and construction so that the Work meets or exceeds the performance requirements set forth in the Owner’s Project Criteria, the Initial Project Scope and/or the Basis of Design Documents.

**2.3.2** Design Builder shall perform all activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents.

### **2.4 Design Development Services.**

**2.4.1** Design-Builder shall provide the Design Submissions set forth in the Contract Documents. Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim Design Submissions that Owner may wish to review, which interim Design Submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements.

**2.4.1.1** Design Submissions shall be consistent with the Owner’s Project Criteria as well as the Basis of Design Documents, as the Basis of Design Documents may have been changed or supplemented through the design process set forth in this Section 2.4.1 as well as the Commercial Terms. By submitting Design Submissions, Design-Builder represents to the Owner that the Work depicted and otherwise shown, contained, or reflected in Design Submissions may be constructed in compliance with the then current Contract Price and Contract Time and are consistent with the Owner’s Project Criteria, the Design Log and Basis of Design Documents, as applicable. Notwithstanding the above, Design-Builder may propose Design Submissions that may alter the Owner’s Project Criteria, the Basis of Design Documents, the Contract Price and/or Contract Time; however, Design-Builder must provide notice thereof in accordance with Article 10 of the General Conditions and obtain a Change Order before such proposed Design Submissions are incorporated into the Construction Documents.

**2.4.1.2** On or about the time of the Design Submissions, Design-Builder and Owner shall meet and confer about the Design Submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any changes to the Basis of Design Documents, or, if applicable, previously submitted Design Submissions. Changes to the Basis of Design Documents, including those that are deemed minor changes under Section 9.3.1, shall be processed in accordance with Article 9. Minutes of the meetings, including a full listing of all changes, will be maintained by Design-Builder and provided to all attendees for review. Following the design review meeting, Owner shall review and approve the interim Design Submissions and meeting minutes in a time that is consistent with the turnaround times set forth in Design-Builder’s schedule.

**2.4.1.3** Owner shall review and respond to Design Submissions, providing any comments and/or concerns about the Design Submissions. Owner shall provide all comments on the Design Submissions within the time provided by the Contract Documents. Design-Builder shall revise the Design Submissions (and any other deliverables) in response to Owner’s comments and incorporate said responses into the next submission of Design Submissions.

**2.4.1.4** If incorporation of Owner’s comments results in a design that is inconsistent with or otherwise gives rise to a change in Owner’s Project Criteria, the Basis of Design Documents, the Contract Price and/or the Contract Time, Design-Builder shall provide

notice thereof in accordance with Articles 9 and 10 of the General Conditions. Changes to the Basis of Design Documents, the Contract Price and/or the Contract Time, including those that are deemed minor changes, shall be processed in accordance with Article 9 of the General Conditions.

**2.4.1.5** The Design-Builder shall provide an updated cost model for the Project periodically as required in Exhibit C. The Design-Builder shall also schedule and facilitate a one-day review meeting with the Owner to present and summarize changes in the Design Submission, changes to the scheduled Milestone dates and present an overview of cost model.

**2.4.1.6** Design Log. A Design Log, including a full listing of Reliable Design Decisions and all changes to the Initial Project Scope and Basis of Design Documents, will be maintained by the Design-Builder and provided to all attendees for review.

- a. Both parties must agree to include a Reliable Design Decision in the Design Log.
- b. The Design Log shall be updated after every Design Review Meeting, and in any case, on a weekly basis.
- c. Once a Reliable Design Decision in the Design Log is approved in writing by the Owner, it shall be binding on the Design-Builder as if set forth in the Initial Project Scope or Basis of Design Documents.
- d. The Design Log is for the sole purpose of tracking the development of the Design Submissions.
- e. If a Reliable Design Decision will cause a change in the Owner's Project Criteria, the Initial Project Scope or Basis of Design Decisions, or any of the Commercial Terms, such changes must be processed pursuant to Articles 9 and 10.

**2.4.1.7** Trend Log. If either party does not know the extent to which a Design Submission or other potential change will alter a Commercial Term, either party may request in writing to identify a Trend in the Trend Log.

- a. The request to include a Trend in the Trend Log must include the following information:
  - i. Identification of the portion of the Design Submission for which the costs are uncertain and may cause any Commercial Term to be exceeded;
  - ii. The estimated change in the applicable Commercial Term; and
  - iii. Potential impacts or changes to the Initial Project Scope or Basis of Design Documents as a result of the Trend.
- b. Both parties must consent in writing to include the Trend in the Trend Log. The Design-Builder will track the Trend on the Trend Log, and the Trend Log shall be updated with the most recent information on a weekly basis.
- c. The parties will work collaboratively to resolve Trends in the Trend Log as quickly as possible. When a Trend in the Log is resolved and the resolution changes the Initial Project Scope or Basis of Design Documents and/or any Commercial Term, the resolution shall be memorialized in a Change Order. If the resolution does not change the Initial Project Scope or Basis of Design Documents and/or any Commercial Term, it shall be removed from the Trend Log.

**2.4.2** Design-Builder shall submit to Owner Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim Design Submissions, as such submissions may have been modified by the parties and recorded as set forth in the Contract Documents. The parties shall have a design review meeting to discuss, and Owner shall review and approve, the Construction Documents in accordance with the procedures set forth in Section

2.4.1 above and Exhibit C. Design-Builder shall proceed with construction in accordance with the approved Construction Documents and shall submit one set of approved Construction Documents to Owner prior to commencement of construction.

**2.4.3** Owner's review and approval of Design Submissions, meeting minutes, the Design Log, the Trend Log, and the Construction Documents is for the purpose of mutually establishing a conformed set of Contract Documents compatible with the requirements of the Work. Neither Owner's review nor approval of any interim Design Submissions, meeting minutes, the Design Log, the Trend Log, and Construction Documents shall be deemed to transfer any design liability from Design-Builder to Owner. Design-Builder shall provide Owner with sufficient time in the Project Schedule to review and approve the Design Submissions.

**2.4.4** To the extent not prohibited by the Contract Documents or Legal Requirements, Design-Builder may prepare Design Submissions and Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

## **2.5 Legal Requirements.**

**2.5.1** Design-Builder shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

**2.5.2** The Contract Price and/or Contract Time(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements that directly affect the Work that are enacted after the date the parties agree upon the Guaranteed Maximum Price. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of changes in Legal Requirements.

## **2.6 Government Approvals and Permits.**

**2.6.1** Unless the parties have identified permits in an Owner's Permit List attached either as an exhibit to the Agreement or as part of the Owner's Project Criteria or Basis of Design Documents, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project.

**2.6.2** Design-Builder shall provide reasonable assistance to Owner in obtaining those permits, approvals and licenses that are Owner's responsibility.

## **2.7 Design-Builder's Construction Phase Services.**

**2.7.1** Unless otherwise provided in the Contract Documents to be the responsibility of Owner or a separate contractor, Design-Builder shall provide through itself or Subcontractors the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to permit Design-Builder to complete construction of the Project consistent with the Contract Documents.

**2.7.2** Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

**2.7.3** The Design-Builder shall assemble and install all equipment according to the applicable manufacturer's installation instructions. Work that does not conform to the applicable instructions and/or any resulting errors in assembly or installation shall be corrected by the Design-Builder. If the Owner determines that the Design-Builder has incorrectly assembled, installed and/or damaged any



such equipment, the Design-Builder shall, at its own expense, furnish a competent manufacturer's representative to assist, instruct and approve the Design-Builder's corrected work.

**2.7.4** If any materials or equipment are stored by Design-Builder, they shall be stored so as to ensure the preservation of their quality and fitness. Materials and equipment shall be placed on platforms or other hard, clean surfaces, and not on the ground, and shall be placed under cover and heated adequately to prevent condensation, oxidation or freezing. Stored materials and equipment shall be located so as to facilitate observation. The Design-Builder shall be responsible for all damage or loss that occurs as a result of its fault or negligence in connection with the care and protection of all materials and equipment until acceptance by the Owner.

**2.7.5** Design-Builder is responsible for verifying that any equipment supplied by the Owner is in working order and sufficient for the purposes for which it was intended in the Project. If equipment furnished by Owner is not in working order or is not sufficient for the Project, Design-Builder shall notify Owner immediately, and Owner shall either repair or replace the equipment, at Owner's sole discretion. Design-Builder is responsible for the proper installation of the equipment furnished by Owner.

**2.7.6** Design-Builder shall provide appropriate security for the Site, and shall take all reasonable precautions and provide protection to prevent damage, injury, vandalism, theft, and loss to the Work, equipment and materials used to perform the Work, real property within the Site, and other property at or on the Site, whether owned by Design-Builder, Owner, or any other third party.

**2.7.7** Design-Builder shall maintain, rebuild, repair, restore or replace all Work (including plans and specifications, and materials, equipment, supplies and maintenance equipment which are purchased for permanent installation in, or for use during construction of, the Project, regardless of whether the Owner has title thereto) that is injured or damaged prior to Substantial Completion. Following Substantial Completion, Design-Builder shall continue to have responsibility to maintain, build, repair, restore or replace all Work not 100% completed at Substantial Completion, until Owner accepts maintenance responsibility with respect to such Work. Except as provided in Section 2.7.7.2, all remaining elements of the Project shall be considered accepted for maintenance purposes as of the Final Acceptance Date. Maintenance responsibility under this Section 2.7.7 includes rebuilding, repairing and restoring all other property at the Project Site whether owned by Design-Builder, Owner or any other Person.

**2.7.7.1** With respect to Work on property not owned by Owner, Design-Builder's obligations under this Section 2.7.7 shall terminate upon acceptance of such Work by the property owner and the Owner.

**2.7.7.2** During the period after Substantial Completion until Final Acceptance, the Owner may issue a Change Order under Article 9 requiring Design-Builder to continue to have responsibility for maintaining, rebuilding, repairing, restoring and replacing Work accepted by Owner, provided, however, no Change Order is required in connection with direction to proceed with Warranty Work.

**2.7.8** Design-Builder shall keep the Site reasonably free from debris, trash and construction wastes to permit Design-Builder to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, Design-Builder shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit Owner to occupy the Project or a portion of the Project for its intended use.

**2.7.9** Inspections. Design-Builder shall inform Owner of any part of the Work which is about to be covered and offer a full and adequate opportunity to Owner to inspect and test such part of the Work before it is covered. At all times before Final Completion, Design-Builder shall remove or uncover such portions of the finished construction Work as directed by Owner. After examination by the Owner Representative and any other Persons designated by Owner, Design-Builder shall

restore the Work to the standard required by the Contract Documents. If the Work exposed or examined is not in conformance with the requirements of the Contract Documents, then uncovering, removing and restoring the Work and recovery of any delay to any Critical Path occasioned thereby shall be at Design-Builder's cost and Design-Builder shall not be entitled to any adjustment to the Contract Price or any time extension or any other relief. Furthermore, any Work done or materials used without adequate notice to and opportunity for prior inspection by Owner (if applicable) or without inspection in accordance with the Contract Documents may be ordered uncovered, removed or restored at Design-Builder's cost and without an adjustment to the Contract Price or a time extension, or any other relief, even if the Work proves acceptable after uncovering. Except with respect to Work done or materials used as described in the foregoing sentence, if Work exposed or examined under this Section 2.7.9 is in conformance with the requirements of the Contract Documents, then any delay in any Critical Path from uncovering, removing and restoring Work shall be considered an Owner-Caused Delay, and Design-Builder shall be entitled to a Change Order for the reasonable cost of such efforts and recovery of any delay to any Critical Path occasioned thereby.

**2.7.10** Title. Design-Builder warrants that it owns, or will own, and has, or will have, good and marketable title to all materials, equipment, tools and supplies provided, or to be provided, by it and its Subcontractors that become part of the Project or are purchased for Owner for the operation, maintenance, rebuild, repair or replacement thereof, free and clear of all Liens.

**2.7.10.1** Title to all such materials, equipment, tools and supplies delivered to the Site shall pass to Owner, free and clear of all Liens, upon the sooner of (a) incorporation into the Project, or (b) payment by Owner to Design-Builder of invoiced amounts pertaining thereto.

**2.7.10.2** Notwithstanding any such passage of title, Design-Builder shall retain sole care, custody, and control of, and risk of loss with respect to, such materials, equipment, tools and supplies and shall exercise due care with respect thereto until Final Acceptance or until Design-Builder is removed from the Project.

## **2.8 Subcontractors and Labor**

**2.8.1** Design-Builder shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Prior to the date that Subcontractors perform Work on the Project, Design-Builder shall identify in writing to Owner all Subcontractors. To the extent that Design-Builder has not selected a Subcontractor prior to performing the Work, Design-Builder shall provide Owner in writing a list of any subsequently added Subcontractors prior to their performing Work on the Project. Owner may reasonably object to Design-Builder's selection of any Subcontractor, provided that the Contract Price and/or Contract Time(s) shall be adjusted to the extent that Owner's decision impacts Design-Builder's cost and/or time of performance. Design-Builder may not substitute listed Subcontractors without Owner's prior written consent; such consent shall not be unreasonably withheld. The Contract Documents shall not be construed to create a contractual relationship of any kind between Owner and any Subcontractor of any tier.

**2.8.2** Design-Builder assumes responsibility to Owner for the proper performance of the Work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

**2.8.3** Design-Builder shall coordinate the activities of all Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner's control, Design-Builder agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

**2.8.4** Design-Builder shall ensure that each Subcontract (at all tiers) shall include those terms

that are specifically required by the Contract Documents to be included therein as well as such additional terms and conditions as are sufficient to ensure compliance by the Subcontractor with all applicable requirements of the Contract Documents, including but not limited to the following provisions:

**2.8.4.1** Effective procedures for timely resolution of claims and disputes, including an agreement by the Subcontractor to participate in any dispute proceeding pursuant to Section 10.2, if such participation is requested by Owner;

**2.8.4.2** A standard of professional responsibility or a standard for quality equal to or better than the requirements of the Contract Documents;

**2.8.4.3** A requirement to maintain usual and customary books and records for the type and scope of operations of the business in which the Subcontractor is engaged;

**2.8.4.4** A provision permitting audits to be conducted by the Design-Builder and Owner according to the terms of the Contract;

**2.8.4.5** A requirement to provide progress reports to the Design-Builder appropriate for the type and scope of Work performed and to meet the requirements of Exhibit C;

**2.8.4.6** A requirement that the Subcontractor maintain all appropriate licenses and registrations;

**2.8.4.7** A provision prohibiting assignment of the Subcontract without the Design-Builder's written consent;

**2.8.4.8** The following provision: "Nothing contained herein shall be deemed to create any privity of contract between Owner and the Subcontractor, nor does it create any duties, obligations, or liabilities on the part of Owner to the Subcontractor except those allowed under Washington law. In the event of any claim or dispute arising under the Subcontract and/or Design-Builder's contract with Owner, the Subcontractor shall look only to Design-Builder for any payment, redress, relief, or other satisfaction. The Subcontractor hereby waives any claim or cause of action against Owner arising out of the Subcontract or otherwise arising in connection with the Subcontractor's Work."; and

**2.8.4.9** Provisions in form and substance satisfactory to Owner, (a) Owner is a third-party beneficiary of the Subcontract and shall have the right to enforce all of the terms of the Subcontract for its own benefit, and (b) all guarantees and warranties, express or implied, shall inure to the benefit of Owner, and its respective successors and assigns.

## **2.9 Design-Builder's Responsibility for Project Safety.**

**2.9.1** Design-Builder recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting; (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site; and (iii) all other property at the Site or adjacent thereto. Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Builder's Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Builder's personnel, Subcontractors and others as applicable.

**2.9.2** Design-Builder and Subcontractors shall comply with all Legal Requirements relating to

safety, as well as any Owner-specific safety requirements set forth in the Contract Documents, provided that such Owner-specific requirements do not violate any applicable Legal Requirement. Design-Builder will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to Owner's Representative and, to the extent mandated by Legal Requirements, to all government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.

**2.9.3** Design-Builder's responsibility for safety under this Section 2.8 is not intended in any way to relieve Subcontractors and Sub-Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters; and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injuries, losses, damages or accidents resulting from their performance of the Work.

## **2.10 Design-Builder's Warranty.**

**2.10.1** Design-Builder warrants to Owner that (i) the construction, including all materials and equipment furnished as part of the construction, shall be new unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents and free of defects in materials and workmanship, (ii) the Project shall be fit for use for the purposes, objectives, functions, uses and requirements set out in or reasonably inferred from this Contract, and (iii) the Work shall meet all of the requirements of the Contract Documents. Design-Builder's warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work in a commercially reasonable manner. Nothing in this warranty is intended to limit any manufacturer's warranty which provides Owner with greater warranty rights than set forth in this Section 2.10 or the Contract Documents. Design-Builder will provide Owner with all manufacturers' warranties upon Substantial Completion.

## **2.11 Correction of Defective Work.**

**2.11.1** Design-Builder agrees to correct any Work that is found to not be in conformance with the Contract Documents ("Nonconforming Work"), including that part of the Work subject to Section 2.10 hereof, within a period of one year from the date of Substantial Completion of the Work or any portion of the Work, or within such longer period to the extent required by any specific warranty included in the Contract Documents.

**2.11.2** Nonconforming Work rejected by Owner shall be removed and replaced so as to conform to the requirements of the Contract Documents, at Design-Builder's cost and without any adjustment to the Contract Price or time extension or any other relief; and Design-Builder shall promptly take all action necessary to prevent similar deficiencies from occurring in the future. The fact that Owner may not have discovered the Nonconforming Work shall not constitute an acceptance of such Nonconforming Work. Design-Builder shall, within seven (7) days of receipt of written notice from Owner of Nonconforming Work, take meaningful steps to commence correction of such Nonconforming Work, including the correction, removal or replacement of the Nonconforming Work and any damage caused to other parts of the Work affected by the Nonconforming Work. If the correction of Nonconforming Work cannot be completed within such seven (7) day period, Design-Builder must (a) provide a schedule for correcting the Nonconforming Work and (b) commence and diligently prosecute such correction in accordance with the approved schedule to completion. If Design-Builder fails to commence the necessary steps within such seven (7) day period, Owner, in addition to any other remedies provided under the Contract Documents, may provide Design-Builder with written notice that Owner will commence correction of such Nonconforming Work with its own forces. If Owner does perform such corrective Work, Design-Builder shall be responsible for all reasonable costs incurred by Owner in performing such correction. If the Nonconforming Work creates an emergency requiring an immediate response, the seven (7) day period identified herein shall be deemed inapplicable.

**2.11.3** Owner may agree to accept any Nonconforming Work without requiring it to be fully

corrected. In such event, Owner shall be entitled to reimbursement of a portion of the Contract Price (which shall also reduce the GMP) in an amount equal to the greater of: (a) the amount deemed appropriate by Owner to provide compensation for future maintenance and/or other costs relating to the Nonconforming Work, or (b) 100% of Design-Builder's cost savings associated with its failure to perform the Work in accordance with Contract requirements. Such reimbursement (plus an administrative charge equal to 10% of the costs and expenses) shall be payable to Owner within ten days after Design-Builder's receipt of an invoice therefor. Alternatively, Owner may deduct the amount of such costs and expenses (plus an administrative charge equal to 10% of the costs and expenses) from any sums owed by Owner to Design-Builder pursuant to this Contract. Design-Builder acknowledges and agrees that Owner shall have sole discretion regarding acceptance or rejection of Nonconforming Work and the amount payable in connection therewith. Payment, reimbursement or deduction of the amounts owing to Owner under this Section 2.10.3 shall be a condition precedent to the acceptance of the applicable Nonconforming Work.

**2.11.4** The one-year period referenced in Section 2.11.1 above applies only to Design-Builder's obligation to correct Nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies Owner may have regarding Design-Builder's other obligations under the Contract Documents.

## **2.12 Contract Phases**

**2.12.1 Phase 1.** Phase 1 shall commence upon Notice to Proceed from the Owner and shall end on the Phase 1 Completion Date as set forth in Agreement, Section 5.2. The services provided by the Design-Builder during Phase 1 shall be established in Exhibit C.

**2.12.1.1** In Phase 1, the Design-Builder shall carefully and thoroughly examine the information set forth in Exhibit C, the existing site conditions, and any other information provided by the Owner with respect to the Project. Such information includes, but is not limited to, as-built drawings of the existing facilities; necessary testing of existing facilities; geotechnical and other site conditions; and legal, permitting and regulatory requirements and restrictions.

**2.12.1.2** The Design-Builder may not rely on information provided by the Owner and must validate all information provided by the Owner during Phase 1 as set forth in Exhibit C.

**2.12.1.3** The Design-Builder shall provide the submissions set forth in Exhibit C on an open book and transparent basis. In addition, the Design-Builder and the Owner shall, consistent with any applicable provision of the Contract Documents, agree upon the quantity and level of development for Design Submissions that the Owner may wish to review, which Design Submissions may include Milestone Design Submissions, design criteria, drawings, diagrams and specifications setting forth the Project requirements. Design Submissions shall be consistent with the Commercial Terms, as they may develop through the design process set forth in the Contract Documents.

**2.12.1.4** If the Design-Builder discovers or should have discovered with reasonable diligence Material Differences from the actual conditions at the Site or the Owner Provided Information, Design-Builder shall, upon discovery but no later than at the conclusion of Phase 1, provide Owner with written notice of any such Material Differences. A "Material Difference" is defined as one that would either a) impact the Owner's Project Criteria, the Initial Project Scope, the Design-Builder's Fee Percentage or a Commercial Term or b) be considered a Differing Site Condition. Design-Builder shall not be entitled to a Change Order for any Material Difference during Phase 2, including but not limited to for Differing Site Conditions, pursuant to Section 4.2.1 of the General Conditions, if the Material Difference could have been discovered, with reasonable diligence, during Phase 1 and was not disclosed pursuant to this Section.

**2.12.2 Phase 2.** Phase 2 is the final phase of the Contract where the Design-Builder: (i) completes

the design services and develops Construction Documents for the Project, (ii) performs the construction, start-up, testing and commissioning and closeout of the Project, (iii) undertakes any necessary warranty services for the Project, and (iv) performs other services as set forth in Exhibit C, the GMP Amendment and any Early GMP Amendment.

## **Article 3**

### **Owner's Services and Responsibilities**

#### **3.1 Duty to Cooperate.**

**3.1.1** Owner shall, throughout the performance of the Work, cooperate with Design-Builder and perform its responsibilities, obligations and services in a timely manner to facilitate Design-Builder's timely and efficient performance of the Work and so as not to delay or interfere with Design-Builder's performance of its obligations under the Contract Documents.

**3.1.2** Owner shall provide timely reviews and approvals of Design Submissions and Construction Documents consistent with the turnaround times set forth in in the Contract, by agreement of the Owner and Design-Builder, or the approved Design-Builder's schedule, as applicable.

**3.1.3** Owner shall give Design-Builder timely notice of any Work that Owner notices to be defective or not in compliance with the Contract Documents, provided, however, Owner shall have no liability to the Design-Builder for failure to notify the Design-Builder or failure to discover such defects or noncompliant Work.

#### **3.2 Furnishing of Services and Information.**

**3.2.1** The Owner's Project Criteria sets forth the information provided by the Owner.

**3.2.2** Owner is responsible for securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable Design-Builder to perform the Work. Owner is further responsible for all costs, including attorneys' fees, incurred in securing these necessary agreements.

#### **3.3 Financial Information.**

**3.3.1** If Design-Builder has reasonable belief that Owner will not have sufficient funds to complete the Project, at Design-Builder's written request, Owner shall promptly furnish reasonable evidence satisfactory to Design-Builder that Owner has adequate funds available and committed to fulfill all of Owner's contractual obligations under the Contract Documents. If Owner fails to furnish such financial information in a timely manner, Design-Builder may stop Work under Section 11.3 hereof or exercise any other right permitted under the Contract Documents.

**3.3.2** Design-Builder shall cooperate with the reasonable requirements of Owner's lenders or other financial sources. Notwithstanding the preceding sentence, after execution of the Agreement Design-Builder shall have no obligation to execute for Owner or Owner's lenders or other financial sources any documents or agreements that require Design-Builder to assume obligations or responsibilities greater than those existing obligations Design-Builder has under the Contract Documents.

#### **3.4 Owner's Representative.**

**3.4.1** Owner's Representative shall be responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents. Owner's Representative shall also provide Design-Builder with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any

errors, omissions or defects in the performance of the Work. Owner's Representative shall communicate regularly with Design-Builder and shall be vested with the authority to act on behalf of Owner.

### **3.5 Government Approvals and Permits.**

**3.5.1** Owner shall obtain and pay for those permits, approvals, licenses, government charges and inspection fees set forth in the Owner's Permit List.

**3.5.2** Owner shall provide reasonable assistance to Design-Builder in obtaining those permits, approvals and licenses that are Design-Builder's responsibility.

### **3.6 Owner's Separate Contractors.**

**3.6.1** Owner is responsible for all work performed on the Project or at the Site by separate contractors under Owner's control. Owner shall contractually require its separate contractors to cooperate with and coordinate their activities so as not to interfere with Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents.

## **Article 4**

### **Hazardous Materials, Differing Site Conditions and Archaeological Resources**

#### **4.1 Hazardous Materials.**

**4.1.1** Unless otherwise expressly provided in the Contract Documents to be part of the Work, Design-Builder is not responsible for any Hazardous Materials encountered at the Site that could have been reasonably discovered during the Validation Period. Unless working with Hazardous Materials is part of the scope of the Work, upon encountering any Hazardous Materials, Design-Builder will stop Work immediately in the affected area and duly notify Owner immediately thereof telephonically or in person, to be followed immediately by written notification, and, if required by Legal Requirements, all government or quasi-government entities with jurisdiction over the Project or Site.

**4.1.2** Upon receiving notice of the presence of suspected Hazardous Materials that are not set forth as part of the Work or that could not have been reasonably discovered during the Validation Period, Owner shall take the necessary measures required to ensure that the Hazardous Materials are remediated or rendered harmless. Such necessary measures shall include Owner retaining qualified independent experts to (i) ascertain whether Hazardous Materials have actually been encountered, and, if they have been encountered, (ii) prescribe the remedial measures that Owner must take either to remove the Hazardous Materials or render the Hazardous Materials harmless.

**4.1.3** Design-Builder shall be obligated to resume Work at the affected area of the Project only after Owner's expert provides it with written certification that (i) the Hazardous Materials have been removed or rendered harmless; and (ii) all necessary approvals have been obtained from all government and quasi-government entities having jurisdiction over the Project or Site.

**4.1.4** Unless expressly provided in the Contract Documents to be part of the Work, Design-Builder will be entitled, in accordance with these General Conditions of Contract, to an adjustment in its Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by the presence of Hazardous Materials.

**4.1.5** To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them, and their officers, directors, employees and agents, from and against any and all claims, losses, damages, liabilities and expenses, including reasonable attorneys' fees and expenses,

arising out of or resulting from the presence, removal or remediation of Hazardous Materials at the Site pursuant to this Section.

**4.1.6** Notwithstanding the preceding provisions of this Section 4.1, Owner is not responsible for any release or threatened release of a Hazardous Material (a) which was brought onto the Site by any DB-Related Entity, or (ii) which was negligently removed or handled by the Design-Builder, regardless of the source, origin or method of deposit of such Hazardous Materials (“Design-Builder Release of Hazardous Materials”). Design-Builder shall indemnify, defend and hold harmless Owner and Owner’s officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys’ fees and expenses, arising out of or resulting from any such release or threatened release.

**4.1.7** With respect to Hazardous Materials that are part of the Work, Design-Builder agrees to comply with all applicable regulatory authorities, including but not limited to any statute, regulation, or regulatory agency regarding such Hazardous Materials. Design-Builder agrees to work cooperatively with Owner and regulatory agencies with jurisdiction over the Project to properly handle, dispose of, and/or remediate any Hazardous Materials.

## **4.2 Differing Site Conditions.**

**4.2.1** Concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated in the Owner provided information in Exhibit C or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work, are collectively referred to herein as “Differing Site Conditions.” If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder’s cost and/or time of performance are adversely impacted by the Differing Site Condition. Notwithstanding the preceding, provided the parties sign the GMP Amendment, Design-Builder shall not be entitled to a Change Order for Differing Site Conditions if the Differing Site Condition was discovered or could have been discovered, with reasonable diligence, during Phase 1.

**4.2.2** Upon encountering a Differing Site Condition, Design-Builder then Design-Builder shall immediately notify Owner thereof telephonically or in person, to be followed by written notification within five days. Design-Builder shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered. Design-Builder shall immediately stop Work in and secure the area pending further instructions.

**4.2.3** If directed by Owner, Design-Builder shall promptly conduct such further investigation. If Design-Builder continues to believe that the material or condition falls within the scope of Section 4.2.1, Design-Builder shall at that time also advise Owner of any action recommended to be taken regarding the situation. Owner then will determine whether Design-Builder’s findings and proposed actions are acceptable and either approve, or require modification of, Design-Builder’s proposed actions. If the condition involves discovery of Hazardous Materials that are Owner’s responsibility under the Contract, Owner shall advise Design-Builder regarding its plans for Hazardous Materials Remediation and shall coordinate with Design-Builder in performance of such activities, in accordance with Section 4.1.

**4.2.4** Owner shall have the right to require Design-Builder to recommence work in the area at any time, even though an investigation or other work may still be ongoing, so long as recommencing work would not violate any Legal Requirements. Design-Builder shall promptly recommence Work in the area upon receipt of notification from Owner to do so. On recommencing Work, Design-Builder shall follow all applicable procedures contained in the Contract Documents and all other Legal Requirements with respect to such work, consistent with Owner’s determination or preliminary determination regarding the nature of the material or condition.

## **4.3 Archaeological Resources**



**4.3.1** In the event the Design-Builder or any of its Subcontractors inadvertently discover any archaeological, paleontological, biological, cultural, or other resources at any time during the project, Design-Builder shall immediately notify the Owner telephonically and suspend all excavation activities at the site.

**4.3.2** Design-Builder shall follow the procedures set forth in Section 4.2 with respect to addressing the discovery of and shall be entitled to a Change Order as set forth therein, provided, however, that the Design-Builder shall not be entitled to a Change Order if the archaeological, paleontological, biological, cultural, or other resource was discovered or could have been discovered, with reasonable diligence, during Phase 1.

**4.3.3** "Archaeological Resource" shall mean any material remains of human life or activities which are of interest. This shall include all sites, objects, structures, artifacts, implements, and locations of prehistoric or archaeological interest, whether previously recorded or still unrecognized, including, but not limited to objects pertaining to prehistoric and historic American Indian or aboriginal burials, campsites, dwellings, and their habitation sites, including rock shelters and caves, their artifacts and implements of culture such as projectile points, arrowheads, skeletal remains, grave goods, basketry, pestles, mauls and grinding stones, knives scrapers, rock carvings and paintings, and other implements and artifacts of any material or form.

**4.3.3** Any Archaeological Resources that may be discovered during progress of the Work shall, at Owner's sole discretion, be the property of Owner.

## **Article 5**

### **Insurance and Bonds**

#### **5.1 Design-Builder's Insurance Requirements.**

**5.1.1** Design-Builder is responsible for procuring and maintaining the insurance for the coverage amounts all as set forth in the Insurance Exhibit to the Agreement. Coverage shall be secured from insurance companies authorized to do business in the state in which the Project is located, and with a minimum rating set forth in the Agreement.

**5.1.2** Design-Builder's insurance shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project.

**5.1.3** Upon signing and returning the signed Agreement to the Owner, and in any event, prior to performing any Work under this Agreement, Design-Builder shall provide Owner with certificates evidencing that (i) all insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect for the duration required by the Contract Documents; and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days' prior written notice is given to Owner. If any of the foregoing insurance coverages are required to remain in force after final payment is reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the Final Application for Payment. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by Design-Builder with reasonable promptness according to Design-Builder's information and belief.

**5.1.4** The Design-Builder's maintenance of insurance, its scope of coverage, and limits as required herein shall not be construed to limit the liability of the Design-Builder to the coverage provided by such insurance, or otherwise limit the Owner's recourse to any remedy available at law or in equity. Design-Builder shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

**5.1.5** If Design-Builder maintains higher insurance limits than the minimums shown above, Owner shall be insured for the full available limits of commercial general and excess or umbrella

liability maintained by Design-Builder, irrespective of whether such limits maintained by Design-Builder are greater than those required by this Agreement or whether any certificate of insurance furnished to the Owner evidences limits of liability lower than those maintained by Design-Builder.

**5.1.6** Design-Builder's insurance coverage shall be primary insurance with respect to Owner. Any insurance, self-insurance, or insurance pool coverage maintained by Owner shall be excess of Design-Builder's insurance and shall not contribute with it.

**5.1.7** Design-Builder shall cause each and every subcontractor to provide insurance coverage that complies with all applicable requirements of Design-Builder-provided insurance as set forth herein, except Design-Builder shall have sole responsibility for determining the limits of coverage required to be obtained by subcontractors. Design-Builder shall ensure that the Owner is an additional insured on each subcontractor's Commercial General liability insurance policy using an endorsement at least as broad as ISO CG 20 10 10 01 for ongoing operations and CG 20 37 10 01 for completed operations.

**5.1.7** Failure on the part of the Design-Builder to maintain the insurance as required shall constitute a material breach of contract, upon which the Owner may, after giving as least five business days' notice to Design-Builder to correct the breach, immediately terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the Owner on demand, or at the sole discretion of the Owner, offset against funds due Design-Builder from the Owner.

## **5.2 Owner's Liability Insurance.**

**5.2.1** Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located such liability insurance as set forth in the Insurance Exhibit to the Agreement to protect Owner from claims which may arise from the performance of Owner's obligations under the Contract Documents or Owner's conduct during the course of the Project.

## **5.3 Builder's Risk Insurance.**

**5.3.1** Unless otherwise provided in the Contract Documents, Design-Builder shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located builder's risk insurance on an "all risk" or equivalent policy form upon the entire Project to the full insurable value of the Project, including professional fees, overtime premiums and all other expenses incurred to replace or repair the insured property. The property insurance obtained by Design-Builder shall be the broadest coverage commercially available, and shall include as additional insureds the interests of Owner, Design-Builder, Design Consultants and Subcontractors of any tier. Such insurance shall include but not be limited to the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, flood, earthquake, debris removal and other perils or causes of loss as called for in the Contract Documents. A copy of the builder's risk policy shall be made available to the Owner. The builder's risk insurance shall include physical loss or damage to the Work, including temporary buildings, debris removal, and damage to materials and equipment in transit, at the Site or at another location as may be indicated in Design-Builder's Application for Payment and approved by Owner. Design-Builder is responsible for the payment of any deductibles under the insurance required by this Section 5.3.1.

**5.3.2** Unless the Contract Documents provide otherwise, Owner shall procure and maintain boiler and machinery insurance that will include the interests of Owner, Design-Builder, Design Consultants, and Subcontractors of any tier. Owner is responsible for the payment of any deductibles under the insurance required by this Section 5.3.2.

**5.3.3** Prior to Design-Builder commencing any Work, Owner shall provide Design-Builder with certificates evidencing that (i) all Owner's insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect until Design-Builder has completed all of the Work and has received final payment from Owner; and (ii) no insurance coverage will be

canceled, renewal refused, or materially changed unless at least thirty (30) days' prior written notice is given to Design-Builder. Owner's property insurance shall not lapse or be canceled if Owner occupies a portion of the Work pursuant to Section 6.6.2 hereof. Owner shall provide Design-Builder with the necessary endorsements from the insurance company prior to occupying a portion of the Work.

**5.3.4** Any loss covered under the builder's risk insurance shall be adjusted with Owner and Design-Builder and made payable to both of them as trustees for the insureds as their interests may appear, subject to any applicable mortgage clause. All insurance proceeds received as a result of any loss will be placed in a separate account and distributed in accordance with such agreement as the interested parties may reach. Any disagreement concerning the distribution of any proceeds will be resolved in accordance with Article 10 hereof.

**5.3.5** Owner and Design-Builder waive against each other and Owner's separate contractors, Design Consultants, Subcontractors, agents and employees of each and all of them, all damages covered by property insurance provided herein, except such rights as they may have to the proceeds of such insurance. Design-Builder and Owner shall, where appropriate, require similar waivers of subrogation from Owner's separate contractors, Design Consultants and Subcontractors and shall require each of them to include similar waivers in their contracts. These waivers of subrogation shall not contain any restriction or limitation that will impair the full and complete extent of its applicability to any person or entity unless agreed to in writing prior to the execution of this Agreement.

#### **5.4 Bonds and Other Performance Security.**

**5.4.1** If Owner requires Design-Builder to obtain performance and labor and material payment bonds, or other forms of performance security, the amount, form and other conditions of such security shall be as set forth in the Agreement.

**5.4.2** All bonds furnished by Design-Builder shall be in a form satisfactory to Owner. The surety shall be a company qualified and registered to conduct business in the state in which the Project is located.

## **Article 6**

### **Payment**

#### **6.1 Schedule of Values.**

**6.1.1** Design-Builder shall submit for Owner's review and approval a schedule of values for all of the Work as set forth in Exhibit C. The Schedule of Values will (i) subdivide the Work into its respective parts based on the project's Work Breakdown Structure (WBS); (ii) include values for all items comprising the Work; and (iii) serve as the basis for monthly progress payments made to Design-Builder throughout the Work. Design-Builder will furnish, as part of the Schedule of Values, adequate and reliable cost justification and documentation on an Open Book Basis so as to provide both Owner and Design Builder a transparent understanding of the cost data estimates and bids that comprise the initial baseline Schedule of Values as well as any updates thereto. Design-Builder will provide a final Schedule of Values with the GMP Proposal.

**6.1.2** Owner will timely review and approve the schedule of values so as not to delay the submission of Design-Builder's first application for payment. Owner and Design-Builder shall timely resolve any differences so as not to delay Design-Builder's submission of its first application for payment.

#### **6.2 Monthly Progress Payments.**

**6.2.1** On or before the date established in the Agreement, Design-Builder shall submit for Owner's review and approval its Application for Payment requesting payment for all Work performed as of the date of the Application for Payment.

**6.2.2** Prior to submitting an invoice Design-Builder will provide to the Owner on the 10<sup>th</sup> day of each month a proposed progressed Primavera Schedule and progress reports for owners review for 1 week.

**6.2.3** After the monthly Schedule progress and progress reports are reviewed and approved Design-Builder will provide to the Owner on the 25<sup>th</sup> day of each month an invoice and Schedule of Values, along with the Primavera Schedule and progress reports provided fifteen (15) days prior. Invoices from the Design-Builder will be based on the actual time and reimbursable expenses incurred to complete the work for items included in the Cost of the Work. General Conditions will be invoiced as required pursuant to the Agreement. The Application for Payment shall be accompanied by all supporting documentation required by the Contract Documents and shall be in a form acceptable to Owner, including but not limited to the following information:

**6.2.3.1** An Invoice Cover Sheet that will include the following items:

- a. Project name and title;
- b. Invoice number (numbered consecutively, starting with "1");
- c. Period covered by the invoice (specific beginning and ending calendar days);
- d. Total amount authorized;
- e. Total amount invoiced through last period;
- f. Current invoice amount;
- g. Total invoiced to-date;
- h. Percent invoiced;
- i. Remaining Contract Price (exclusive of the Allowance amounts), GMP, and remaining Allowance amounts;
- j. Retainage withheld;
- k. Net amount due Design-Builder
- l. Total amount earned to date for the Project as a whole;
- m. Authorized signature, title of signer and date of signature; and
- n. Signatures of Design-Builder and Design-Builder's Quality Control Manager

**6.2.3.2** An itemization of the costs incurred pursuant to the Contract, including but not limited to:

- a. The detailed amounts spend for the Cost of the Work incurred during the period of the Application for Payment and the back-up documentation for the Cost of the Work, including but not limited to timesheets, invoices, purchase orders, or any other document that evidences the Cost of the Work or any other cost for which Design-Builder requests reimbursement;
- b. The Design-Builder's Fee Percentage or Lump Sum Fee incurred;
- c. Contingency Items charged under Section 6.4.4. of the Agreement;
- d. Any Lump Sums established pursuant to Section 6.4.3;
- e. Design-Builder's Lump Sum General Conditions Costs incurred, if applicable.

**6.2.3.3** The monthly periodic deliverables in Exhibit C for the relevant Phase of the Work;

**6.2.3.4** Certification by the Design-Builder's Quality Control Manager certifying that

- a. The Work has been performed in accordance with the approved quality

Control Program; and

b. the elements of the approved Quality Control Program and all the measures and procedures provided for therein are functioning properly and are being followed.

**6.2.3.5** A Conditional Waiver and Release on Progress Payment, in the statutory form, signed by Design-Builder and each Subcontractor or supplier that provided services, materials or equipment included in the invoice.

**6.2.3.6** An Unconditional Waiver and Release Upon Progress Payment, in the statutory form, signed by Design-Builder and each Subcontractor or supplier that provided materials or equipment included in any preceding invoice and for which Design-Builder received payment.

**6.2.3.7** Other supporting documents as requested by Owner to facilitate its determination of the amount payable including but not limited to:

- a. Hours and rates for sole sourced work.
- b. Material and equipment purchase orders and delivery backup.
- c. Progressed CPM resource loaded Primavera project schedule.
- d. Subcontractor invoices.

#### **6.2.4** Cash Flow

**6.2.4.1** Along with the baseline CPM resource loaded schedule the Design-Builder will provide an overall anticipated monthly cash flow for the project. The format for this cash flow will follow the example set forth in Exhibit C.

**6.2.4.2** Every month the Design-Builder will update this cash flow with the following information

- a. Baseline planned monthly costs
- b. Actual monthly costs
- c. Earned (Budgeted Work Completed) Monthly Costs
- d. Forecast monthly costs to complete the project

**6.2.5** The Application for Payment may request payment for equipment and/or materials delivered to the Site and suitably stored, or for completed preparatory work. Payment may similarly be requested for material stored off Site, provided Design-Builder complies with or furnishes satisfactory evidence of the following:

**6.2.5.1** The material will be placed in a warehouse that is structurally sound, dry, lighted and suitable for the materials to be stored;

**6.2.5.2** The warehouse is located within a 10-mile radius of the Project. Other locations may be utilized, if approved in writing, by Owner;

**6.2.5.3** Only materials for the Project are stored within the warehouse (or a secure portion of a warehouse set aside for the Project);

**6.2.5.4** Design-Builder furnishes Owner a certificate of insurance extending Design-Builder's insurance coverage for damage, fire, and theft to cover the full value of all materials stored, or in transit;

**6.2.5.5** The warehouse (or secure portion thereof) is continuously under lock and key, and only Design-Builder's authorized personnel shall have access;

**6.2.5.6** Owner shall at all times have the right of access in the company of Design-Builder;

- 6.2.5.7 Design-Builder and its surety assume total responsibility for the stored materials;
- 6.2.5.8 Design-Builder furnishes to Owner certified lists of materials stored, bills of lading, invoices, and other information as may be required, and shall also furnish notice to Owner when materials are moved from storage to the Site; and
- 6.2.5.9 Upon payment, Owner will receive the equipment and materials free and clear of all Liens and encumbrances.

6.2.6 All discounts offered by Subcontractors, Sub-Subcontractors, and suppliers to Design-Builder for early payment shall accrue one hundred percent to Design-Builder to the extent Design-Builder advances payment. Unless Owner advances payment to Design-Builder specifically to receive the discount, Design-Builder may include in its Application for Payment the full undiscounted cost of the item for which payment is sought.

6.2.7 The Application for Payment shall constitute Design-Builder's representation that the Work described therein has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all Work will pass to Owner free and clear of all claims, Liens, encumbrances, and security interests upon the incorporation of the Work into the Project, or upon Design-Builder's receipt of payment, whichever occurs earlier.

### 6.3 Withholding of Payments.

6.3.1 On or before the date established in the Agreement, Owner shall pay Design-Builder all amounts properly due. If Owner determines that Design-Builder is not entitled to all or part of an Application for Payment as a result of Design-Builder's failure to meet its obligations hereunder, it will notify Design-Builder in writing at least five (5) days prior to the date payment is due. The notice shall indicate the specific amounts Owner intends to withhold, the reasons and contractual basis for the withholding, and the specific measures Design-Builder must take to rectify Owner's concerns. Design-Builder and Owner will attempt to resolve Owner's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the Contract Documents, including those under Article 10 hereof. When Design-Builder removes the grounds for withholding payment, Design-Builder shall provide written evidence thereof. If such evidence is satisfactory to Owner, Owner will include the amount so withheld in the next scheduled progress payment.

6.3.2 Specifically and without limitation, Owner may deduct from each payment the following:

6.3.2.1 Claims against Design-Builder;

6.3.2.2 Defective Work not remedied or Work not performed in accordance with the Contract Documents;

6.3.2.3 Failure of Design-Builder to make proper payments to any of its Subcontractors;

6.3.2.4 Failure to perform the Work in accordance with the Current Schedule;

6.3.2.5 Damage to other work or property caused by Design-Builder or any entity for which Design-Builder is responsible;

6.3.2.6 Damages owing to Owner under the terms of the Contract;

6.3.2.7 Any and all other circumstances in which Owner determines that it is necessary to protect its interests.

6.3.3 Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay Design-Builder all undisputed amounts in an Application for Payment within the times required by the Agreement.

### 6.4 Right to Stop Work and Interest.

6.4.1 If Owner fails to pay timely Design-Builder any undisputed amount that becomes due, Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop

work pursuant to Section 11.3 hereof, provided Design-Builder gives Owner five business days' written notice of its intent to stop work and an opportunity to cure the late payment.

## **6.5 Design-Builder's Payment Obligations.**

**6.5.1** Design-Builder will pay Design Consultants and Subcontractors within seven days of receipt of payment from the Owner, unless its contractual obligations to such parties provide for a shorter time period, all the amounts Design-Builder has received from Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Owner against any claims for payment and mechanic's Liens as set forth in Section 7.3 hereof.

## **6.6 Substantial Completion.**

**6.6.1** Design-Builder shall notify Owner when it believes the Work, or to the extent permitted in the Contract Documents, a portion of the Work representing an Interim Milestone, has achieved Substantial Completion. Within five (5) days of Owner's receipt of Design-Builder's notice, Owner and Design-Builder will jointly inspect such Work to verify that Design-Builder has achieved Substantial Completion in accordance with the requirements of the Contract Documents. Owner will conduct reasonable inspections, surveys and/or testing as Owner deems necessary. If such inspections, surveys and/or tests disclose that any Work does not meet the requirements of the Contract Documents, Owner will promptly advise Design-Builder as to any errors, omissions, deviations, defects, or deficiencies in the Work necessary to be corrected as a condition to Substantial Completion and as to any errors, omissions, deviations, defects or deficiencies which may be corrected as Punch List items. Upon correction of the errors, omissions, deviations, defects, or deficiencies identified as a prerequisite to Substantial Completion, Design-Builder shall provide written notification to Owner and Owner will conduct another round of inspections, surveys and/or tests. This procedure shall be repeated until Owner finds that all prerequisites to Substantial Completion have been met. If such Work is Substantially Complete, Owner shall prepare and issue a Certificate of Substantial Completion that will set forth (i) the date of Substantial Completion of the Work or portion thereof; (ii) the remaining items of Work that have to be completed before final payment; (iii) provisions (to the extent not already provided in the Contract Documents) establishing Owner's and Design-Builder's responsibility for the Project's security, maintenance, utilities and insurance pending final payment; and (iv) an acknowledgment that warranties commence to run on the date of Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion.

**6.6.2** Owner, at its option, may use a portion of the Work which has been determined to be Substantially Complete, provided, however, that (i) a Certificate of Substantial Completion has been issued for the portion of Work addressing the items set forth in Section 6.6.1 above; (ii) Design-Builder and Owner have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project; and (iii) Owner and Design-Builder agree that Owner's use or occupancy will not interfere with Design-Builder's completion of the remaining Work.

## **6.7 Final Completion**

**6.7.1** Design-Builder shall notify Owner when it believes the Work, or to the extent permitted in the Contract Documents has achieved Final Completion. Within five (5) days of Owner's receipt of Design-Builder's notice, Owner and Design-Builder will jointly inspect such Work to verify that Design-Builder has achieved Final Completion in accordance with the requirements of the Contract Documents. Owner will conduct reasonable inspections, surveys and/or testing as Owner deems necessary. If such inspections, surveys and/or tests disclose that any Work does not meet the requirements of the Contract Documents, Owner will promptly advise Design-Builder as to any errors, omissions, deviations, defects or deficiencies in the Work necessary to be corrected as a condition to Final Completion and as to any errors, omissions, deviations, defects or deficiencies which may be corrected as Punch List items. Upon correction of the errors, omissions, deviations,

defects, or deficiencies identified as a prerequisite to Final Completion, Design-Builder shall provide written notification to Owner and Owner will conduct another round of inspections, surveys and/or tests. This procedure shall be repeated until Owner finds that all prerequisites to Final Completion have been met. If such Work is Substantially Complete, Owner shall prepare and issue a Certificate of Final Completion that will set forth the date of Final Completion of the Work or portion thereof.

## **6.8 Final Payment.**

**6.8.1** When the Design-Builder has completed all work in accordance with the terms of the Contract Documents and received a Certificate of Final Completion, the Design-Builder shall properly execute and submit a Final Application for Payment final invoice to Accounts Payable. Once the Final Application for Payment has been processed, the Owner's Procurement Department will issue the Certificate of Completion and Release to be executed by the Design-Builder and returned to the Procurement Officer. The Certificate of Completion and Release shall constitute a waiver of all claims by the Design-Builder except for unsettled claims specifically stated, if any.

**6.8.2** At the time of submission of its Final Application for Payment, Design-Builder shall provide the following:

**6.8.2.1** The Certificate of Completion and Release which shall warrant that the Design-Builder has fully completed its work included in the Contract and has fully paid for labor, materials, equipment, services, taxes and all other costs and expenses of every nature and kind whatsoever resulting from this Contract. If any dispute exists between the Design-Builder and any person, firm or corporation to which Design-Builder might be obligated in connection with this Contract, the Design-Builder shall state the name of claimant and amount and general nature of claim against the Contractor. The Certificate of Completion and Release shall state the amount and nature of all present and future claims that the Design-Builder may have against the Owner relative to this Contract. The Contract work shall not be complete until after the Design-Builder has returned to the Procurement Officer a properly completed Certificate of Completion and Release;

**6.8.2.2** Unconditional Waiver and Release Upon Final Payment, in a form acceptable to Owner, from all Subcontractors.;

**6.8.2.3** Consent of Design-Builder's surety, if any, to Final Payment;

**6.8.2.4** Certificates of insurance confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents; and

**6.8.2.5** Any additional documents, certificates, records, plans, releases or other materials established in the Project Closeout Plan as required for Final Completion.

**6.8.3** Upon receipt of Certificate of Completion and Release by the Procurement Officer, the District Representative provides a recommendation relative to Final Acceptance. The District shall, within a reasonable time, take action on Final Acceptance. Such action shall be subject to the condition of the Payment and Performance Bond, legal rights of the District, required warranties, and correction of faulty work discovered after Final Payment. The District shall have the right to retain from any payment then due the Design-Builder, so long as any bills or claims remain unsettled and outstanding, a sum sufficient, in the opinion of the District, to provide for the payment of the same. It is also understood and agreed that, in the case of any breach or damage by the Design-Builder of the provisions hereof, the District may retain from any payment or payments a sufficient sum in the opinion of the District which may become due under any obligation of the District.

**6.8.4** Sixty days after Final Acceptance, retainage may be released to the Design-Builder; provided, however, that there are no claims filed of materialmen or laborers and that the District has received the certificate of the Washington State Department of Revenue of payment in full of



all taxes, Employment Security Department release, the approved Washington State Department of Labor and Industries Certificate of Release of the State's Lien on Public Works Contracts form and the approved affidavit showing payment of prevailing wages for the Design-Builder and any Subcontractors. If any liens remain unsatisfied from the retainage, the Design-Builder shall refund to the District such amounts as the District may have been compelled to pay in discharging such liens including all costs and reasonable legal fees.

**6.8.5** Upon making final payment, Owner waives all claims against Design-Builder except claims relating to (i) Design-Builder's failure to satisfy its payment obligations, if such failure affects Owner's interests; (ii) Design-Builder's failure to complete the Work consistent with the Contract Documents, including defects appearing after Substantial Completion; and (iii) the terms of any special warranties required by the Contract Documents.

**6.8.6** Deficiencies in the Work discovered after Substantial Completion, whether or not such deficiencies would have been included on the punch list if discovered earlier, shall be deemed warranty Work. Such deficiencies shall be corrected by Design-Builder under Sections 2.10 and 2.11 herein and shall not be a reason to withhold final payment from Design-Builder, provided, however, that Owner shall be entitled to withhold from the Final Payment the reasonable value of completion of such deficient work until such work is completed.

**6.8.7** Owner shall release the Contract Retainage pursuant to RCW 60.28.011.

## **Article 7**

### **Indemnification**

#### **7.1 Patent and Copyright Infringement.**

**7.1.1** Design-Builder shall defend any action or proceeding brought against Owner based on any claim that the Work, or any part thereof, or the operation or use of the Work or any part thereof, constitutes infringement of any United States patent or copyright, now or hereafter issued. Owner shall give prompt written notice to Design-Builder of any such action or proceeding and will reasonably provide authority, information and assistance in the defense of same. Design-Builder shall indemnify and hold harmless Owner from and against all damages and costs, including but not limited to attorneys' fees and expenses awarded against Owner or Design-Builder in any such action or proceeding. Design-Builder agrees to keep Owner informed of all developments in the defense of such actions.

**7.1.2** If Owner is enjoined from the operation or use of the Work, or any part thereof, as the result of any patent or copyright suit, claim, or proceeding, Design-Builder shall at its sole expense take reasonable steps to procure the right to operate or use the Work. If Design-Builder cannot so procure such right within a reasonable time, Design-Builder shall promptly, at Design-Builder's option and at Design-Builder's expense, (i) modify the Work so as to avoid infringement of any such patent or copyright; or (ii) replace said Work with Work that does not infringe or violate any such patent or copyright.

**7.1.3** Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process or product of a particular manufacturer specified by Owner and not offered or recommended by Design-Builder to Owner; or (ii) arising from modifications to the Work by Owner or its agents after acceptance of the Work. If the suit, claim or proceeding is based upon events set forth in the preceding sentence, Owner shall defend, indemnify and hold harmless Design-Builder to the same extent Design-Builder is obligated to defend, indemnify and hold harmless Owner in Section 7.1.1 above.

**7.1.4** The obligations set forth in this Section 7.1 shall constitute the sole agreement between the parties relating to liability for infringement of violation of any patent or copyright.

**7.2 Tax Claim Indemnification.**

Not Used.

**7.3 Payment Claim Indemnification.**

**7.3.1** Provided that Owner is not in breach of its contractual obligation to make payments to Design-Builder for the Work, Design-Builder shall indemnify, defend and hold harmless Owner from any claims or mechanic's Liens brought against Owner or against the Project as a result of the failure of Design-Builder, or those for whose acts it is responsible, to pay for any services, materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) days of receiving written notice from Owner that such a claim or mechanic's Lien has been filed, Design-Builder shall commence to take the steps necessary to discharge said claim or Lien, including, if necessary, the furnishing of a mechanic's Lien bond. If Design-Builder fails to do so, Owner will have the right to discharge the claim or Lien and hold Design-Builder liable for costs and expenses incurred, including attorneys' fees.

**7.4 Design-Builder's General Indemnification.**

**7.4.1** Except as set forth in Section 7.4.2 below, Design-Builder, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Owner, its Consultants, and their respective, its officers, directors, and employees (collectively "Indemnitees") from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable.

**7.4.2** For indemnity obligations that arise from professional errors and omissions, Design-Builder, to the fullest extent permitted by law, shall indemnify Owner, its officers, directors, and employees from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death and property damage or destruction (other than to the Work itself) but only to the extent resulting from the negligent acts or omissions of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable.

**7.4.3** Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then Design-Builder's duty to indemnify shall not apply to liability for damages arising out of Design-Builder's services or out of bodily injury to persons or damage to property that are (a) caused by or resulting from the sole negligence of Indemnitee or (b) caused by or resulting from the concurrent negligence of (i) Indemnitee, its agents or employees and (ii) Design-Builder, its agents or employees, with such liability limited only to the extent of the negligence of Design-Builder, its agents or employees.

**7.4.4** If an employee of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable has a claim against Owner, its officers, directors, employees, or agents, Design-Builder's indemnity obligations set forth above shall not be limited by any limitation on the amount of damages, compensation or benefits payable by or for Design-Builder, Design Consultants, Subcontractors, or other entity under any employee benefit acts, including workers' compensation or disability acts. Solely for the purposes of the indemnification obligations under this Agreement, Design Builder specifically and expressly waives any immunity that may be granted it under the worker's compensation laws under the Washington State Industrial Insurance Act, Title 51 RCW; provided that such waiver shall be expressly limited to Design-Builder's indemnity obligations herein and shall not be intended as a benefit to any third party. Further, the indemnification obligation under this Agreement shall not be

limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers compensation acts, disability benefits acts, or other employee benefits acts. This waiver was mutually negotiated.

**7.4.5** THE PARTIES ACKNOWLEDGE THAT THE INDEMNIFICATION OBLIGATIONS IN THIS AGREEMENT AND THE WAIVER OF IMMUNITY UNDER RCW TITLE 51 WERE MUTUALLY NEGOTIATED.

OWNER'S INITIALS: (\_\_\_\_)  
DESIGN-BUILDER'S INITIALS: (\_\_\_\_)

**7.4.6** No Effect on Other Rights. The obligations described in this Section 7.4 shall not be construed to limit rights and obligations provided by law or equity which would otherwise exist in favor of a Person indemnified hereunder.

**7.4.7** Notification of Third-Party Claim. Owner and Design-Builder shall each provide timely notification to the other party of the receipt of any third-party claim relating to the Contract.

## **7.5 Lower Tier Contractors Indemnification Obligations**

**7.5.1** Design-Builder shall include in its contracts with all lower tier contractors, including but not limited to its Design Consultant, Subconsultants, and Subcontractors, the indemnification obligations set forth in this Agreement and the General Conditions and shall include Owner as an Indemnitee for all such indemnification provisions.

## **7.6 Survival**

**7.6.1** The Indemnification obligations in this Article shall survive the expiration or termination of this Agreement.

## **7.7 Limited Recourse.**

**7.7.1** None of the obligations set forth in this Agreement (on behalf of any party) constitute personal obligations of any natural persons who are the officers, shareholders, members, partners, employees, or agents of any party unless the natural person is expressly identified as a contracting party. All Parties to this Agreement shall not seek recourse against any natural person described herein. This provision, however, shall not protect such natural persons from liability for willful misconduct, illegal acts or intentional violation of any duty of corporate loyalty.

# **Article 8**

## **Time**

### **8.1 Obligation to Achieve the Contract Times.**

**8.1.1** Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 5 of the Agreement, the GMP Amendment and any Early GMP Amendment.

### **8.2 Delays to the Work.**

**8.2.1** Except as set forth in Section 9.6 below, if Design-Builder is delayed on the critical path in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for whom Design-Builder is responsible, the Contract Time(s) for performance shall be reasonably extended by Change Order, but only to the

extent that the critical path of the Contract Time has been impacted. By way of example, events that will entitle Design-Builder to an extension of the Contract Time(s) include acts or omissions of Owner or anyone under Owner's control (including separate contractors), changes in the Work, Differing Site Conditions, Hazardous Materials, and Force Majeure Events. Design-Builder shall provide notice and documentation of any delay pursuant to Article 10.

**8.2.2** In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 above, Design-Builder shall also be entitled to an appropriate adjustment of the Contract Price provided, however, that the Contract Price shall not be adjusted for Force Majeure Events unless otherwise provided in the Agreement. The adjustment to the Contract Price shall be limited to the Design-Builder's Delay Rate as set forth in Section 6.4.5.4 of the Agreement.

## **Article 9**

### **Changes to the Contract Price and Time**

#### **9.1 Change Orders.**

**9.1.1** A Change Order is a written instrument issued after execution of the Agreement signed by Owner and Design-Builder, stating their agreement upon all of the following:

**9.1.1.1** The scope of the change in the Work;

**9.1.1.2** The amount of the adjustment to the Contract Price or any Commercial Term; and

**9.1.1.3** The extent of the adjustment to the Contract Time(s).

**9.1.2** All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes. Unless expressly set forth in the Change Order, Change Orders shall include all costs, including but not limited to all incidental and indirect costs and time extensions associated with the Change. Changes Orders will not be allowed unless there is an actual change to the Work.

**9.1.3** If Owner requests a proposal for a change in the Work from Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services, design services and services involved in the preparation of proposed revisions to the Contract Documents.

**9.1.4** Owner may make changes in the Project, including but not limited to adding and/or removing Work from the Project. In such case, Design-Builder shall work with the Owner to adjust the remaining Work to meet as many of Owner's Project changes as reasonably possible within the applicable Commercial Term. At Owner's sole discretion, it may remove Work from the Project rather than increase the applicable Commercial Term to equitably adjust for claims by Design-Builder pursuant to Article 10 or Differing Site Conditions pursuant to Section 4.2.

#### **9.2 Work Change Directives.**

**9.2.1** A Work Change Directive is a written order prepared and signed by Owner directing a change in the Work prior to agreement on an adjustment in the Contract Price and/or the Contract Time(s).

**9.2.2** Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for the Work Change Directive. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the agreement.

### **9.3 Minor Changes in the Work.**

**9.3.1** Minor changes in the Work do not involve an adjustment in the Contract Price and/or Contract Time(s) and do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents. Design-Builder may make minor changes in the Work consistent with the intent of the Contract Documents, provided, however, that Design-Builder shall promptly inform Owner, in writing, of any such changes and record such changes on the documents maintained by Design-Builder.

### **9.4 Contract Price Adjustments.**

**9.4.1** The increase or decrease in Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

**9.4.1.1** Unit prices set forth in the Agreement or as subsequently agreed to between the parties;

**9.4.1.2** A mutually accepted lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Owner;

**9.1.4.3** The Cost of the Work as well as fees and any other markups set forth in the Agreement;

**9.1.4.4** The increase in the Lump Sum General Conditions as set forth in Section 6.4.5.4 of the Agreement; or

**9.1.4.5** If an increase or decrease cannot be agreed to as set forth in items 9.4.1.1 through 9.4.1.4 above and Owner issues a Work Change Directive, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including the Design-Builder's Fee Percentage (if applicable), as may be set forth in the Agreement.

**9.4.2** If unit prices are set forth in the Contract Documents or are subsequently agreed to by the parties, but application of such unit prices will cause substantial inequity to Owner or Design-Builder because of differences in the character or quantity of such unit items as originally contemplated, such unit prices shall be equitably adjusted.

**9.4.3** If Owner and Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Owner and Design-Builder shall resolve the disagreement pursuant to Article 10 hereof. As part of the negotiation process, Design-Builder shall furnish Owner with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations. If the parties are unable to agree and Owner expects Design-Builder to perform the services in accordance with Owner's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Owner issuing a written order to Design-Builder (i) directing Design-Builder to proceed; and (ii) specifying Owner's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to fifty percent (50%) of its reasonable estimated direct cost to perform the services, and Owner agrees to pay such amounts, with the express understanding that (i) such payment by Owner does not prejudice Owner's right to argue that it has no responsibility to pay for such services; and (ii) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services if Owner's order is deemed to be a change to the Work.

### **9.5 Emergencies.**

**9.5.1** In any emergency affecting the safety of persons and/or property, Design-Builder shall act,

at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 9.

## **9.6 Limitations on Changes to the Contract Time and Contract Price**

Notwithstanding anything in Article 9, the risks arising from the following events or circumstances shall be borne exclusively by Design-Builder, shall not be the basis for any relief, changes in the Contract Price, changes in the Contract Time, or otherwise, to Design-Builder:

**9.6.1** delays in obtaining or delivery of goods or services from any Subcontractor, unless Subcontractor's reason for delay arises from an event that would otherwise be excusable to Design-Builder under this Contract;

**9.6.2** delays of common carriers unless the common carrier's reason for the delay arises from an event that would otherwise be excusable to Design-Builder under this Contract;

**9.6.3** general market and economic conditions affecting the availability, supply or cost of labor, equipment and materials, construction equipment and supplies, or commodities; for clarity, this shall not limit Design-Builder's ability to seek an adjustment in Contract Time or Contract Price in instances of "Extreme Market Conditions", as that term is defined in Section 1.2 herein;

**9.6.4** weather conditions, except conditions that are within the definition of a Force Majeure;

**9.6.5** strikes, labor disputes, work slowdowns, work stoppages, boycotts or other similar labor disruptions that are caused by labor unrest directly with the Design-Builder

**9.6.6** the suspension, termination, interruption, denial or failure to obtain or nonrenewal of any permit, license, consent, authorization or approval which is necessary for the performance of the Work or the operation or maintenance of the Work, except for any such matter involving a Owner-Provided Approval;

**9.6.7** Material Differences as defined in Section 2.12.1.4 that could have been discovered during Phase 1 and were not disclosed by Design-Builder during Phase 1; and

**9.6.8** bankruptcy or insolvency of a Subcontractor or inability of a Subcontractor to perform, unless the underlying cause of such inability would otherwise be considered grounds for an Excusable Delay hereunder.

## **Article 10**

### **Contract Adjustments and Disputes**

#### **10.1 Requests for Contract Adjustments and Relief.**

**10.1.1** If either Design-Builder or Owner believes that it is entitled to relief against the other for any event arising out of or related to the Work or Project, such party shall provide an initial written notice to the other party of the basis for its claim for relief. The initial written notice shall, if possible, be made prior to incurring any cost or expense and in accordance with any specific notice requirements contained in applicable sections of these General Conditions of Contract. In the absence of any specific notice requirement, the initial written notice shall be given within a reasonable time, in any case not to exceed twenty-one (21) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later. Such written notice shall be separate from the Design Log or Trend Log maintained by the Design-Builder, unless the parties specifically agree

to allow the Design Log or Trend Log to operate as such written notice of claims. The initial written notice shall include a description of the claim for relief requested, a description of the occurrence giving rise to the claim for relief, and a preliminary analysis of the cost and schedule impact of the claim for relief.

**10.1.2** The claimant shall provide more complete information with respect to the claim within fourteen (14) days of the initial notice. The more complete information shall include sufficient information to advise the other party of the following:

**10.1.2.1** The circumstances giving rise to the claim for relief,

**10.1.2.2** The specific contractual adjustment or relief requested;

**10.1.2.3** The basis of the entitlement to the claim for relief;

**10.1.2.4** The cost of the claim for relief, including an itemized description of the Cost of the Work associated with the claim for relief;

**10.1.2.5** The impact of the claim for relief on the Project Schedule, including a proposed revised Project Schedule;

**10.1.2.6** Proposed efforts to mitigate the impacts on the cost and schedule.

**10.1.3** The failure to provide timely written notice of any claim for relief shall operate as a waiver of such claim, but only to the extent that the failure to provide timely written notice prejudices the position of the non-claiming party.

## **10.2 Dispute Avoidance and Resolution.**

**10.2.1** The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Design-Builder and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

**10.2.2** Design-Builder and Owner will first attempt to resolve disputes or disagreements at the field level through discussions between Design-Builder's Representative and Owner's Representative which shall conclude within fourteen (14) days of the written notice provided for in Section 10.1.1 unless Owner and Design-Builder mutually agree otherwise.

**10.2.3** If a dispute or disagreement cannot be resolved through Design-Builder's Representative and Owner's Representative, Design-Builder's Senior Representative and Owner's Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement. Five (5) days prior to any meetings between the Senior Representatives, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement.

**10.2.4** If after meeting the Senior Representatives determine that the dispute or disagreement cannot be resolved on terms satisfactory to both parties, the parties shall submit within thirty (30) days of the conclusion of the meeting of Senior Representatives the dispute or disagreement to non-binding mediation. The mediation shall be conducted by a mutually agreeable impartial mediator, or if the parties cannot so agree, a mediator designated by the American Arbitration Association ("AAA") pursuant to its Construction Industry Mediation Rules. The mediation will be governed by and conducted pursuant to a mediation agreement negotiated by the parties or, if the parties cannot so agree, by procedures established by the mediator. Unless otherwise mutually agreed by Owner and Design-Builder and consistent with the mediator's schedule, the mediation

shall commence within ninety (90) days of the submission of the dispute to mediation. Representatives of the parties with authority to resolve the dispute shall be present at any mediation. Good faith mediation is a condition precedent to proceeding with arbitration or other binding dispute resolution procedure. Representatives of the parties with authority to resolve the dispute shall be present at any mediation.

### **10.3 Arbitration.**

**10.3.1** Any claims, disputes or controversies between the parties arising out of or relating to the Agreement, or the breach thereof, which have not been resolved in accordance with the procedures set forth in Section 10.2 above, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the AAA then in effect, unless the parties mutually agree otherwise.

**10.3.2** The award of the arbitrator(s) shall be final and binding upon the parties without the right of appeal to the courts. Judgment may be entered upon it in accordance with applicable law by any court having jurisdiction thereof.

**10.3.3** Design-Builder and Owner expressly agree that any arbitration pursuant to this Section 10.3 may be joined or consolidated with any arbitration involving any other person or entity (i) necessary to resolve the claim, dispute or controversy; or (ii) substantially involved in or affected by such claim, dispute or controversy. Both Design-Builder and Owner will include appropriate provisions in all contracts they execute with other parties in connection with the Project to require such joinder or consolidation.

**10.3.4** The prevailing party in any arbitration, or any other final, binding dispute proceeding upon which the parties may agree, shall be entitled to recover from the other party reasonable attorneys' fees and expenses incurred by the prevailing party. The prevailing party, if any, shall be determined by the applicable binding dispute tribunal.

### **10.4 Duty to Continue Performance.**

**10.4.1** Unless provided to the contrary in the Contract Documents, Design-Builder shall continue to perform the Work and Owner shall continue to satisfy its payment obligations for undisputed amounts to Design-Builder as well as any further amounts pursuant to Section 9.4.3, pending the final resolution of any dispute or disagreement between Design-Builder and Owner.

### **10.5 CONSEQUENTIAL DAMAGES.**

**10.5.1** NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY (EXCEPT AS SET FORTH IN SECTIONS 10.5.2 AND 10.5.3 BELOW), NEITHER DESIGN-BUILDER NOR OWNER SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL LOSSES OR DAMAGES, WHETHER ARISING IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO LOSSES OF USE, PROFITS, BUSINESS, REPUTATION OR FINANCING.

**10.5.2** The limitations of liability for consequential damages under Section 10.5.1 shall not apply to or limit any right of recovery a party may have respecting the following:

10.5.2.1 Losses (including defense costs) to the extent (i) the loss is covered by the proceeds of insurance required to be carried hereunder or for which Design-Builder was required to provide insurance coverage, or (ii) Design-Builder is deemed to have self-insured the loss pursuant to the Contracts;

10.5.2.2 Losses in connection with any illegal activities, fraud, recklessness, criminal conduct, intentional misconduct, bad faith, or gross negligence;

10.5.2.3 Design-Builder's indemnities under Article 7 or elsewhere in this Contract;



- 10.5.2.4 Design-Builder obligation to pay liquidated damages under this Contract;
- 10.5.2.5 Losses arising out of Design-Builder's Release of Hazardous Materials; and
- 10.5.2.6 Owner's indemnities as set forth in this Contract.

## **Article 11**

### **Stop Work and Termination**

#### **11.1 Owner's Right to Stop Work.**

**11.1.1** Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed sixty (60) consecutive days or aggregate more than ninety (90) days during the duration of the Project.

**11.1.2** Design-Builder is entitled to seek an adjustment of the Contract Price and/or Contract Time(s) if (i) its cost or time to perform the Work has been materially and adversely impacted by any suspension of stoppage of the Work by Owner, (ii) the Design-Builder is entitled to the adjustment pursuant to the other provisions of the Contract Documents, and (iii) the Design-Builder complies with all provisions of the Contract Documents regarding an adjustment to the Contract Price and/or Contract Time.

#### **11.2 Owner's Right to Perform and Terminate for Cause.**

**11.2.1** If any one of the following events occur, the Owner, in addition to any other rights or remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections 11.2.2 and 11.2.3 below:

**11.2.1.1** Design-Builder (i) fails promptly to begin the Work under the Contract Documents, (ii) fails to perform the Work with sufficient resources (supervision, workers, equipment, and material) to assure timely completion of said Work, or (iii) fails to complete any Work by the relevant Scheduled Interim Milestone Dates or Substantial or Final Completion Dates;

**11.2.1.2** Design-Builder fails to perform the Work in accordance with the Contract Documents, including conforming to applicable standards set forth therein in constructing the Project, or refuses to remove and replace rejected materials or unacceptable Work;

**11.2.1.3** Design-Builder discontinues the prosecution of the Work (exclusive of work stoppage (i) due to termination of its performance by Owner, or (ii) due to and during the continuance of a Force Majeure event or suspension by Owner);

**11.2.1.4** Design-Builder fails to resume performance of Work which has been suspended or stopped, within a reasonable time after receipt of notice from Owner to do so or (if applicable) after cessation of the event preventing performance;

**11.2.1.5** Design-Builder shall have become insolvent, or generally does not pay its debts as they become due, or admits in writing its inability to pay its debts or makes an assignment for the benefit of creditors;

**11.2.1.6** Insolvency, receivership, reorganization or bankruptcy proceedings shall have been commenced by or against Design-Builder;

**11.2.1.7** Any material representation or warranty made by Design-Builder in the Contract Documents or any certificate, schedule, instrument or other document delivered by Design-Builder pursuant to the Contract Documents shall have been false or materially misleading when made;

**11.2.1.8** Design-Builder materially breaches any agreement, representation or warranty

contained in the Contract Documents;

**11.2.1.9** Design-Builder assigned or transferred the Contract Documents or any right or interest herein, except as expressly permitted under Section 13.2.1; or

**11.2.1.10** Design-Builder fails to discharge or obtain a stay of any final judgment(s) or order for the payment of money against it in excess of \$100,000 in the aggregate arising out of the prosecution of the Work (provided that for purposes hereof posting of a bond in the amount of 125% of such judgment or order shall be deemed an effective stay);

**11.2.1.11** Design-Builder failed, absent a valid dispute, to make payment when due for labor, equipment or materials in accordance with its agreements with Subcontractors and applicable law, or failed reasonably to comply with the instructions of Owner consistent with the Contract Documents;

**11.2.1.12** Design-Builder violates any Legal Requirements in performance of the Work; or

**11.2.1.13** Design-Builder fails to provide and maintain the Performance and Payment Bonds and insurance as required hereunder.

**11.2.2** Upon the occurrence of an event set forth in Section 11.2.1 above, Owner may provide written notice to Design-Builder that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Design-Builder's receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure, such problem, then Owner may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration.

**11.2.3** Upon declaring the Agreement terminated pursuant to Section 11.2.2 above, Owner may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Owner for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. Design-Builder will only be entitled to be paid for Work performed prior to its default. If Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder and the Surety shall be obligated to pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by Owner in connection with the procurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 10.5 hereof.

**11.2.4** If Owner improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Section 11.6 hereof.

### **11.3 Design-Builder's Right to Stop Work.**

**11.3.1** Design-Builder may, in addition to any other rights afforded under the Contract Documents or at law, stop the Work for the following reasons:

**11.3.1.1** Owner's failure to provide financial assurances as required under Section 3.3 hereof; or

**11.3.1.2** Owner's failure to pay amounts properly due under Design-Builder's Application for Payment.

**11.3.2** Should any of the events set forth in Section 11.3.1 above occur, Design-Builder has the

right to provide Owner with written notice that Design-Builder will stop the Work unless said event is cured within seven (7) days from Owner's receipt of Design-Builder's notice. Design-Builder shall not stop work unless it provides such written notice and Owner has failed to cure the reason for default within the seven (7) day cure period. If Owner does not cure the problem within such seven (7) day period, Design-Builder may stop the Work. In such case, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and Contract Time(s) to the extent it has been adversely impacted by such stoppage.

#### **11.4 Design-Builder's Right to Terminate for Cause.**

**11.4.1** Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by law, may terminate the Agreement for cause for the following reasons:

**11.4.1.1** The Work has been stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Owner under Section 11.1.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder or anyone for whose acts Design-Builder may be responsible.

**11.4.1.2** Owner's failure to provide Design-Builder with any information, permits or approvals that are Owner's responsibility under the Contract Documents which result in the Work being stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 hereof.

**11.4.1.3** Owner's failure to cure the problems set forth in Section 11.3.1 above after Design-Builder has stopped the Work.

**11.4.2** Upon the occurrence of an event set forth in Section 11.4.1 above, Design-Builder may provide written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Owner's receipt of such notice. If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) day period. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Article 8 of the Agreement.

#### **11.5 Bankruptcy of Owner or Design-Builder.**

**11.5.1** If either Owner or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the "Bankrupt Party"), such event may impair or frustrate the Bankrupt Party's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

**11.5.1.1** The Bankrupt Party, its trustee or other successor, shall furnish, upon request of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and

**11.5.1.2** The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated

and pursue any other recourse available to the non-Bankrupt Party under this Article 11.

**11.5.2** The rights and remedies under Section 11.5.1 above shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of these General Conditions of Contract.

## **11.6 Termination for Convenience.**

**11.6.1** Upon ten (10) days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Agreement or any portion thereof. In such event, Owner shall pay Design-Builder for the following:

**11.6.1.1** All Work executed and for proven loss, cost or expense in connection with the Work;

**11.6.1.2** The reasonable costs and expenses attributable to such termination, including demobilization costs and amounts due in settlement of terminated contracts with Subcontractors and Design Consultants; and

**11.6.1.3** The amount set forth in Article 8 of the Agreement.

**11.6.2** Notwithstanding anything to the contrary contained herein, if a termination occurs prior to execution of the applicable GMP Amendment, the amount payable to Design-Builder, inclusive of all payments previously made to Design-Builder and costs of demobilization, shall in no event exceed the applicable Not To Exceed Amount.

**11.6.3** Under no circumstances is Design-Builder entitled to anticipatory or unearned profits or consequential or other damages as a result of a termination or partial termination under this Section 11.6 or Agreement Section 8. The payment to Design-Builder determined in accordance with this Section 11.6 and Agreement Section 8 constitutes Design-Builder's sole and exclusive remedy for a termination under this Section 11.6 and Agreement Section 8.

**11.6.4** If Owner terminates this Agreement pursuant to Section 11.6.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 4.3 of the Agreement. Such rights may not be transferred or assigned to others without Design-Builder's express written consent and such third parties' agreement to the terms of Article 4 of the Agreement.

**11.6.5** After receipt of a Notice of Termination for Convenience, and except as directed by Owner, Design-Builder shall immediately proceed as follows, regardless of any delay in determining or adjusting any amounts due under this Section 11.6.:

**11.6.5.1** Stop Work as specified in the notice;

**11.6.5.2** Place no further Subcontracts or orders for materials, services or facilities relating to the Work terminated, except as necessary for mitigation of damages;

**11.6.5.3** Unless instructed otherwise by Owner, terminate all Subcontracts to the extent they relate to the Work terminated;

**11.6.5.4** Assign to Owner in the manner, at the times, and to the extent directed by Owner, all of the right, title, and interest of Design-Builder under the Subcontracts so terminated, in which case Owner will have the right, in its sole discretion, to accept

performance, settle or pay any or all claims arising out of the termination of each such Subcontract;

**11.6.5.5** Settle outstanding liabilities and claims arising out of such termination of Subcontracts, with, to the extent required by Owner, the approval or ratification of Owner, which approval or ratification shall be final;

**11.6.5.6** Transfer title to and deliver to Owner, as directed by Owner, (i) the Work in process, completed Work, supplies and other material produced or acquired for the Work terminated, and (ii) the Construction Documents and all other completed or partially completed drawings (including plans, elevations, sections, details and diagrams), specifications, records, samples, information and other property which would have been required to be furnished to Owner if the Work had been completed, and (iii) all intellectual property (including documentation, disclosures and drafts), licenses and Data;

**11.6.5.7** Complete performance in accordance with the Contract Documents of all Work not terminated;

**11.6.5.8** Take all action which may be necessary, or Owner may direct, for the protection and preservation of the property related to the Contract Documents which is in the possession of Design-Builder and in which Owner has or may acquire an interest;

**11.6.5.9** As authorized by Owner, use its best efforts to sell at reasonable prices any property of the types referred to in Section 11.6.5.6; provided, however, Design-Builder (i) is not required to extend credit to any purchaser, and (ii) may acquire such property under the conditions prescribed and at prices approved by Owner. Design-Builder shall apply the proceeds of any such sale or disposition to reduce any amounts owed by Owner under the Contract Documents, or if no amount is owing, Design-Builder shall apply such proceeds as directed by Owner; and

**11.6.5.10** Upon receipt of request from Owner, submit to Owner a list of termination inventory not previously disposed of and excluding items authorized for disposition by Owner. Within 45 days of Owner's receipt of the list, Design-Builder shall deliver such inventory to Owner and Owner will accept title to such inventory as appropriate.

## **Article 12**

### **Electronic Data**

#### **12.1 Electronic Data.**

**12.1.1** The parties recognize that Contract Documents, including drawings, specifications and three-dimensional modeling (such as Building Information Models) and other Work Product may be transmitted among Owner, Design-Builder and others in electronic media as an alternative to paper hard copies (collectively "Electronic Data").

#### **12.2 Transmission of Electronic Data.**

**12.2.1** Owner and Design-Builder shall agree upon the software and the format for the transmission of Electronic Data. Each party shall be responsible for securing the legal rights to access the agreed-upon format, including, if necessary, obtaining appropriately licensed copies of the applicable software or electronic program to display, interpret and/or generate the Electronic Data.

**12.2.2** Neither party makes any representations or warranties to the other with respect to the

functionality of the software or computer program associated with the electronic transmission of Work Product. Unless specifically set forth in the Agreement, ownership of the Electronic Data does not include ownership of the software or computer program with which it is associated, transmitted, generated or interpreted.

**12.2.3** By transmitting Work Product in electronic form, the transmitting party does not transfer or assign its rights in the Work Product. The rights in the Electronic Data shall be as set forth in Article 4 of the Agreement. Under no circumstances shall the transfer of ownership of Electronic Data be deemed to be a sale by the transmitting party of tangible goods.

### **12.3 Electronic Data Protocol.**

**12.3.1** The parties acknowledge that Electronic Data may be altered or corrupted, intentionally or otherwise, due to occurrences beyond their reasonable control or knowledge, including but not limited to compatibility issues with user software, manipulation by the recipient, errors in transcription or transmission, machine error, environmental factors, and operator error. Consequently, the parties understand that there is some level of increased risk in the use of Electronic Data for the communication of design and construction information and, in consideration of this, agree, and shall require their independent contractors, Subcontractors and Design Consultants to agree, to the following protocols, terms and conditions set forth in this Section 12.3.

**12.3.2** Electronic Data will be transmitted in the format agreed upon in Section 12.2.1 above, including file conventions and document properties, unless prior arrangements are made in advance in writing.

**12.3.3** The Electronic Data represents the information at a particular point in time and is subject to change. Therefore, the parties shall agree upon protocols for notification by the author to the recipient of any changes which may thereafter be made to the Electronic Data, which protocol shall also address the duty, if any, to update such information, data or other information contained in the electronic media if such information changes prior to Final Completion of the Project.

**12.3.4** The transmitting party specifically disclaims all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the media transmitting the Electronic Data. However, transmission of the Electronic Data via electronic means shall not invalidate or negate any duties pursuant to the applicable standard of care with respect to the creation of the Electronic Data, unless such data is materially changed or altered after it is transmitted to the receiving party, and the transmitting party did not participate in such change or alteration.

## **Article 13**

### **Miscellaneous**

#### **13.1 Confidential Information.**

**13.1.1** Confidential Information is defined as information which is determined by the transmitting party to be of a confidential or proprietary nature and: (i) the transmitting party identifies as either confidential or proprietary; (ii) the transmitting party takes steps to maintain the confidential or proprietary nature of the information; and (iii) the document is not otherwise available in or considered to be in the public domain.

**13.1.2** A party receiving Confidential Information agrees to maintain the confidentiality of the Confidential Information and agrees to use the Confidential Information solely in connection with the Project.

**13.1.3** The State of Washington, Federal Energy Regulatory Commission (FERC) and/or North

American Reliability Corporation (NERC) has established regulations for the protection of sensitive plans, drawings and records defined as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII) and/or Bulk Electric System Cyber System Information (BCSI), reference Exhibit "I.1". In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the Owner has identified and designated certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as "Confidential Information"). Because of the sensitive nature of certain Owner Confidential Information that could be used in this Contract, Design-Builder is bound by the terms and conditions set forth in the Non-Disclosure Agreement (NDA) executed at the time of this Agreement and included as Exhibit "I".

**13.1.4** Design-Builder agrees that it will not divulge to third parties, without the written consent of Owner, any information obtained from or through Owner in connection with the performance of this Contract. Design-Builder further agrees that it will not, without the prior written consent of Owner, disclose to any third party any information developed or obtained by the Design-Builder in the performance of this Contract and, if requested by Owner, to require its employees and subcontractors, if any, to execute a nondisclosure agreement prior to performing any services under this Contract. Nothing in this section shall apply to:

- A. Information which is already in the Design-Builder's possession not subject to any existing confidentiality provisions,
- B. Information which, at the time of disclosure, is in the public domain by having been printed and published and available to the public libraries or other public places where such data is usually collected, and
- C. Information required to be disclosed by court order or by an agency with appropriate jurisdiction.

**13.1.5** Background Checks. The Owner reserves the right to conduct or to require Design-Builder to conduct criminal background checks on its employee(s) before the Owner will grant such individuals access to secure areas of Owner facilities or Confidential Information. Criminal background checks may be conducted in such depth as the Owner reasonably determines to be necessary or appropriate for the type of access to be granted. Design-Builder shall execute one certification for each employee requiring a background check on the form provided by the Owner and attached hereto as Exhibit "M". The cost of such background checks shall be borne by the Design-Builder. Completed Background Check form shall be emailed to [CIPDocuments@sp.gcpud.org](mailto:CIPDocuments@sp.gcpud.org). In the event the Owner determines in its sole discretion that an individual is unsatisfactory to the Owner or fails to provide a background check as requested by the Owner, the Owner reserves the right to require the Design-Builder to remove such individual from the job site and/or to exclude such individual from having any access to SSI, CEII, or BCSI.

**13.1.6** The Design-Builder shall submit to the Owner Representative for review and approval a proposed list of individuals who will have access to SSI, CEII, or BCSI or to restricted areas of Owner facilities. Unless otherwise required or prohibited by law, the Design-Builder shall supply the following information for each individual: full legal name, physical address, date of birth, qualifications, years of experience, lawful presence and eligibility to work in the United States of such individuals along with their experience and qualifications for the type of work they will perform. Subject to prior written authorization of Owner Representative, Design-Builder may add or change personnel on the approved list provided that the same identifying information listed above is provided to the Owner Representative for review and approval. The Design-Builder shall submit to the Owner Representative all additions to the approved list of individuals along with the above listed information for review and approval. The Owner reserves the right to deny approval of any proposed individual if, as determined by the Owner, such individual is unsatisfactory to the Owner. The Owner will be the sole judge of such effect. All personnel shall be subject to the nondisclosure provisions of this Contract which shall survive their replacement or termination as provided herein.

**13.2 Assignment.**

**13.2.1** Neither Design-Builder nor Owner shall, without the written consent of the other assign, transfer or sublet any portion or part of the Work or the obligations required by the Contract Documents.

**13.3 Successorship.**

**13.3.1** Design-Builder and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns.

**13.4 Governing Law.**

**13.4.1** The Agreement and all Contract Documents shall be governed by the laws of the State of Washington, without giving effect to its conflict of law principles. The venue of any proceeding for the litigation and/or resolution of any dispute under the Contract Documents shall be the Grant County.

**13.5 Severability.**

**13.5.1** If any provision or any part of a provision of the Contract Documents shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

**13.6 No Waiver.**

**13.6.1** The failure of either Design-Builder or Owner to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

**13.7 Headings.**

**13.7.1** The headings used in these General Conditions of Contract, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

**13.8 Notice.**

**13.8.1** Any notice, demand, consent or other communication made pursuant to this Contract shall be in writing and shall be (a) delivered personally to the party to whom the same is directed, or (b) sent by facsimile, recognized courier service (e.g. Federal Express) or registered or certified mail, return receipt requested, postage prepaid; or (c) sent by electronic mail and in each case, addressed as follows:

If to Owner:

Public Utility District No. 2 of Grant County, Washington  
Attn: Nick Bare  
Post Office Box 878  
Ephrata, WA 98823



With copy to:

Public Utility District No. 2 of Grant County, Washington  
Attn: Niconia Butler  
Post Office Box 878  
Ephrata, WA 98823

If to Design-Builder:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notice will be deemed to have been validly given (i) if delivered in person to the individual intended to receive such notice; (ii) four (4) days after being sent by registered or certified mail, postage prepaid to the address indicated in the Agreement; (iii) if transmitted by facsimile, by the time stated in a machine-generated confirmation that notice was received at the facsimile number of the intended recipient; or (iv) by electronic mail, by the time frame stated in the email-generated confirmation that notice was received by the email of the intended recipient.

**13.9 Amendments.**

**13.9.1** The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

**13.10 Survival.**

**13.10.1** The dispute resolution provisions contained in Section 10, and all other provisions which by their inherent character should survive termination of the Contract and/or Final Acceptance, shall survive the termination of the Contract and the date on which Final Acceptance occurs.

**13.11 No Estoppel.**

**13.11.1** Owner shall not, nor shall any officer thereof, be precluded or estopped by any return or certificate made or given by any Owner representative or other officer, agent, or employee of Owner under any provisions of the Contract from at any time (either before or after the final completion and acceptance of the Work and payment therefor) pursuant to any such return or certificate showing the true and correct amount and character of the work done, and materials furnished by Design-Builder or any Person under the Contract or from showing at any time that any such return or certificate is untrue and incorrect, or improperly made in any particular, or that the work and materials, or any part thereof, do not in fact conform to the Contract Documents; and Owner shall not be precluded or estopped, notwithstanding any such return or certificate and payment in accordance therewith, from demanding and recovering from Design-Builder such damages as it may sustain by reason of Design-Builder's failure to comply with the Contract Documents.

**13.12 Further Assurances.**

Design-Builder shall promptly execute and deliver to Owner all such instruments and other documents and assurances as are reasonably requested by Owner to further evidence the

obligations of Design-Builder hereunder, including assurances regarding assignments of Subcontracts contained herein.

### **13.13 Turn Over of Designs and Drawings**

**13.13.1** Upon final acceptance or termination of this Contract, the District shall be entitled to, and the Contractor shall turn over to the District, all such designs, drawings, tracings and the like prepared pursuant to this Contract, except for record copies, which the Contractor may use for its internal reference purposes subject to the nondisclosure provisions of this Contract, which shall survive the completion or termination hereof.

### **13.14 Limitation on Third Party Beneficiaries.**

**13.14.1** Except as expressly provided in this Contract (such as warranty and indemnity provisions), it is not intended by any of the provisions of this Contract to create any other third party beneficiary under this Contract or to authorize anyone not a Party to maintain a suit for personal injury or property damage pursuant to the terms or provisions hereof. Except as otherwise provided in this Section 13.14.1 the duties, obligations and responsibilities of the Parties pursuant to this Contract with respect to third parties shall remain as imposed by law.

### **13.15 Independent Contractor**

**13.15.1** Design-Builder is an independent contractor, and nothing contained in the Contract Documents shall be construed as constituting any relationship with Owner other than that of project owner and independent contractor. In no event shall the relationship between Owner and Design-Builder be construed as creating any relationship whatsoever between Owner and Design-Builder's employees. Neither Design-Builder nor any of its employees is or shall be deemed to be an employee of Owner. Except as otherwise specified in the Contract Documents, Design-Builder has sole authority and responsibility to employ, discharge and otherwise control its employees and has complete and sole responsibility as a principal for its agents, for all Subcontractor and for all other Persons that Design-Builder or any Subcontractor hires to perform or assist in performing the Work.

### **13.16 Entire Agreement.**

**13.16.1** The Contract Documents contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, statements, representations and negotiations between the parties with respect to its subject matter.

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Questions? We're here to help.

## Contact us



**Design-Build Institute of America**  
1001 Pennsylvania Ave. NW, Suite 410  
Washington, DC 20004

(202) 682-0110  
[dbia@dbia.org](mailto:dbia@dbia.org)

**EXHIBIT A**  
**OWNER'S PROJECT CRITERIA**  
PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON  
NEW EPHRATA SERVICE CENTER PROJECT

To be incorporated into the Agreement at the conclusion of the Validation Period via contract amendment.



## Exhibit B1

# Design-Builder's Insurance Requirements

*(The Parties should consult their insurance advisors prior to completing this Exhibit)*

---

### 1.1 Insurance Types and Limits.

**1.1.1** Design-Builder shall purchase and maintain insurance of the types, with limits of liability, containing such endorsements and subject to such terms and conditions as follows, as well as Article 5 of DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (2010 Edition):

*(Specify each type of insurance as applicable, minimum ratings of the carriers, applicable limits and deductible amounts, required endorsements, and other terms and conditions, as applicable.)*

Type of Insurance [Insert Rating of Carrier]	Minimum Limits Required <i>Per Claim/Occurrence</i>	Minimum Limits Required <i>Aggregate Policy Limits</i>	Maximum Deductible
1. Worker's Compensation	Statutory Limits	Statutory Limits	
2. Employer's Liability (Bodily Injury by Accident)	\$2,000,000	\$2,000,000	\$25,000
a. By Disease	\$	\$	\$
b. Each Accident	\$	\$	\$
c. Each Employee	\$	\$	\$
3. Commercial General Liability	\$4,000,000	\$10,000,000	\$25,000
a. Bodily Injury/Property Damage per occurrence limit	\$2,000,000	\$6,000,000	\$25,000
b. Bodily Injury/Property Damage aggregate limit	n/a	\$	\$
c. Products/Completed Operation aggregate limit	n/a	\$	\$
d. Personal and Advertising Injury aggregate limit	n/a	\$	\$
e. Medical Expense limit (any one person)	\$	\$	\$
4. Contractor's Protective Liability (if applicable)	\$2,000,000	\$4,000,000	\$25,000
5. Commercial Automobile Liability	\$2,000,000	\$2,000,000	\$25,000

Type of Insurance [Insert Rating of Carrier]	Minimum Limits Required <i>Per Claim/Occurrence</i>	Minimum Limits Required <i>Aggregate Policy Limits</i>	Maximum Deductible
6. Professional Errors and Omissions pursuant to Section 1.3 (A) and 1.3 (B) below (per claim/aggregate) providing coverage for services performed by the named insured and any person or entity for whom the named insured is responsible	\$2,000,000	\$2,000,000	\$25,000
7. Contractor's Pollution Liability including coverage for microbial matter (if applicable)	\$	\$	\$
8. Umbrella Excess Liability Insurance	\$5,000,000	\$10,000,000	\$
9. Other Coverages Required on a Project Specific Basis (e.g. Aircraft Liability)	\$	\$	\$

**1.1.2** The insurance required by this Section 1.1.1 shall be written for not less than limits of liability specified in the table above or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from date of commencement of the Work until date of Final Payment.

**1.1.3 PROFESSIONAL LIABILITY INSURANCE.**

**1.1.3(A) Professional Liability Insurance To Be Provided By Design Consultant.** Such policies must provide coverage for the scope of professional services to be provided by or on behalf of the Design Consultant. *[Note: Even if this coverage part is selected, the Design-Builder should consider obtaining its own professional liability coverage.]*

The requirement for professional liability coverage on this Project shall be the standard form practice policy provided by Design Consultant.

Design-Builder shall provide Owner with prior written notice of any cancellation or non-renewal of the Design Consultant's practice policy and shall include in the Design Consultant Agreement a provision requiring the Design Consultant to give the Design-Builder 30 Days written notice of any cancellation or non-renewal.

**1.1.3(A).1** The only permissible exclusion, limitation or restriction with respect to construction means, methods and techniques is one that applies to the implementation of such construction means, methods, techniques, sequences, or procedures by the Design Consultant or any person or entity providing design or other professional services as its Sub-Consultant. This exclusion is permissible only if such entities are not performing any construction activities. Notwithstanding the above, a Design Consultant's professional liability policy also cannot contain any restriction, limitation or exclusion pertaining to the design of construction means, methods, techniques, sequences or procedures.

**1.1.3(A).2** Any exclusion, limitation or restriction related to Products or Product Design must be modified so as to provide coverage for goods or products installed.

**1.1.3(A).3** Faulty Work exclusion, limitation or restriction can only be applicable to the work self-performed by the Design Consultant.

**1.1.3(A).4** The policy must provide coverage for damages resulting from delays, including delays in project completion and cost overruns that result from the rendering or failure to render professional services.

**1.1.3(A).5** If any portion of the design or other professional service is to be performed by any person or entity other than Design Consultant then it is the responsibility of Design

Consultant to ensure that such person or entity provide Design-Builder and Design Consultant with evidence of insurance to comport with this Exhibit.

**1.1.3(A).6** Waiver of subrogation is to be provided in favor of Design-Builder and its officers, directors and employees, and (if commercially available) Owner and its officers, directors and employees.

**1.1.3(B) Professional Liability Insurance To Be Provided By Design-Builder.** Such policies must provide coverage for the scope of professional services to be provided by or on behalf of the Design-Builder.

The requirement for professional liability coverage on this Project shall be the standard form practice policy provided by Design-Builder.

Design-Builder shall provide Owner with prior written notice of any cancellation or non-renewal of the Design-Builder's practice policy.

**1.1.3(B).1** The Design-Builder's policy cannot contain any restriction, limitation or exclusion pertaining to construction means, methods, techniques, sequences or procedures except that the professional liability policy can exclude, limit or restrict coverage for claims, but only to the same extent that such coverage is provided by the Design-Builder's valid and collectible commercial general liability/umbrella excess liability policies. Notwithstanding the above, a Design-Builder's professional liability policy also cannot contain any restriction, limitation or exclusion pertaining to the design of construction means, methods, techniques, sequences, or procedures.

**1.1.3(B).2** Any exclusion, limitation or restriction related to Products or Product Design must be modified so as to provide coverage for goods or products installed.

**1.1.3(B).3** Faulty Work exclusion, limitation or restriction can only be applicable to the work self-performed by the Design-Builder.

**1.1.3(B).4** The policy must provide coverage for damages resulting from delays, including delays in project completion, and cost overruns that result from the rendering or failure to render professional services.

**1.1.3(B).5** If any portion of the design or other professional service is to be performed by any person or entity other than Design-Builder then it is the responsibility of Design-Builder to ensure that person or entity provide Design-Builder with evidence of insurance to comport with this Exhibit.

**1.1.3(B).6** Waiver of subrogation is to be provided in favor of Design-Builder and Owner (if commercially available) and their respective officers, directors and employees.

**1.1.4** Any coverage required to be maintained after Final Payment shall be identified below. *(List here any coverages required to be maintained after Final Payment is made)*

General Liability, including completed operations coverage

Worker's Compensation

Professional Liability, including Contractor's Protective Liability, if applicable.

Umbrella Coverage

Such coverage shall remain in place for six (6) years after Substantial Completion.

## **2.1 Coverage Parameters and Endorsements.**

**2.1.1** Commercial General Liability Insurance shall be written on an occurrence basis, utilizing standard ISO unmodified coverage form (December 2004 Edition) or equivalent. Endorsements excluding, restricting,

or limiting coverage may be acceptable under certain circumstances provided the same are agreed upon by Owner and Design-Builder.

**2.1.1.1** Acceptable professional liability exclusions to the Design-Builder's commercial general liability insurance are limited to ISO endorsements CG 2280 or CG 2279 or their equivalent.

**2.1.2** General Liability, Automobile Liability, Worker's Compensation/Employers Liability and Umbrella Excess Liability policies shall each include the following endorsements:

**2.1.2.1** Unintentional Errors and Omissions Endorsement

**2.1.2.2** Notice of Occurrence Endorsement

**2.1.2.3** Knowledge of Occurrence Endorsement

**2.1.3** Commercial Automobile Liability coverage shall be provided by standard ISO Commercial Automobile or Truckers Policy covering all Owned, Non-Owned and Hired Vehicles.

**2.1.4** Umbrella/Excess Liability must schedule Commercial General Liability, Automobile/Truckers Liability and Employers Liability as underlying policies. The Umbrella/Excess Liability policies shall be written in accordance with the scheduled underlying policies and must be as broad as the underlying policies.

**2.1.5** Contractors Pollution Liability shall either be written on an occurrence or claims-made basis. If written on a claims-made basis, the policy must comport to Section 4.1.5.

**2.1.5.1** The policy is to provide coverage for off-site transportation by all applicable modes of conveyance. When required, coverage is also to be provided for claims involving materials removed from the site and brought to off-site disposal, treatment and storage facilities.

**2.1.5.2** Any restriction, limitation, or exclusion related to Naturally Occurring Substances must be modified so as not to apply to microbial matter and the release of such Naturally Occurring Substances as a result of the performance of Operations.

### **3.1 Additional Insureds**

**3.1.1** Owner and Owner's officers, directors and employees shall be included as an additional insured on general liability, umbrella and automobile liability policies of insurance of the Design-Builder and its Subcontractors and Design Consultants at any tier. If required, as set forth above, Owner shall also be included as an additional insured on the Design-Builder's Contractor's Pollution Liability policy of insurance. No person shall be named as an additional insured on any professional liability policy. Any coverage granted to an additional insured shall be primary and that coverage independently carried by an additional insured shall not contribute. Design-Builder shall furnish to Owner a copy of all Certificates of Insurance showing the Owner as additional insured as set forth above. Design-Builder shall require Subcontractors and Design Consultants of any tier to furnish such certificates, and upon request of the same will furnish them to the Owner. Owner shall not be an additional insured on any other of Design-Builder's policies except for those which are specifically listed below: *(List here any other policies for which the Owner will be an additional insured, as well as other entities who are to be named an additional insured.)*

**3.1.2** Each of the policies designated in section 3.1 is to provide a waiver of subrogation in favor of those persons or entities included as additional insureds. A waiver of subrogation is also to be provided to such entities under Worker's Compensation/Employer's Liability policies.

**3.1.3** Additional Insured coverage provided under the Commercial General Liability/Umbrella/Excess and, if applicable, Design-Builder's Contractor's Pollution Liability policies, shall cover both the premises/operations and completed operations hazards.

### **4.1 Terms and Effective Dates.**



**4.1.1** If the General Liability coverages are provided by a Commercial General Liability Policy on a claims-made basis, the policy date or Retroactive Date shall predate the Agreement. The termination date of the policy or applicable extended reporting period shall be no earlier than the termination date of coverages required to be maintained after Final Payment is made.

**4.1.2** If the Contractor's Pollution Policy is made on a claims-made basis, the policy date or Retroactive Date shall predate the Agreement. The termination date of the policy or applicable extended reporting period shall be no earlier than the termination date of coverages required to be maintained after Final Payment is made.

**4.1.3** Professional Liability coverage shall be retroactive to the date that professional services first commenced.

**4.1.4**

**4.1.5** All Claims-Made Policies must: (a) permit reporting of circumstances that could give rise to a claim; and (b) provide coverage for post-expiration claims resulting from such circumstances.

**4.1.6** List here any coverage required to be maintained after Final Payment:

General Liability, including completed operations coverage  
Worker's Compensation  
Professional Liability, including Contractor's Protective Liability, if applicable.  
Umbrella Coverage

Such coverage shall remain in place for six (6) years after Substantial Completion.

## EXHIBIT B2

# PERFORMANCE AND PAYMENT BOND FOR DESIGN-BUILD PROJECTS

---

<b>DESIGN-BUILDER/PRINCIPAL:</b> <i>(Name and address)</i>	<b>SURETY:</b> <i>(Name and contact information)</i>
<b>OWNER/OBLIGEE:</b>  <b>Public Utility District No. 2 of Grant County,          Washington          30 C Street          Ephrata, WA 98823</b>	<b>PROJECT:</b>  <b>New Ephrata Service Center          Contract No. 430-11765</b>
<b>DESIGN-BUILD AGREEMENT</b>  Dated:  Amount:	<b>BOND DATE:</b> <i>(Not earlier than date of Design-Build Agreement)</i>  <b>BOND AMOUNT:</b>

**MODIFICATIONS TO THIS BOND:**  
*(List modifications to this Bond below. If none, write "None")*

## BOND TERMS AND CONDITIONS

**1 Binding Effect.** The Design-Builder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Design-Build Agreement, which is incorporated herein by reference. The Design-Builder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to pay for labor, services, materials and equipment furnished by Claimants for use in the performance of the Design-Build Agreement, which is incorporated herein by reference.

**2 Intent of Bond.** If the Design-Builder performs its obligations under the Design-Build Agreement promptly makes payment of all sums for all labor, services, materials, and equipment furnished for use in the performance of the Design-Build Agreement, then the Surety's obligations under this Bond are null and void, except to participate in meetings as provided in this Performance and Payment Bond. Otherwise the Surety's obligations shall remain in full force and effect.

**3 Waiver of Notice.** The Surety hereby waives notice of changes to the Design-Build Agreement, including changes within the general scope, or of time or price, or to related subcontracts or purchase orders.

### 4 PERFORMANCE BOND

**4.1 Owner's Obligations.** If there is no default in Owner's obligations under the Design-Build Agreement, then the Surety's obligation under this Bond shall arise after the following steps have been taken by Owner, as a condition precedent to a Bond claim:

**4.1.1** The Owner has first provided written notice to the Design-Builder and Surety at the addresses listed on page 1 of this Bond, that Owner is considering declaring the Design-Builder in default and has requested and attempted to arrange a meeting with the Design-Builder and Surety, to be held not later than fourteen (14) days after receipt of Owner's notice, to discuss methods of performing the Design-Builder's obligations under the Design-Build Agreement. If the Owner, Design-Builder and Surety agree, the Design-Builder shall be allowed a reasonable time to perform its obligations under the Design-Build Agreement, but such an agreement shall not waive the Owner's right, if any, subsequently to declare the Design-Builder in default;

**4.1.2** The Owner declares the Design-Builder to be in default, terminates the Design-Build Agreement and notifies the Surety in writing; and

**4.1.3** The Owner has agreed to pay the balance remaining under the Design-Build Agreement (i.e., the total amount payable by the Owner to the Design-Builder thereunder less amounts properly paid by the Owner to the Design-Builder, the "Contract Balance") to:

- .1** The Surety, in accordance with the terms of the Design-Build Agreement; or
- .2** Another design-builder selected pursuant to Section 4.1.3 to perform the remaining obligations under the Design-Build Agreement.

**4.2 Surety's Obligations.** When Owner has satisfied the conditions of Section 4.1, the Surety shall promptly take one of the following actions, at the Surety's expense:

**4.2.1** Arrange for the Design-Builder to perform and complete the remaining obligations under the Design-Build Agreement, with consent of Owner;

**4.2.2** Undertake to perform and complete the remaining obligations under the Design-Build Agreement itself, through its agents or through independent contractors;

**4.2.3** Obtain bids or negotiated proposals from qualified design-builders acceptable to Owner for a contract for performance and completion of the Design-Build Agreement, arrange for a contract to be prepared for execution by Owner and a design-builder selected with Owner's concurrence, to be secured by performance and payment bonds equivalent to those for the Design-Build Agreement, issued by a qualified surety. The Surety shall: a. make available as Work progresses sufficient funds to pay the cost of completion of the Design-Build Agreement; and, b. pay to Owner the amount of damages as described in Section 4.4;

**4.2.4** Waive its right to complete the Work under Sections 4.2.2 or 4.2.3, and reimburse the Owner the amount of its reasonable costs to complete the Work; or

**4.2.5** Deny liability, in whole or in part, and notify the Owner in writing, citing reasons therefor.

**4.3 Owner's Rights.** If the Surety does not proceed as provided in Section 4.2 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven (7) days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond and stating that the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 4.2.4, and the Owner refuses the payment, or the Surety has denied liability, in whole or in part, under Section 4.2.5, the Owner shall be entitled without further notice to enforce any remedy available to it.

**4.4 Damages Covered Under the Performance Bond.** In any event, the Surety's obligations to the Owner, and the Owner's obligations to the Surety, shall not be greater than those of the Owner and Design-Builder to each other, respectively, under the Design-Build Agreement. Subject to commitment by Owner to Payment of the Contract Balance, the Surety is obligated without duplication for:

**4.4.1** The responsibilities of Design-Builder for correction of defective Work and completion of the Project;

**4.4.2** Additional legal, design professional and delay costs resulting from Design-Builder's default, and resulting from the actions or failure to act of Surety under Section 4.2; and

**4.4.3** Liquidated damages, or if no liquidated damages are specified in the Design-Build Agreement, actual damages caused by delayed performance or non-performance of Design-Builder.

**4.5 Performance Bond Liability.** If the Surety elects to act under Sections 4.2.1, 4.2.3 or 4.2.4, the Surety's total liability shall not exceed the Bond Amount.

**4.5.1** The Surety shall not be liable to the Owner or others for obligations of the Design-Builder that are unrelated to the Design-Build Agreement, and the Contract Balance shall not be reduced or set off on account of any such unrelated obligations.

## **5. PAYMENT BOND**

**5.1 Notice of Claim.** Every Claimant who has not been paid in full before the expiration of a period of ninety (90) days after such Claimant provided or performed the last of the work, services or labor, or furnished the last of the materials or equipment for which said claim is made, may have a right of action on this Bond.

**5.1.1** Claimants shall provide written notice to the Surety and send a copy, or notice thereof, to Owner and Design-Builder, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim, and the last date such work, services or labor were performed, or the last materials or equipment were furnished in furtherance of the Design-Build Agreement.

**5.1.2** If Claimant does not have a direct contract with Design-Builder, the notice shall identify the person or entity with whom Claimant contracted and who has not made payment to Claimant.

**5.2 Surety's Obligations.** When a Claimant has satisfied the conditions of Section 5.1, the Surety shall promptly take the following actions at the Surety's expense:

**5.2.1** Send an answer to that Claimant, with a copy to the Owner and Design-Builder, within sixty (60) days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any disputed portions or amounts.

**5.2.2** Pay or arrange for payment of any undisputed amounts.

**5.3 Bond Liability.** The Surety's total obligation shall not exceed the Bond Amount, plus the amount of reasonable attorney's fees provided for herein.

**5.3.1** If the Surety fails to discharge its obligations under Sections 5.2.1 or 5.2.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to successfully recover any sums found to be due and owing to the Claimant. If Claimant does not recover the entire amount claimed in its notice under Section 3, then such attorney's fees shall be reduced in proportion to the amount actually recovered.

**5.3.2** The Surety shall not be liable to the Owner, Claimants or others for obligations of the Design-Builder that are unrelated to the Design-Build Agreement, and the Contract Balance shall not be reduced or set off on account of any such unrelated obligations.

**6 Beneficiaries.** No right of action shall accrue on this Bond to any person or entity other than Owner or its heirs, executors, administrators, or successors, unless some other party is named in this Bond as a dual obligee.

**7 Dispute Resolution.** All disputes related to this Bond shall be instituted in any court of competent jurisdiction in the location in which the Project is located and shall be commenced within two (2) years after: a. the Owner declares the Design-Builder in default under Section 4.1.2 or there is a Notice of Claim under Section 5.2; or, b. Substantial Completion of the Project, whichever occurs first. If the provisions of this Section are prohibited by law, the minimum period of limitation available to sureties in the jurisdiction in which the Project is located shall be applicable.

**7.1** In the event of bankruptcy of the Design-Builder, the Surety agrees that the Design-Builder is not a necessary or indispensable party to any legal action by Owner against Surety to enforce the Surety's obligations under this Bond.

**8 Notice.** Unless otherwise noted below, written notice under this Bond to Surety, Owner or Design-Builder shall be mailed or delivered electronically or by hard mail to the contact information shown on page 1.

*(List any alternate contact information below for notice to the Surety of any claim on this Bond. If none, then use the contact information on page 1)*

For Claims on this Bond:

*(check appropriate box)*

Use the contact information shown on page 1; or

Use the following alternate contact information:

*(fill in Surety claims administrator contact information below)*

**9 Statutory Compliance.** If this Bond has been furnished to comply with a statutory requirement in the location where the Project is located, then any provision herein that conflicts with a statutory requirement shall be deemed deleted and replaced by provisions conforming to such statutory requirement. The intent is that this Bond shall be construed as a statutory bond conforming to the applicable statutes.

**10 Warranty Obligation.** The Surety's obligations to the Owner for warranties of the Design-Builder shall be the same as those required of the Design-Builder under the Design-Build Agreement, subject to the time limitation in Section 7. Unless otherwise stated below, the Surety's obligation for such warranties excludes: a) products, materials or equipment covered by a manufacturer's separate warranty; and b) claims by the Owner first noticed to Surety in writing more than one year after the effective date of such warranty as specified under the Design-Build Agreement.

*(List below any exceptions to the above limitations on Surety's warranty obligation, if any)*

**11 Authorization.** The Surety represents that it is admitted to act as an authorized corporate surety in the state in which the Project is located. Surety and Design-Builder, intending to be legally bound hereby, subject to the terms set out above, do each cause this Performance Bond to be duly executed on its behalf by its authorized officer, agent, or representative.

<b>DESIGN-BUILDER (AS PRINCIPAL)</b> Company:	<b>SURETY</b> Company:
Signature:	Signature:
Name and Title:	Name and Title:
	Corporate Seal
	(Attach Power of Attorney)

(Space is provided below for signatures of additional parties, if required.)

Attest:

Signature and Title

**EXHIBIT C  
SCOPE OF WORK**

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON  
NEW EPHRATA SERVICE CENTER PROJECT

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**PART 1 APPLICABLE TO ALL PHASES****1.01 INTEGRATED DELIVERY**

- A. Owner and Design-Builder commit at all times to cooperate fully with each other and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.
- B. The Parties wish to fully embrace the principles of collaboration and integrated delivery in the performance of the Work of this Project. Integrated delivery emphasizes a cooperative approach to problem solving involving all key parties to the Project: the Owner, Design-Builder, Designer and principal Subcontractors (electrical, mechanical and others as the Design-Builder and the Owner jointly agree are appropriate). Toward that end, the Parties agree to employ the following techniques to maximize efficiency and minimize waste:
1. Create a culture of open and honest communication throughout the course of the Project;
  2. Resolve disputes at the lowest possible level;
  3. Integrate the design and construction team (including key specialty contractors and trade partners) as early as possible into the design process;
  4. Utilize lean construction methods efficiently and effectively;
  5. Utilize Building Information Modeling efficiently and effectively;
  6. Establish a collaborative environment where all parties have the opportunity to contribute their best efforts for the benefit of the Project as a whole rather than to the benefit of individual parties;
  7. Develop the Project consistent with the Project Goals; and
  8. Establish business terms that allow for equitable shared risk and reward for the parties who are members of the Design-Build Team.

**1.02 PROJECT GOALS**

The Owner has established the following Project Goals.

- A. **High Functioning Team:** The Design-Build Team will develop and maintain a consistent team throughout design and construction and promote a collaborative relationship between the District and its Stakeholders, OAC Services, and the Design-Build Team to achieve the best interests of the Project:
1. Maximize the design within the District's budget and schedule while demonstrating exemplary design and project management.
  2. Deliver reliable, transparent, iterative estimates to help inform the Project budget.
  3. Provide high quality pre-construction consulting, design, and construction services, including accurate cost estimating (target value design), phasing, scheduling, and constructability.

**EXHIBIT C  
SCOPE OF WORK**

**PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON  
NEW EPHRATA SERVICE CENTER PROJECT**

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4. Provide efficient document and workflow management systems, including web-based collaboration tools to streamline typical project workflows and document controls.
- B. **Maximize the Efficiency of Operations and Maintenance:** The Design-Build Team will work collaboratively with the District to create a design that optimizes the efficiency of operations and maintenance for the District.
- C. **Design for Safety:** The Design-Build Team will create a design that enhances the safety of the Project and the end users. The design and construction process will plan accordingly to reduce re-work and reinforce the goal of no recordable incidents.
- D. **Project Delivery Efficiency:** Provide design and construction innovations and technology to maximize cost and schedule efficiency, minimize waste, and avoid re-work.
- E. **Subcontractor Outreach and Utilization:** Implement innovative strategies to solicit and manage subcontractor and supplier bidding to obtain competitive pricing from high quality vendors. Successfully outreach to local, small, minority-owned, and disadvantaged businesses who can participate during design and construction.

**1.03 DEFINITIONS**

- A. *Design-Builder's Management Proposal* is the Management Proposal submitted by the Design-Builder in response to the Request for Proposals issued by the Owner for this Project.
- B. *Commercial Terms* are any documents that establish an agreement between the parties regarding a maximum cost, a scope of work, or a schedule, including but not limited to the GMP, an Early GMP, Not to Exceed Amount, Lump Sum, Hourly Rate, Contract Time, Target Budget, Target Schedule, Owner's Project Criteria, Initial Project Scope, or Basis of Design Documents.
- C. *Contingencies* are the amounts available for Design-Builder's use and are defined in Section 6.4.4 of the Agreement. The Cost of the Work Contingency is defined in Section 6.4.4.a. The Design-Builder's Contingency is defined in Section 6.4.4.b.
- D. *Design Log* is a log of Reliable Design Decisions agreed upon by the parties. The Design Log supplements the Owner's Project Criteria, the Initial Project Scope, and Basis of Design Documents, as applicable.
- E. *Disadvantaged Business Enterprise or DBE* means any business entity certified by the Washington State Office of Minority and Women's Business Enterprises under RCW chapter 39.19.
- F. *Early GMP Amendment* is an amendment to the Agreement entered into the parties that establishes the Early GMP Scope, the Early GMP Schedule, and the amount of the Early GMP.
- G. *GMP Amendment* means an amendment to the Agreement entered into the parties at the conclusion of Phase 1 that establishes the Basis of Design Documents, the GMP, the Project Schedule and other terms agreed to by the parties.
- H. *Initial Project Scope* is the scope of the project that the parties collaboratively



**EXHIBIT C  
SCOPE OF WORK**

**PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON  
NEW EPHRATA SERVICE CENTER PROJECT**

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- establish at the conclusion of the Validation Period that represents the parties' best determination of an achievable project scope within the Target Budget.
- I. *Key Subcontractor* is one whose Scope of Work is on the Critical Path of the Project Schedule.
  - J. *Original GMP* is the GMP set forth in the GMP Amendment.
  - K. *Project Schedule* is the schedule provided by the Design-Builder and approved by the Owner pursuant to Section 2.1.3 of the General Conditions and this Exhibit C.
  - L. *Risk Register* is a log of project risks identified by the Design-Builder or the Owner during the design and preconstruction process that may impact the project budget and/or schedule. The log shall include mitigation strategies and estimated cost and schedule impacts.
  - M. *Reliable Design Decision* is a decision, development, or election that refines the Owner's Project Criteria or Basis of Design Documents, that is approved by the Owner and that is set forth in the Design Log. A Reliable Design Decision cannot change the Owner's Project Criteria or Basis of Design Documents but shall instead constitute a further development or refinement of the design for the Project with which all subsequent design, development and Construction Documents shall be consistent.
  - N. *Self-Performed Construction Work* means construction Work that would normally be performed by a subcontractor and does not include any costs associated with design, construction management, or Work that would be included in or described as part of the Lump Sum General Conditions Costs set forth in Section 6.4.5 of the Agreement.
  - O. *Target Budget* is the estimate for the Contract Price that is collaboratively established by the parties after the conclusion of the Validation Period that represents the parties' best determination of an achievable Contract Price.
  - P. *Target Schedule* is the estimated Project Schedule collaboratively established by the parties at the conclusion of the Validation Period that represents the parties' best determination of an achievable Project Schedule.
  - Q. *Team Charter* is a document that defines the purpose, scope, objective and responsibilities of a team. It is created and supported by every member of the team and acts as the team's guiding document.
  - R. *Trend* is an issue identified in the Trend Log.
  - S. *Trend Log* is a log of issues that have been identified by the Design-Builder or the Owner during the design and preconstruction process that may cause any Commercial Term to be modified or cause the Contract Time to be exceeded.
  - T. *Validation Period* is the time period established in Section 6.6.1.1 of the Agreement to accomplish the tasks set forth in Exhibit C, Section 2.02.

**1.04 SUBCONTRACTS**

- A. Design-Builder shall submit a Subcontract Plan as required herein, subject to the approval of the Owner. After approval by the Owner, Design-Builder may only modify the Subcontract Plan upon obtaining written approval from the Owner. Design-Builder may not award any Subcontract on the basis of a lump sum price without obtaining prior written permission from the Owner, such permission shall

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not be unreasonably withheld.

- B. All subcontracted Work associated with the performance of the construction shall be awarded by Design-Builder in accordance with the Subcontractor Plan established during Phase 1.
- C. Subcontractor Procurement. Unless approved in writing by the Owner, the procurement section of the Subcontract Plan shall comply with the following:
1. All subcontracted work associated with performance of Construction Packages shall be awarded by the Design-Builder to Subcontractors in accordance with a best value selection process established between the parties. Unless otherwise agreed in writing by the parties, the best value selection process shall contain mutually acceptable evaluation criteria for the proposal and selection process that is clear and consistent and includes both qualifications and price.
  2. The Design-Builder may only modify the Subcontractor Procurement Procedure after obtaining written approval from the Owner. Any such modification shall be at the sole risk and responsibility of the Design-Builder and without any modification to any applicable Commercial Terms.
  3. The Design-Builder's selection of Subcontractors shall comply with the following requirements, unless modified by the Subcontractor Procurement Procedure approved in writing by the Owner:
  4. The Design-Builder shall identify the scope of the Work to be subcontracted and shall identify at least three pre-qualified Subcontractors for such scope for written approval by the Owner.
  5. After approval of the pre-qualified Subcontractors by the Owner, the Design-Builder shall select from the three pre-approved Subcontractors for the identified scope of the Work, unless it obtains prior written approval from the Owner to select a different Subcontractor.
  6. If the Design-Builder cannot reasonably identify three pre-qualified Subcontractors, it shall inform the Owner in writing as to the reason for the inability to identify the Subcontractors and shall not proceed with the selection of a Subcontractor without the prior written approval of the Owner.
  7. The Design-Builder shall select Subcontractors on the basis of the best value to the Project. If in the Design-Builder's determination, the Subcontractor who proposes the best value did not propose the lowest cost, the Design-Builder shall i) provide a written justification for the selection of the Subcontractor, and ii) obtain the Owner's written approval prior to Design-Builder entering into the Subcontract.
- D. Design-Builder must obtain prior, written approval from the Owner for the Design-Builder or the lead Constructor (if the lead Constructor is not also the Design-Builder) to perform Self-Performed Construction Work.
1. For each scope of Work for which Design-Builder proposes Self-Performed Construction Work, Design-Builder must submit to the Owner a proposal that contains the following minimum information as well as any other information reasonably requested by the Owner:
    - a. A detailed description of the scope of the Self-Performed

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- Construction Work;
  - b. The Design-Builder's Fee Percentage on the Self Performed Construction Work; and
  - c. A detailed explanation of the effect of the Self-Performed Construction Work on the Project, including but not limited to cost savings, benefits to the Project, and risks to the Project.
2. Design-Builder will provide the Owner with an estimate of the costs for all Self-Performed Construction Work on an open book and transparent basis. In calculating the costs for Self-Performed Construction Work, the following shall apply.
- a. The estimate for costs for Self-Performed Construction Work may not include lump sum costs and must show all estimated labor, material, and equipment costs by unit.
  - b. The costs for Self-Performed Construction Work shall not include costs that are also included in the General Conditions Amount.
  - c. Notwithstanding the above, Design-Builder may include in the costs for Self-Performed Construction Work additional general conditions costs that are directly associated with the Self-Performed Construction Work that Design-Builder would not have incurred but for the Self-Performed Construction Work.

**PART 2 PHASE 1 SCOPE OF SERVICES**

**2.01 SUMMARY OF WORK**

- A. This Section sets forth the Scope of Work, the Deliverables, and the execution activities for Phase 1.
- B. Design Builder shall review, analyze, and validate the Owner Provided Information, including, but not limited to: the Owner's Facilities Master Plan, Budget, and the Target Project Schedule.
- C. Design Builder shall conduct such site investigations, environmental assessments, review of regulatory and legal authority and restrictions, and all other actions and review and assess other information as reasonably necessary to verify, validate and expand upon the Owner Provided Information to the extent access to site is accessible at the time services are being provided.
- D. Design Builder shall review, analyze, validate and elaborate upon the Project program.
- E. Design Builder shall engage and work collaboratively with the Owner and the Project Stakeholders to obtain input regarding the Project design and functionality, as well as other major Project elements and to develop the Basis of Design Documents.
- F. Design Builder shall engage and work collaboratively with the Owner and the Project Stakeholders to progress the design to a sufficient state to develop the Basis of Design Documents, the Guaranteed Maximum Price, and the Project Schedule. The timing of the GMP Proposal and the percentage complete of the designs and specifications will be jointly determined by the Owner and the Design-Builder.

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- G. Design Builder shall provide the Submittals during Phase 1 as set forth in Sections 3.01 herein. Submittals shall be provided in a format acceptable to the Owner.
- H. On the date set forth in the Validation Period Schedule for Submittals at the conclusion of the Validation Period, Design-Builder shall provide the Submittals as set forth in Section 3.01.D herein and the parties shall negotiate and collaboratively establish a Target Price, Target Budget and Initial Project Scope.
- I. On the dates set forth in the Phase 1 Schedule for the submission of the GMP Proposal, Design Builder shall submit a Draft GMP Proposal and GMP Proposal, including Phase 1 Submittals as set forth in Sections 3.01.F and 3.01.G herein.

**2.02 VALIDATION PERIOD.**

- A. Within the time period set forth in Section 6.6.1 of the Agreement, Design Builder shall perform such assessments, reviews and investigations of the Owner Provided Information, as determined by Design Builder to be reasonably necessary to validate the Owner Provided Information, including project scope, target schedule, budget and Commercial Terms. Additional reviews, assessments, and investigations shall be defined in collaboration with the Owner during the Validation Period and performed within 90 days of notice to proceed for the subsequent phase of work.
- B. Design Builder shall perform site investigations as necessary for Design Builder to verify the Owner Provided Information and to validate the Commercial Terms. Design Builder shall visit the Site and examine thoroughly and understand the nature and extent of the Work, site, locality, actual conditions, underground facilities, all physical conditions at or contiguous to the Site, and all local conditions. As well as all federal, state, and local laws and regulations that in any manner may affect cost, time, progress, performance or furnishing of the Work or which relate to any aspect of the design and the means, methods, techniques, sequences or procedures of construction to be employed by Design Builder and safety precautions and programs incident thereto. Such additional investigations shall be conducted to sufficiently identify or characterize utility locations, site conditions, contaminated materials, and observable or concealed conditions in the existing facilities, including but not limited to the following:
  - 1. Develop requirements for survey by the Owner and submit them to the Owner at least two weeks prior to the need for the survey results.
  - 2. Undertake surveys, investigations and analysis to provide necessary data and information for project design including sufficient information to evaluate design alternatives.
  - 3. Perform soils sampling, testing, and analysis to provide necessary data and information for Project design and provide a final Geotechnical Report. Test for contamination during this process.
- C. All reports or analyses generated by Design Builder's testing, inspections, and investigations, including but not limited to geotechnical evaluations and hazardous materials studies, shall be provided to the Owner promptly, within seven business days, after such reports are analyzed and generated.
- D. Design Builder shall be responsible for ensuring that its design documents and construction work accurately conforms to, and interfaces with, the existing

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conditions and shall not request a change or claim for unforeseen or concealed conditions except as provided under the provisions of the contract.

- E. At the conclusion of the Validation Period, Design-Builder will be deemed to have reviewed and verified all Owner Provided Information and Commercial Terms; therefore, Design-Builder cannot rely on any Owner Provided Information for the purposes of performing the Work, unless specifically noted in writing by the Owner.
- F. The Validation Period shall conclude upon execution of the Phase 1 Not to Exceed Amendment.

**2.03 DEVELOPMENT OF BASIS OF DESIGN DOCUMENTS**

- A. Design Builder shall manage the design and estimating process in a transparent collaborative, efficient, and coordinated manner and conduct design workshops as required by the Contract Documents. The Basis of Design Documents will establish the scope of the Work and provide the basis for the GMP. The Basis of Design Documents must be consistent with the Owner's Project Criteria as modified by the Initial Project Scope, unless the Owner has consented to modify its requirements in writing through a Change Order, Field Directive, or other written means allowed by the Contract Documents.
- B. Design Builder shall provide for an orderly and timely approval process by the Owner and third parties, document review comments from the Owner and third parties, and take appropriate action.
- C. The Owner will review and comment on the Design Submittals in a timely fashion.
- D. Design Builder shall submit a written response to the Owner's design review comments, describing the action taken for each comment. Design Builder shall, in a timely fashion, bring to the attention of the Owner areas where new technologies, such as Building Information Model (BIM) or Design-Build processes, may require modifications to these requirements.
- E. By submitting Design Submittals, Design Builder represents to the Owner that the Design Submittals may be designed and constructed for the then current Commercial Terms. Notwithstanding the above, Design Builder may propose Designs, Plans or other Submissions that may alter a Commercial Term; however, with any such Design Submittals, Design Builder must provide notice pursuant to Section 10 of the General Conditions.

**2.04 DEVELOPMENT OF GMP**

- A. The forecasting and development of accurate project cost estimates throughout each phase of the Project is vital to the Owner's financial management strategy. The Owner relies on the Design Builder to provide and validate current and detailed cost estimates and forecasts that will be incorporated into the overall cost controls for the Owner.
- B. Throughout the Project, Design Builder will update estimates and forecasts and provide data to the Owner to reflect real time information. Design Builder will provide all pricing, estimates and other data used to develop the Commercial Terms on an open and transparent basis. The project controls system used by the Design Builder shall be acceptable to the Owner and will be capable of being broken down and reported in a number of different work breakdown structures,

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including but not limited to organizing the financial data by cost element codes, subcontracts, vendors, Construction Document packages, etc.

- C. The Design Builder will coordinate the development of the GMP with the development of the Basis of Design Documents as well as the Project Schedule so that the Owner may obtain an accurate GMP within the Project Budget and Project Schedule.

**2.05 DEVELOPMENT OF PROJECT SCHEDULE**

- A. The forecasting and development of the Project Schedule, including but not limited to the project phasing and Schedule of Values, is a vital element of the Design Builder's ability to deliver this Project in a timely fashion. The Owner will rely on the Design Builder's scheduling information to coordinate with its Stakeholders, schedule activities in and around the Project, and manage its campus.
- B. Design Builder shall provide the Owner with frequent updates to the project schedule in a format acceptable to the Owner.

**PART 3 PHASE 1 SUBMITTALS**

**3.01 SUBMITTALS**

- A. Initial Validation Period Submittals:
1. Design Builder shall provide the following Submittals within the time period agreed upon between the Owner and Design-Builder in the project kickoff meeting.
    - a. Team Charter pursuant to Section 3.02.
    - b. Schedule Development Plan pursuant to Section 3.03.A
    - c. Phase 1 Schedule pursuant to Section 3.03.B.
    - d. Design Management Plan pursuant to Section 3.05.A
    - e. GMP Development Plan pursuant to Section 3.06.A
    - f. Proposed Cost Model Structure pursuant to Section 3.06.C.
    - g. Proposed Work Breakdown Structure pursuant to Section 3.06.D.
    - h. Subcontract Plan pursuant to Section 3.07.A
  2. Owner will review the Submittals. Upon the Owner's acceptance, the Submittals will be finalized and incorporated into the Contract Documents by Contract Amendment.
- B. Periodic submittals During the Validation Period: Design Builder shall provide the following submittals throughout the Validation Period.
1. On a monthly basis and with each Application for Payment:
    - a. Updates to the Phase 1 Schedule
- C. Periodic submittals During Phase 1: Design Builder shall provide the following submittals throughout Phase 1.
1. On a monthly basis and with each Application for Payment:

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- a. Updates to the Phase 1 Schedule, and Target Schedule, if changes are present, pursuant to Section 3.03.
    - b. Updated Schedule of Values pursuant to Section 3.06.
  - 2. Pursuant to the Design Submittal Schedule established by the parties:
    - a. Updated Design Submittals pursuant to Section 3.05.
    - b. Updated project budget information pursuant to Section 3.06.B.
  - 3. Design Deliverables pursuant to Section 3.05.F.
- D. Submittals at the Conclusion of the Validation Period:
  - 1. Design-Builder shall provide the following Submittals at the conclusion of the Validation Period, unless otherwise noted in the approved Phase 1 Schedule.
    - a. Owner Project Criteria
    - b. Master Plan Validation Report, including Program Requirements
    - c. Risk Register
    - d. Updated Phase 1 Schedule pursuant to Section 3.01.B
    - e. Target Schedule pursuant to Section 3.03.C
    - f. BIM Execution Plan pursuant to 3.04
    - g. Initial Project Scope pursuant to Section 3.05.B
    - h. Phase 1 Scope of Work pursuant to Section 3.05.C
    - i. Design Submittal Packages and Design Submittal Schedule pursuant to Section 3.05.D and 3.05.E
    - j. Phase 1 Not to Exceed Amount with Phase 1 Schedule of Values pursuant to Section 3.06.B
    - k. Preliminary Schedule of Values for Phase 2 pursuant to Section 3.06.B
    - l. Target Budget for Phase 2 and updated Cost Model pursuant to Section 3.06.E and 3.06.C
    - m. Project Safety and Job Hazard Analysis for Phase 1 pursuant to Section 3.08.A
    - n. Early GMP Plan pursuant to 3.09.A
    - o. Permitting Strategy Plan pursuant to Section 3.10
    - p. DBE Participation/Outreach Plan pursuant to 3.11.
    - q. Quality Management Plan pursuant to Section 3.12.A
      - (1) Design Quality Management Plan pursuant to Section 3.12.C.
    - r. List of additional submittals (if any) required for the GMP Proposal.

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2. Owner will review the Submittals. Upon the Owner's acceptance, the Submittals will be finalized and incorporated into the Contract Documents by Contract Amendment pursuant to Section 6.6.1.1.b of the Agreement.
- E. Early GMP Proposals: If the parties agree to the submission of Early GMPs, Early GMP Proposals shall be submitted based on the Phase 1 Schedule agreed by the Parties. The content of Early GMP Proposals will be determined pursuant to Section 6.6.1.4 of the Agreement.
- F. Draft GMP Proposal: Thirty days prior to submission of the GMP Proposal set forth in Section 3.01.G below, Design-Builder shall submit a Draft GMP Proposal that includes the items set forth in 3.01.G below for Owner's Review.
- G. GMP Proposal: On or before the date set forth in the Phase 1 Schedule for submission of the GMP Proposal, Design Builder shall provide a GMP Proposal that includes the following Submittals.
  1. Project Schedule pursuant to Section 3.03.D
  2. Basis of Design Documents pursuant to Section 3.05.E
  3. Schedule of Values depicting the Proposed GMP pursuant to Section 3.06.F
  4. Project Safety and Job Site Hazard Analysis pursuant to Section 3.08.B
  5. Project Phasing/Staging Analysis pursuant to Section 3.09.B
  6. Construction Quality Management Plan pursuant to Section 3.12.D
  7. Contract Close-Out Plan pursuant to Section 3.13
  8. Differing Site Conditions Report pursuant to Section 3.14
  9. Any other Submittals determined by the Parties at the conclusion of the Validation Period.

**3.02 TEAM EFFICACY**

- A. Team Charter. Design-Builder shall facilitate formal Teaming between the Owner and Project team, resulting in the Team Charter. The Team Charter will identify all significant team members, roles, and governance structure and provide alignment around project goals and commitment to team conduct expectations.
- B. Project Governance Structure. The Owner and Design-Builder will work together to define the Project Governance Structure. The structure will clearly define decision making protocol and team organization.
- C. Communication Plan. The team will develop a project communication plan that clearly defines communication expectations across all team members and stakeholders.

**3.03 SCHEDULES**

- A. Schedule Development Plan. Pursuant to Section 3.01.A herein, Design-Builder shall provide a final Schedule Development Plan for review and acceptance by Owner that expands on the preliminary Schedule Development Plan submitted with Design-Builder's Management Proposal.
  1. The Schedule Development Plan will show the following:



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- a. The Key Team Member and other personnel responsible for developing and updating the Project Schedule;
  - b. The process for collaboratively developing the Project Schedule, including all phases of the Schedule;
  - c. The process for developing and communicating updates to the Project Schedule;
  - d. The Design-Builder's plan for mitigating schedule delays and impacts;
  - e. The tools and systems that the Design-Builder will use to develop and update the Project Schedule;
- B. Phase 1 Schedule. Pursuant to Section 3.01.A herein, Design Builder shall provide a Phase 1 Schedule.
1. Phase 1 Schedule shall show the activities of the Owner and Design Builder necessary to meet Phase 1 requirements. Including stakeholder engagement, submittal review periods and decision deadlines.
  2. Phase 1 Schedule shall be updated periodically with the level of detail for each schedule update reflecting the information then available. During Phase 1, Design Builder will establish the timing for schedule Updates with acceptance from the Owner.
  3. If an update to Phase 1 Schedule indicates that a previously approved milestone will not be met, Design Builder shall submit a corrective action plan and recovery schedule to the Owner within five business days.
- C. Target Schedule. Pursuant to Section 3.01.D, Design Builder shall submit a Proposed Target Schedule that reflects Design Builder's sequence of design, procurement and construction activities including the interrelationships of the Demolition and Construction Packages.
1. The Proposed Target Schedule shall show the activities of the Owner and Design Builder necessary to meet the Project completion requirements.
  2. The Proposed Target Schedule shall be updated, at the frequency agreed upon with the Owner, with the level of detail for each schedule update reflecting the information then available.
  3. Design Builder shall meet with the Owner to review the Proposed Target Schedule and the parties shall collaboratively develop a final Target Schedule. In the event that the Owner has any comments relative to the Proposed Target Schedule or Target Schedule Updates or finds any inconsistencies or inaccuracies in the information presented, it shall give prompt written notice of such comments or findings to Design Builder, who shall make appropriate adjustments to the Target Schedule, its basis, or both. The parties will work collaboratively to make adjustments in the Basis of Design Document, the Project Schedule, or GMP to fit within the Owner's objectives.
  4. The Target Schedule will be used as a basis for scheduling the Project throughout Phase 1.
  5. If an update to the Target Schedule indicates that a previously approved milestone will not be met, Design Builder shall submit a corrective action

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- plan and recovery schedule to the Owner pursuant to the Contract Documents.
- D. Pursuant to Sections 3.01.F and 3.01.G, Design Builder shall provide a Project Schedule that will incorporate the Target Schedule developed collaboratively during Phase 1 along with any updates to the schedule.
- E. All schedules will be developed using pull planning. After the schedules are developed, Design-Builder will deliver the schedule in the format of a Critical Path Method (CPM) schedule as set forth below.
- F. Critical Path Method (CPM) schedule
1. The CPM Schedule will contain the following
    - a. All tasks required to complete the scope of work for the project.
    - b. Durations for all tasks in the project schedule.
    - c. Logical ties and sequence of work for every task in the schedule.
  2. Project Schedule shall be detailed and organized according to the approved WBS. The Project Schedule will include all activities and relationships identified in the Design-Builder's Scope of Work. Each major area of work within Design-Builder's scope shall be represented by activities in the schedule.
  3. Design-Builder shall prepare a detailed CPM Project Schedule in accordance with this specification. The schedule shall be submitted to the Owner for their review. The detailed schedule shall reflect, at a minimum, design, engineering, procurement, construction, fabrication, and delivery activities for each design package and each piece of procured equipment, key drawing release dates by discipline, and logic and interrelationships between activities so that a logical progression of the work is depicted. Project Milestones shall also be included in schedule.
  4. Design-Builder and Key Subcontractors shall meet with the Owner to review and approve the detailed CPM baseline Project Schedule.
  5. Once the detailed project schedule has been approved by the Owner, Design-Builder will establish a baseline schedule. Thereafter Design-Builder shall advise the Owner of any proposed Critical Path Schedule changes and promptly provide the Owner with any revisions thereto and recovery plans as required to meet the contractual dates.
  6. Schedule Validity and Content
    - a. Prepare schedules in Primavera P6 Version 8.0 or greater format.
    - b. Contain Work Breakdown Structure coding matching deliverables and work packages.
    - c. Schedule will reflect all deliverables and tasks mention in the Scope of Work.
    - d. Schedules shall be coded for grouping by engineering, procurement, construction, and commissioning.

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- e. Schedules shall be provided in (XER) electronic Primavera format on a monthly basis.
- f. Complete sequence of design, engineering, procurement and construction by activity.
- g. Schedules will be reported and calculated using retained logic. No progress override.
- h. An unlocked and searchable PDF of monthly schedule with the following
  - (1) Columns showing (Activity ID, Activity Description, Original Duration, Remaining Duration, Activity Percent Complete, Start, Finish, Total Float, Baseline Start, Baseline Finish, and Baseline Finish Variance)
  - (2) Gantt chart illustrating schedule activities start and finish dates, baseline planned progress, actual earned progress, and critical tasks.
- i. No open ends with the exception of one predecessor open end for starting the project and one successor open end for completing the project.
- j. No out-of-sequence logic.
- k. Critical path for Design-Builder's schedule activities.

**3.04 BIM EXECUTION PLAN**

- A. Design Builder shall develop and submit an appropriate technology protocol for BIM and digital information modeling. The protocol shall define the ownership, access and responsibility with respect to project information, in particular with respect to shared BIM. On a more detailed level the protocol shall develop standards for data interfaces, layering and other criteria to be developed during the validation Phase.
- ~~B.~~ Design Builder shall provide the BIM Protocol by the date set forth in Section 3.01.A.
- C. BIM Reviews will occur as agreed upon in the approved BIM Execution Plan. The BIM review will generally consist of a walkthrough of the 3D model showing all systems both individually and integrated, and an identification of any clashes among disciplines. Design Builder will be responsible for administering this process and resolving any clashes in a timely fashion.
- D. The intended use of BIM for the Project shall accomplish the following objectives:
  - 1. For illustrations and presentation to the Owner and Stakeholders of the intended design
  - 2. For coordination between disciplines and trades (clash detection) during design and construction
- E. Use of BIM for Design and Construction:
  - 1. BIM shall be an integral part of project delivery and shall enable all stakeholders to see the project clearly as it develops. BIM shall support the use of SD models to iron out sequencing and cost issues

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where appropriate during construction and allow pull- driven fabrication and just-in-time delivery of information, materials, parts, assemblies and required equipment and resources.

**3.05 DESIGN SUBMITTALS AND SPECIFICATIONS**

- A. Design Management Plan. Pursuant to Section 3.01.A herein, Design-Builder shall provide a final Design Management Plan for review and acceptance approval by Owner that expands on the preliminary Design Management Plan submitted with Design-Builder's Management Proposal.
1. The Design Management Plan will show the following:
    - a. Stakeholder engagement strategy that clearly describes engagement with the project team, including meeting organization (when, who, what), input and decision deadlines, and expectation management.
    - b. A comprehensive description of the process by which the Design-Builder will develop a design collaboratively with the Owner and the Owner's Advisor. In addition to an explanation of the process, include the following information:
      - (1) Describe the process of conducting a robust validation process that will significantly reduce the risks on the Project and incorporate relevant information as soon as practicable into the completion of the design;
      - (2) Describe the process of identifying and evaluating design alternatives and selecting the preferred alternative that considers stakeholder input, budget, early work packages, material procurement, etc. and provides balanced design solutions to meet the Project needs within the Owner's budget;
      - (3) Describe the process of designing to take advantage of efficient techniques, including but not limited to pre-fabrication, modularization, and other efficient construction means and method;
      - (4) Describe the process to incorporate constructability into the design;
      - (5) Describe the process for scheduling Submittals so that the Owner can review them in a logical and efficient manner;
      - (6) Describe the process for managing comments from Owner, stakeholders, and permitting authorities;
- B. Initial Project Scope. During the Validation Period, the Design-Builder shall review the Project Scope and evaluate the feasibility of the Owner's budget and schedule.
1. Design-Builder shall develop a Proposed Initial Project Scope that represents the Design-Builder's best estimate of a reasonably feasible scope of work that can be accomplished for the Proposed Target Budget and Proposed Target Schedule. The Initial Project Scope shall be submitted pursuant to Section 3.01.D.

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2. The Design-Builder shall submit its Proposed Initial Project Scope to Owner at the conclusion of the Validation Period, and the parties shall collaboratively develop the final Initial Project Scope that will be used as a basis for designing the Project throughout Phase 1.
  3. The parties may designate certain parts of the Work as Deferred Scope. Deferred Scope is work that the parties determine is not in the Initial Project Scope; however, the parties will continue to develop the work with the goal of adding the Deferred Scope back into the Project at a later time within the applicable GMP.
- C. Phase 1 Scope of Work. Pursuant to Section 3.01.D, Design-Builder shall submit a Phase 1 Scope of Work for Owner's review and approval. The Phase 1 Scope of Work will provide detail on the Work Design-Builder will perform during the remainder of Phase 1, including but not limited to the following:
1. Design hours by Design Submittal Package
  2. General Conditions Costs
  3. Other Costs of the Work, described in detail.
  4. Phase 1 Deliverables
- D. Design Submittals. As Design-Builder develops the Basis of Design Documents, Design-Builder shall collaborate with the Owner to submit and review the Design Submittals that will be incorporated into the Basis of Design Documents. The Design Submittals will be submitted pursuant to the Design Submittal Schedule.
1. Design Builder shall submit Design Submittal Packages for review and acceptance by the Owner pursuant to Section 3.01.D of this Exhibit. The parties will then collaboratively develop the final Design Submittal Packages for the Project.
  2. Design Builder shall submit a schedule of Design Submittals pursuant to Section 3.01.D of this Exhibit for the applicable Design Submittal Packages ("Design Submittal Schedule") for review and acceptance by the Owner. The Design Submittal Schedule will be developed such that the review of each Design Submittal is of reasonable scope for prompt, efficient, and thorough review by the Owner.
  3. Design Builder shall highlight any material differences between the Design Submittals as they are being developed and the Owner's Project Criteria and Initial Project Scope, as applicable.
  4. In the event that the Owner has any comments relative to the Design Submittals or finds any inconsistencies from the Owner's Project Criteria and Initial Project Scope, as applicable, or inaccuracies in the Design Submittals, it shall give prompt written notice of such comments or findings to Design Builder, who shall make appropriate adjustments to the proposed Basis of Design Documents.
  5. The parties will work collaboratively to make adjustments in the Design Submittals and in the proposed Basis of Design Documents to fit within the Owner's Project Goals.

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- E. Basis of Design Documents. The Owner and Design-Builder shall work collaboratively to develop the Basis of Design Documents provided as part of the GMP Proposal. The Basis of Design Documents submitted with the GMP Proposal shall include at a minimum the following documents.
1. Project Manual, which shall set forth both the general objectives for the Owner, as well as specific uses for each of the project elements set forth in the Owner's Project Criteria.
  2. The General Requirements for the Project, including but not limited the following:
    - a. Project Program
    - b. The Project Specifications
  3. Performance Requirements, which shall set forth the specific requirements for the project and identification of each major system, including but not limited to the following:
    - a. Mechanical, electrical and plumbing systems
    - b. Structural capacities and requirements
    - c. Warranty obligations
    - d. Operations and maintenance requirements
  4. Designs developed during Phase 1.
  5. Legal Requirements on which the GMP Proposal is based.
  6. A list of the assumptions and clarifications on which the GMP and Project Schedule are based.
- F. Design Deliverables
1. The Design Deliverables shall be provided to Owner consistent with the accepted Design Submittal Schedule.
  2. With the Basis of Design Documents, the Design Submission shall include major building elements and components, such as curtain walls, and finishes and shall include, but not be limited to the following.
    - a. Regional Plan
    - b. Concept, Character, and Principals
    - c. Landscape Plan
    - d. Existing Site Photos
    - e. Site Plan and Access;
    - f. Massing Plan
    - g. Exterior Elevations
    - h. Floor Plate Stacking
    - i. Building Sections
    - j. Build Entries and Circulation

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- k. Solar Orientation
- l. Floor Plans
- m. Proposed Materials and Color Palate
- n. Parking Concept
- o. Narrative

**3.06 GMP**

A. GMP Development Plan. Pursuant to Section 3.01.A herein, Design-Builder shall provide a final GMP Development Plan for review and approval by Owner that expands on the preliminary GMP Development Plan submitted with Design-Builder's Management Proposal.

1. The GMP Development Plan will include the following:
  - a. Describe the Design-Builder's strategies for exceeding the Project Goals.
  - b. Describe the process by which the Design-Builder will collaborate with Owner to establish the final GMP, including communication strategies and tools.
  - c. Describe the Design-Builder's processes and tools for monitoring, reporting and managing cost, including but not limited to:
    - (1) Design to budget control and reporting processes, including the project controls software that the Design-Builder will use to provide transparency and to monitor and communicate the project costs to the Owner, including self-performed and subcontracted work;
    - (2) Scope, cost, and schedule baseline development and management/change control processes and the participation and interaction among the scheduling and estimating, project, design, construction and operations management teams to execute these processes;
    - (3) Incorporating input from design-build or other sub-contractors;
    - (4) How the Design-Builder will quantify the cost of risk and how risk is factored into the cost and schedule baseline, the project costs, and schedule performance;
    - (5) Describe the Design-Builder's processes to avoiding surprises in unexpected costs and increases in project estimates. Specifically address the Design-Builder's approach to escalation, supply chain management, and resource scarcity;
    - (6) Describe the specific tools that will be used for the financial management of the Project including a

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description of the tool and how the tool will provide value to the Project.

2. Upon acceptance by the Owner, the GMP Development Plan will be incorporated into the Contract Documents via Contract Amendment.

**B. Schedule of Values**

1. Schedule of Values. At the times set forth herein, Design-Builder will submit Schedules of Values for the Project in such a form and supported by such data to substantiate its accuracy in reflecting the breakdown for administrative and payment purposes as the Owner may require. The Schedule of Values shall be further organized to conform to the Construction Specifications Institute (CSI) standard format for divisions and sections.
2. With the submission of Design Submittal Packages, Design Builder shall provide updated estimates of costs associated with the Design Submittal in a format acceptable to the Owner that will be incorporated into the development of the GMP.
3. The updated estimates shall be provided on a monthly basis and shall be updated with new information as Design Builder develops and finalizes the GMP.
4. Schedule of Values.
  - a. At the conclusion of the Validation Period, Design-Builder shall provide a proposed Schedule of Values for Phases 1 and 2 for Owner's review and acceptance.
  - b. With the GMP Proposal, Design-Builder will provide a Schedule of Values for Phase 2.
5. On a monthly basis, Design Builder shall provide an updated Schedule of Values for the Work with actual start and/or finish dates and percentages complete. Updates shall compare the planned progress from baseline schedule with actual progress from the current schedule. The Schedule of Values shall be in conformance with the requirements below and in such a form and supported by such data to substantiate its accuracy in reflecting the breakdown for administrative and payment purposes as the Owner may reasonably require. The Schedule of Values shall be further organized to conform to the Construction Specifications Institute (CSI) standard format for divisions and sections.
6. Schedule of Values Requirements
  - a. Submit to Owner schedule of values allocated to various portions of Work.
  - b. Submit to Owner an updated progressed CPM Schedule will substantiate the % complete of each task.
  - c. Schedule of values shall be used as basis for Design-Builder's Applications for Payment, as well as a basis for identifying savings and overruns at the end of the project.
7. Sum of all values listed in schedule shall equal total GMP Contract Price.



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8. Each item shall include Design-Builder's fee, as applicable.
  9. Schedule of Values Form and Content
    - a. Schedule of Values will match a format acceptable to Owner.
    - b. Title of Project and location.
    - c. Project number.
    - d. Name and Address of Design-Builder.
    - e. Date of submission.
    - f. Schedule of Values columns will contain at a minimum the following information
      - (1) Line Item # - Corresponding back to the WBS and CPM Schedule
      - (2) Line Item Description
      - (3) Budgetary Cost
      - (4) Current Period % Complete
      - (5) Current Period Cost
      - (6) JTD % Complete
      - (7) JTD Cost
      - (8) Variance Column Representing Budgetary Cost Minus JTD Cost
- C. Cost Model. Pursuant to Section 3.01.A, Design Builder shall provide a Proposed Cost Model Structure, for the Owner's review and acceptance.
1. The Cost Model shall, at a minimum, provide the following information:
    - a. List of all Design and Construction Packages, organized by CSI;
    - b. Estimated base bid amounts for all Construction Packages;
    - c. Construction Package Allowances;
    - d. Cost backup as available and appropriate.
  2. Design Builder shall utilize a project controls management system (PCMS) that will be reviewed for acceptance to the Owner.
  3. Estimates and forecasts within the Cost Model will need to have the capability to be broken down and reported on in many different formats. These formats may include organizing the estimate by different projects, project funding types, Owner cost element codes, contracts, vendors, Construction Package Sets, Construction Packages, etc. Design-Builder shall collaborate with the Owner to determine the appropriate Work Breakdown Structure that will be used for the development of the Cost Model and all Project cost estimates.
  4. In developing its Construction Packages, Design-Builder shall coordinate with the Owner to determine a packaging strategy deemed advantageous to all parties. The agreed-upon packaging strategy will be

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- incorporated into the Cost Model, Project schedule and Subcontract Plan.
5. On a monthly basis, Design-Builder shall update estimates and forecasts as data becomes available to reflect real time information. The Owner will rely on this real-time information for accuracy of overall Owner cost forecasts across all Owner projects.
- D. Work Breakdown Structure (WBS)
1. The Work Breakdown Structure (WBS) is a task-oriented division of work necessary to engineer, procure, and construct the Project. It categorizes successively smaller tasks, in order to achieve scope, schedule, and budget control at the most practical level. The WBS should correspond with the Cost Model.
  2. Within the time frame set forth in Section 3.01.A, Design-Builder will propose a WBS structure. Design-Builder will work with the Owner to develop a mutually compatible WBS system to satisfy the intent of the project. The WBS structure will represent the Design-Builder's entire scope for the project, broken down into manageable Submittals or work packages. This Hierarchy will be used to organize the project's scope narrative, the project's schedule, and the project's budgeted Schedule of Values (SOV). This will not be presented as a list of Submittals but as breakdown of work packages and their Submittals. The parties will agree on a form of WBS for use in the Project.
- E. Target Budget. Pursuant to Section 3.01.D, Design Builder shall submit a Proposed Target Budget that reflects Design Builder's best estimate of an achievable GMP for the Project for the Initial Project Scope.
1. The Proposed Target Budget shall include a Schedule of Values and Cost Model.
  2. The Proposed Target Budget shall be updated monthly with the level of detail for each update reflecting the information then available.
    - a. During Phase 1, Design Builder will establish the timing for Target Budget Updates with acceptance from the Owner.
    - b. Design Builder shall also provide updates during the development of the Basis of Design Documents.
  3. Design Builder shall meet with the Owner to review the Proposed Target Budget and the parties shall collaboratively develop a final Target Budget. In the event that the Owner has any comments relative to the Proposed Target Budget or Target Budget Updates or finds any inconsistencies or inaccuracies in the information presented, it shall give prompt written notice of such comments or findings to Design Builder, who shall make appropriate adjustments to the Target Budget. The parties will work collaboratively to make adjustments in the Basis of Design Document, the Project Schedule, or GMP to fit within the Owner's objectives.
  4. The Target Budget will be used as a basis for estimating and developing the GMP throughout Phase 1.
  5. If an update to the Target Budget indicates that the Target Budget will be exceeded, Design Builder shall submit a corrective action plan to the Owner.

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6. The Target Budget will be segregated into separate budgets for each Work Group (the "Work Group Budget"). Each Work Group Budget will form the basis of the Target Value Design process for the applicable Work Group to develop the estimated costs for the Work Group (the "Work Group Estimate").
  7. Work Groups will collaboratively develop the Work Group Estimate using Target Value Design and a continuous estimating process that provides real time estimates of the costs of the Design Submittals to the Owner. The Design-Builder will use the Work Group Estimates to develop the GMP.
- F. Establishment of the GMP.
1. Pursuant to Sections 3.01.F and G, Design Builder shall prepare and submit a Schedule of Values that depicts the proposed GMP to the Owner, in a format acceptable to the Owner, reflecting Design Builder's total cost for the Project on an open book basis. The Schedule of Values shall include:
    - a. The Design-Builder's Lump Sum Fee pursuant to Section 6.2 of the Agreement;
    - b. The Cost of the Work pursuant to Section 6.3 of the Agreement;
    - c. If applicable, a list of Allowance Items, Allowance Values, and a statement of their basis pursuant to Section 6.4.1 of the Agreement;
    - d. If applicable, a list of all Not to Exceed Amounts and the information required pursuant to Section 6.4.2 of the Agreement;
    - e. If applicable, a list of Lump Sums and the information required pursuant to 6.4.3 of the Agreement;
    - f. The Cost of the Work Contingency pursuant to Section 6.4.4.1.a of the Agreement;
    - g. The Design-Builder's Contingency pursuant to Section 6.4.4.1.b of the Agreement;
    - h. The Lump Sum General Conditions Cost pursuant to Section 6.4.5 of the Agreement;
    - i. If applicable, a schedule of Unit Prices and Hourly Rates pursuant to Section 6.4.6 of the Agreement
  2. In support of the proposed GMP, Design Builder shall provide:
    - a. A list of the assumptions and clarifications made by Design Builder in the preparation of the GMP to supplement the information contained in the Basis of Design Documents.
    - b. All material changes from the Owner's Project Criteria and Design Builder's Proposal and the costs associated with such changes.
- G. Design Builder shall meet with the Owner to review the proposed GMP. In the event that the Owner has any comments relative to the proposed GMP or finds any inconsistencies or inaccuracies in the information presented, it shall give

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prompt written notice of such comments or findings to Design Builder, who shall make appropriate adjustments to the proposed GMP, its basis, or both. The parties will work collaboratively to make adjustments in the Basis of Design Documents, Project Schedule, or GMP to meet the Owner's objectives.

**3.07 SUBCONTRACT PLAN**

- A. Pursuant to Section 3.01.A herein, Design Builder shall submit for approval the Subcontract Plan that will include the following:
1. Identification of the Work anticipated to be subcontracted, including the scope of the subcontracted Work ("Subcontract Package");
  2. A comprehensive explanation regarding the process for identifying, prequalifying, and negotiating with qualified Subcontractors;
  3. The form Subcontracts that Design-Builder anticipates using, all of which must be in compliance with Section 2.8 of the General Conditions;
  4. A Subcontractor Procurement Process that either follows the process set forth in 1.04.C herein or provides an explanation as to the suggested deviation from that process, form RFQ and/or RFP documents that will be used;
  5. The anticipated Self-Performed Construction Work, including the information set forth in Section 1.04.D herein; and
  6. An explanation regarding how Design-Builder will incorporate Subcontractor input into the design.

**3.08 PROJECT SAFETY AND JOB SITE HAZARD ANALYSIS**

- A. Design Builder shall submit a Project Safety and Job Site Hazard Analysis for the activities associated with Phase 1.
- B. With GMP Proposal, Design Builder shall submit a Project Safety Plan with Job Site Hazard Analyses addressing all phases of the project after Phase 1.
- C. No field investigation or construction activities will be authorized without acceptance of safety plans as required for the Work.

**3.09 PROJECT PHASING /STAGING**

- A. Early GMP Plan. Pursuant to Section 3.01.E, Design-Builder will provide its Early GMP Plan that will include the Design-Builder's proposed plan to complete portions of the Work prior to completion of the entire Project that would be subject to an Early GMP pursuant to Section 6.6.1.4 of the Agreement.
1. The Early GMP Plan will include the following elements for each Early GMP Scope:
    - a. A detailed description of the Early GMP Scope, including but not limited to the portion of the WBS and/or Basis of Design Documents that are applicable to the Early GMP Scope;
    - b. The Early GMP Schedule; and
    - c. The deliverables required for the Early GMP Proposal.
  2. If approved after negotiation with the Owner, the Early GMP Plan will be incorporated into the Contract Documents via Contract

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Amendment.

- B. Pursuant to Sections 3.01.F and 3.01.G, Design Builder shall provide a Project Phasing/Staging Analysis for all Demolition and Construction Packages that includes detailed plans for the phasing of the elements of the Project, including but not limited to all modifications and all other construction activities including the staging of construction materials and facilities.

**3.10 PERMITTING STRATEGY PLAN:**

- A. Pursuant to Section 3.01.D, Design Builder shall provide a Permitting Strategy Plan detailing the process for obtaining the building and site development permits for various phases of the project. During Phase 1, Design Builder must meet with the applicable building officials and develop processes and timelines for plan check approvals.
- B. The Permitting Strategy Plan must include the following:
1. A plan for conducting an efficient permitting process that minimizes re-design and obtains the required permits within the Project Schedule;
  2. A list of permits required for the Project;
  3. For each permit, the process and plan for obtaining the permit, including coordination of communications with permitting agency staff;
  4. For each permit, a check list for each task required to obtain the permit; and
  5. For each permit, a schedule for obtaining the Permit.

**3.11 DBE, SMALL, VETERAN, AND LOCAL BUSINESS PARTICPATION/OUTREACH PLAN**

- A. Pursuant to Section 3.01.D.1.p, Design Builder shall analyze the capabilities of DBE, Veteran, as well as small, regional, and local firms and the projected manpower availability to determine and report on the percentage of the Work that such firms could reasonably be expected to perform during the Design, Preconstruction and Construction Phases of the Project.
- B. Based on this analysis, Design Builder shall prepare a DBE, Small, Veteran, And Local Business Participation/Outreach Plan, subject to the review and approval of the Owner, that is a thoughtful commitment to include DBE, Small, Veteran, And Local Business in the design and construction for the Project. Work performed by DBE, Small, Veteran, And Local Business must have a Commercially Useful Function.
- C. As a minimum, the Outreach Plan shall include:
1. Outreach strategies to identify DBE, Small, Veteran, And Local Business capable of performing the work in the geographic region of the Project;
  2. A complete description of the efforts to be taken on the part of Design Builder to tailor design, preconstruction services and Construction Packages so as to be capable of being performed by DBE, Small, Veteran, And Local consultants, designers, and/or subcontractors.

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3. The approach to procure consultants and subcontractors (e.g., open bid, prequalification, best-value, etc.) to maximize participation by DBE, Small, Veteran, And Local Business.
4. Contracting strategies to remove barriers that allow DBE, Small, Veteran, And Local Business and local businesses to be able to subcontract for the Project, such as the use of joint ventures in partnering with non-DBEs;
5. Business strategies to support DBE, Small, Veteran, And Local Business in being successful on the project such as introductions to banks and/or bonding companies, progressive design-build training, and retainage;
6. Training opportunities in supporting the successful performance of the work by DBE, Small, Veteran, And Local Business;

**3.12 QA/QC PLANS**

A. Quality Manual

1. The Design-Builder shall provide a comprehensive Quality Manual that describes the Quality Management System for all aspects of the Work. The Quality Manual shall establish the Quality Policy and Quality Objectives for all aspects of the Work, and shall describe the processes that shall be established, implemented, controlled, and continually improved to achieve the Quality Objectives established for the Project.
2. The Quality Objectives shall be measurable and linked to meeting the needs and performance expectations of the Owner in respect of the Project. The Quality Management System described in the Quality Manual shall include all the activities required to achieve these Quality Objectives, including the Design-Builder's controls such as scope, cost, schedule and general document control management activities. All these activities shall be subject to Internal Quality Audits and External Quality Audits.
3. The Quality Manual shall describe the members of the Design-Build Team, including Subcontractors and Key Team Members involved in performing the Work and how key management activities (such as the Design-Builder's controls, design management and construction activities) shall interface with each other. The Quality Manual shall also provide the organization chart identifying the authority and responsibilities of all Key Team Members and other key personnel involved with the aforementioned aspects of the Project. The Quality Manual shall also show how the various levels of Quality Management System documentation are linked together.
4. The Quality Manual shall clearly define the reporting function and authority of the Design-Builder's Quality Manager who shall liaise with the Owner and act as the single point representative of the Design-Builder for all matters relating to quality management for design and construction.

B. Quality Manager

1. At all times during the Project, the Design-Builder shall employ a Quality Manager who shall

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- a. have experience in a similar quality management representative role for a project have a minimum 5 years of experience overseeing the design and construction of projects of similar scope and complexity to this Project;
  - b. have sufficient organizational authority to implement required actions to ensure compliance with all quality requirements of this Agreement;
  - c. have full access to all Quality Documentation described in the Quality Management System, including documentation maintained by all Design-Build Team Members;
  - d. be responsible for developing, implementing, maintaining, and ensuring the effective operation of, the Quality Management System including auditing, reporting and implementing corrective actions for Nonconforming Work;
  - e. ensure that reviews, checking, and verification are undertaken for all designs;
  - f. be responsible for the supervision of any personnel supporting the Quality Manager in the execution of the Quality Plan; and
  - g. be independent of the Design-Build Team and shall have the authority to immediately stop any work activity not being performed in accordance with the Agreement and not in accordance with the Quality Management Plans.
2. The Quality Manager will be responsible, at a minimum, for the following items
- a. developing, implementing and maintaining the Quality Plans;
  - b. initiating periodic management reviews, annually at a minimum;
  - c. preparing Quality Audit Plans, both internally and externally;
  - d. approving and signing off on the action taken in close out of Non-Conformance Reports; and
  - e. developing and implementing a program for corrective actions and preventive action for Non-Conforming Work.
- C. Design Quality Management Plan.
1. The Design-Builder shall implement and conform to a comprehensive Design Quality Management Plan (DQMP) that describes how it intends to manage the design processes for the Project, its Quality Manual and the provisions of the Project Agreement. The DQMP is to apply throughout the Work.
  2. The DQMP shall contain an organizational chart identifying Key Team Members and other key personnel responsible for design management and their relationship with the Quality Manager for the Design-Builder's overall Quality Management System as documented in the Design-Builder's Quality Manual. It shall also contain a description of the responsibilities, qualifications, and authority of the above personnel and the organizational interfaces between those responsible for design

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- management and other engineering and construction management disciplines. The DQMP shall address all phases and aspects of the Work including design and construction.
3. The DQMP shall, at a minimum, include or reference detailed Quality Management System procedures and process flow charts for the following processes:
    - a. design and development planning;
    - b. determination of design inputs and outputs;
    - c. design development reviews;
    - d. design verification to ensure that design input requirements have been met;
    - e. design validation to ensure that the completed project is capable of meeting its intended use;
    - f. design changes;
    - g. quality control of design deliverables;
    - h. handling of Owner review comments on submittals;
    - i. quality assessment and procurement of the Design-Build Team members responsible for design;
    - j. if approved by Owner, External Quality Audits of the Design-Build Team members responsible for design;
    - k. Internal Quality Audits;
    - l. Corrective Actions, Preventive Actions and opportunities for improvement;
    - m. document control management;
    - n. Submittal scheduling and the Project Schedule audits;
    - o. control of revisions construction documentation during construction; and
    - p. control of records relating to Quality Management.
  4. The above procedures and flow charts shall document who does the work, what they do, and what evidence is generated that they have done the work correctly.
- D. Construction Quality Management Plan.
1. The Design-Builder shall provide a comprehensive Construction Quality Management Plan (CQMP) that describes how it intends to manage all construction activities, its Quality Manual and the provisions of the Agreement. The CQMP is to apply throughout the Project.
  2. The CQMP shall contain an organizational chart identifying Key Team Members and other key personnel responsible for construction management and their relationship with the Quality Manager for the Design-Builder's overall Quality Management System as documented in the Design-Builder's Quality Manual. It shall also contain a description of



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the responsibilities, qualifications, and authority of the above personnel and the organizational interfaces between those responsible for construction management and other disciplines such as design management and environmental management. The CQMP shall address all phases and aspects of the Works, including design and construction.

3. The CQMP shall, at a minimum, include or reference detailed quality system procedures and process flow charts for the following processes:
  - a. Project Schedule management and audits;
  - b. inspection, testing and monitoring;
  - c. materials identification and traceability;
  - d. quality assessment and procurement of the Design-Build Team Members responsible for construction;
  - e. if approved by Owner, External Quality Audits of the Design-Build Team Members responsible for construction;
  - f. Internal Quality Audits;
  - g. control of nonconforming product;
  - h. Corrective Actions, Preventive Actions and opportunities for improvement;
  - i. document control management;
  - j. control of Construction Documents drawing mark ups to reflect the as-built condition including capture of the reasons for any changes from the issued for construction documents and any necessary authorizations; and
  - k. control of Quality Records.
4. The above procedures and flow charts shall document who does the work, what they do, and what evidence is generated that they have done the work correctly.

**3.13 CONTRACT CLOSEOUT PLAN**

- A. Pursuant to Section 3.01.G.7 Design Builder shall provide a Project Closeout Plan that integrates all aspects of project closeout proactively over the life of the project. The Closeout Plan will be a comprehensive outline of the process to verify that the requirements of the Project are satisfactorily completed and to manage the commissioning and closeout of the Project. The Closeout Plan is a living document that will grow and expand as the design and construction progress. The Project Closeout Plan should include, but not be limited to mechanisms and procedures for:
  1. A list of all closeout provisions included in subcontract procurement documents;
  2. A list of specific requirements for achieving Substantial and Final Completion;
  3. An outline of proposed phased completions and early subcontract closeouts;

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4. The system by which Design-Builder will determine and achieve commissioning and testing requirements;
5. A list of all Warranty requirements;
6. A list of all requirements by any Utilities for acceptance and completion;
7. A check list of all training required at the conclusion of the Project;
8. A check list of all O&M Documentation that will be provided at the conclusion of the Project;
9. A process for developing and transferring Record Documents;
10. A process for managing audits and cost reconciliations of the Cost of the Work and all other costs submitted by Design-Builder;
11. Coordination with the Permitting Strategy Plan;
12. A plan for finalizing all requirements and documentation required for completion of the Project.

**3.14 DIFFERING SITE CONDITIONS REPORT**

- A. Pursuant to Sections 3.01.G.8, Design Builder shall provide a report of all Differing Site Conditions as defined in Section 4.2 of the General Conditions of the Contract that are discovered during Phase 1.
- B. The Differing Site Conditions Report shall include the following information for each of the identified Differing Site Conditions identified in the Report.
  1. The location of the Differing Site Condition;
  2. A description of the Differing Site Condition that explains why it qualifies as a Differing Site Condition pursuant to Section 4.2 of the General Conditions;
  3. The date the Differing Site Condition was discovered;
  4. The impact of the Differing Site Condition on the Owner's Project Criteria, the Basis of Design Documents, and/or any Commercial Term, as applicable.

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**PART 2 PHASE 2 SCOPE OF SERVICES**

Unless the parties agree otherwise in writing, this Section sets forth the Scope of Work, the Deliverables, and the execution activities for Phase 2.

**1.02 PHASE 2 SCOPE**

- A. Design Builder shall complete the design and construction services as set forth in the GMP Amendment and any Early GMP Amendments.
- B. Design Builder shall provide the Submittals set forth in this Attachment during the course of Phase 2. Submittals shall be provided in a format acceptable to the Owner.

**1.03 COMPLETION OF DESIGN**

- A. Design Builder shall provide for an orderly and timely approval process by the Owner and third parties, document review comments from the Owner and third parties, and take appropriate action.
- B. The Owner will review and comment on the Construction Documents and other Design Submittals in a timely fashion.
- C. Design Builder shall submit a written response to the Owner's design review comments, describing the action taken for each comment. Design Builder shall, in a timely fashion, bring to the attention of the Owner areas where new technologies, such as BIM or Design-Build processes, may require modifications to these requirements.

**1.04 SCHEDULE OF VALUES AND COST MODEL**

- A. The forecasting and development of accurate project cost estimates throughout each phase of the Project is vital to the Owner's financial management strategy. The Owner relies on the Design Builder to provide and validate current and detailed cost estimates and forecasts that will be incorporated into the overall cost controls for the Owner.
- B. On a monthly, Design Builder will continue to update estimates and forecasts in the format required above and provide data to the Owner to reflect real time information. Design Builder will provide all pricing, estimates and other data used to develop the Commercial Terms on an open and transparent basis.
- C. The Schedule of Values and Cost Model must be consistent with the GMP Amendment and any Early GMP Amendment and the format required above, unless the parties have agreed on a Change pursuant to Article 10 of the General Conditions.

**1.05 PROJECT SCHEDULE**

- A. The forecasting and development of the project schedule, including but not limited to the project phasing and Schedule of Values, is a vital element of the Design Builder's ability to deliver this Project in a timely fashion. The Owner will rely on the Design Builder's scheduling information to coordinate with its Stakeholders, schedule activities in and around the Project, and manage its property.
- B. Design Builder shall provide the Owner with frequent updates to the Project Schedule on a monthly basis in the format required above for a scheduled completion within the GMP established in the GMP Amendment and any Early GMP Amendment.

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**1.06 CONSTRUCTION SERVICES**

- A. Design-Builder shall provide Construction Services and complete the construction of the Project pursuant to the Contract Documents.

**1.07 COMMISSIONING, TESTING AND CLOSEOUT**

- A. Design Builder shall provide commissioning, testing, and closeout of the Project pursuant to the Contract Documents and the Closeout Plan.

**1.08 PHASE 2 SUBMITTALS****A. PERIODIC SUBMITTALS**

1. On a monthly basis and with each Application for Payment:
  - a. Updates to the Project Schedule pursuant to Section 3.03.
  - b. Updated Schedule of Values pursuant to Section 3.06.
2. Pursuant to the Design Submittal Schedule established by the parties:
  - a. Updated Design Submittals pursuant to Section 3.05.
  - b. Updated project budget information pursuant to Section 3.06.

**B. MILESTONE SUBMITTALS. Design Builder shall provide the following Milestone Design Submittals pursuant to the Project Schedule:**

1. 100% Construction Documents for review and approval by the Owner.
2. Design Builder shall not proceed with the project after submission of the 100% Construction Documents until it receives the Owner's written approval.

**C. Design Builder shall provide such other Submittals as set forth in the Contract Documents to successfully complete the Project.**

**EXHIBIT D**

**PHASE 1 LEVEL OF EFFORT**

GRANT PUD COUNTY PUBLIC UTILITY DISTRICT  
NEW EPHRATA SERVICE CENTER PROJECT



Grant County PUD Ephrata Service Center

Date: September 26, 2023

Personnel Costs

Integrus Arch & Structural | HZ Arch & MEP

TASK NUMBER		2023		2024												(Approx. 2 wks)	Total
		November	December	January	February	March	April	May	June	July	August	September					
Task 1 (4 wks)	IA/HZ	\$21,996	\$10,839														\$32,835
	ACC	\$18,836															\$18,836
Task 2 (1 wk)	IA/HZ	\$12,825															\$12,825
Task 3 (5 wks)	IA/HZ	\$58,716	\$38,588														\$97,304
	ACC		\$28,124														\$28,124
Task 4 (12 wks)	IA/HZ			\$95,630	\$101,390	\$101,390											\$298,410
	ACC			\$65,632													\$65,632
Task 5 (14 wks)	IA/HZ				\$108,867	\$108,867	\$108,869										\$326,604
	ACC				\$28,540	\$28,540	\$69,956										\$127,036
Task 6 (19 wks)	IA/HZ		\$12,022	\$17,701	\$14,858	\$14,858	\$12,022										\$71,462
Task 7 (18 wks)	IA/HZ					\$52,791	\$71,531										\$124,322
Task 8 (4 wks)	IA/HZ							\$62,638									\$62,638
	ACC							\$44,304									\$44,304
Task 9 SD (4 Months)	IA/HZ								\$373,930	\$373,930	\$373,930	\$373,930	\$215,895				\$1,711,615
	ACC								\$39,380	\$65,468	\$80,844	\$58,388	\$66,326				\$310,406
TOTAL / MONTH		\$112,373	\$89,573	\$178,963	\$253,656	\$306,446.50	\$262,378.95	\$106,942	\$413,310	\$439,398	\$454,774	\$432,318	\$282,221	<b>ACC/IA/HZ TOTAL</b>		<b>\$3,332,352</b>	

**Key Personnel & Subconsultants**

Key Personnel	Role	RATE
Fran Wall	HZ -PIC	\$ 385.00
Tony	HZ - QA Manager	\$ 385.00
Brian Cavanaugh	HZ - Sr. Project Manager	\$ 315.00
Project Manager (TBD)	HZ - Project Manager	\$ 235.00
David Campbell	HZ - Pricipal Architect	\$ 330.00
Bill Hoelscher	HZ - Sr. Architect	\$ 275.00
Hannah Retzer	HZ -Sr. Project Support	\$ 125.00
John Kluber	HZ - Managing Engineer	\$ 330.00
Brian Burnmeister	HZ - Sr. Mech. Eng.	\$ 225.00
Scott Parma	HZ - Sr. Elect. Eng.	\$ 240.00
Steven Clark	IA - PIC	\$ 285.00
Kathy Simone	IA - Project Manager	\$ 195.00
Project Architect TBD	IA - Project Architect	\$ 165.00
Preston Potratz	IA - Principal Designer	\$ 285.00
	IA - Project Designer	\$ 235.00
	IA - Sr. Project Manager	\$ 225.00
	IA - Design Profesional	\$ 135.00
	IA - Specifications Writer	\$ 145.00
	IA - Sr. Interior Designer	\$ 170.00
	IA - Interior Designer	\$ 135.00
	IA - Engineer of Record	\$ 285.00
	IA - Structural Engineer	\$ 285.00
	IA - Professional Engineer	\$ 185.00
Aaron Binger	Absh - D/B Manager	\$ 169.00
Adam Buckley	Absh -Chief Estimator	\$ 152.00
Jeremy Ackerman	Absh - Estimator	\$ 131.00
John Vandervate	Absh - Precon Mgr./PM	\$ 147.00
Andy Moore	Absh - Superintendent	\$ 160.00
	Absh - Scheduler	\$ 123.00
	Absh - VDC Manager/QC	\$ 140.00
	Absh - Safety	\$ 118.00

Subconsultants:

Survey	\$ 36,000	10%	\$ 3,600	\$ 39,600
Coffman Civil	\$ 36,000	10%	\$ 3,600	\$ 39,600
Osborn Landscape	\$ 70,398	10%	\$ 7,040	\$ 77,438
Site Investigation Allowance (Geotech, Locates, Soil Sampling)	\$ 250,000		\$ -	\$ 250,000
<b>Subtotal</b>				<b>\$ 3,738,990</b>
<b>Absher Fee</b>	4.18%			\$ 156,290
<b>Travel/Reimburseables</b>				\$ 87,000.00
				\$ -
				\$ -
<b>Subtotal</b>				<b>\$ 3,982,280</b>
<b>B&amp;O Tax</b>	0.47%			\$ 17,611
<b>TOTAL VALIDATION PHASE</b>				<b>\$ 3,999,891</b>

SUBTOTAL FROM PREVIOUS PAGE \$3,332,352

IA Marku IA Markup Total

## **Design/Build Validation and Phase 1 Narrative**

The scope of work and tasks defined herein, reflect the detail in the project schedule and the tasks needed to understand the Grant PUD's project and ensure the successful and timely completion of the design and construction phases. The Level of Effort and schedule of tasks assume the initial contract amendment will carry the design/build team from the projected NTP in November 2023 through Mid-October, 2024. The proposed schedule includes effort for both Validation and 50% Schematic Design. Additional design scope will be required to reach GMP. Once Validation is complete, the team will work proactively with the Owner and their representatives to confirm the proposed schedule and Level of Effort required to establish a GMP based on the finalized scope of work.

The Validation scope and tasks are fully defined as the first order of work. The schedule for schematic design is illustrated at a high level to show proposed milestones and will be refined and developed as the project validation proceeds.

This proposal assumes a continuous development of work and depends greatly on the PUD's continuous and timely participation. During the kickoff and team charter development the team will review the proposed schedule and identify any challenges. From that point the schedule will be a living document that reflects the needs of the Grant PUD and Design/Builder. The Design/Builder will monitor the schedule progress to ensure that the goals of the overall target schedule are being met. This proposal assumes that the design/builder may continue project design and development during the owner's review of progress documents and milestone deliverables such as those required for validation.

In addition to participation, this schedule and proposal is dependent on the attainment of site control by Grant PUD. As noted in the attached schedule, a March 1<sup>st</sup> milestone for that acquisition is critical to the continuity of the design/build schedule. After that date the design/build team will need to evaluate each task as a potential addition to the risk register in terms of design rework or additional design that may be required in the event different land parcels are ultimately selected.

In addition to time, the allowances proposed for site investigation particularly by third parties are based on the currently proposed parcels. Should the acquisition fall through, and new parcels be identified, the proposed allowances may need to be adjusted to account for differing site characteristics.

The attached LOE assumes weekly Project Management Team meetings and regular Owner-Architect-Contractor (OAC) meetings for project progress discussions with key stakeholders.

### **Task 1 - Kick-off & Initial Submittals:**

Kick-off Meeting / Project Charter Workshop: Our team will assist Grant PUD in identifying project stakeholders, introducing team members, and defining project goals and objectives. A project Charter will be created through a series of exercises to be completed at the kickoff meeting and subsequent workshops. The Team Charter will outline roles, responsibilities, chain of command and communication protocols among project team members. Initial submittals will be created per Exhibit C requirements.



**Task 2 - Information Gathering and Analysis:**

The Design/Build team will conduct a comprehensive review of existing reports and data related to the project's scope and objectives to include existing facility master plans and existing record documents.

**Task 3 - Existing Facilities & Needs Assessment/Validation:**

The design/build team will conduct site visits to assess the current facility conditions and gather data from user groups and stakeholders to understand their requirements and preferences. Preliminary Space Needs Projections will be created based on these site visits and stakeholder input.

**Task 4 - Facility Programming:**

Detailed Space Descriptions and Performance Criteria will be established for required spaces with performance criteria from the initial stakeholder and user group meetings. A finalized facility program will be created based on multiple user and stakeholder meetings.

**Task 5 - Site & Facility Master Planning:**

Workshops will be conducted to engage stakeholders in the planning process. These workshops consist of design presentations, interactive explorations, and concept reviews to ensure the design/build team's project understanding and vision aligns with expectations. This phase will include multiple rounds of engagement to allow the design/build team to incorporate comments and address feedback from stakeholders and authorities.

**Task 6 - Target Budget & Cost Model & Schedule:**

An initial draft of the Schedule of Values (SOV) will be established based on draft programming documents. Updates will be provided on a monthly basis to the SOV, Target Value Design (TVD) allocations, target schedule, and risk register.

**Task 7 - Draft Report:**

As project data comes in an outline of the final validation report document will be established and reviewed with the Owner. Process and decision-tracking will be illustrated in the document as well as the contract-required submittals.

**Task 8 - Final Report:**

Final Report Development: Preparing the final project report, which may include project summaries, lessons learned, and recommendations.

Submit Final Report: Submitting the final report to relevant stakeholders.

**Task 9 – 50% Schematic Design:**

As the project scope evolves Building Internal Adjacency Planning: Planning the layout and adjacency of spaces within the building.

Initial Building Massing: Developing the initial massing and form of the building.

Structural Approach/Coordination: Ensuring structural design is coordinated with architectural plans.

MEP Approach Development: Developing the Mechanical, Electrical, and Plumbing systems approach.

Image & Identity Development: Creating the visual identity and branding for the project.

Building Concepts: Exploring and refining design concepts for each building.

Support Structures: Planning and designing support structures such as fuel islands and storage facilities.

In this Phase 1 LOE, the D/B Team has been asked to carry an allowance for any additional/supplemental site investigation activities that may be required as part of this phase, that are not carried by the owner.

The allowance currently carried in the LOE is \$250,000, which includes the following:

- Additional Geotech boring test pit allowance, if required
- Additional soil sample testing allowance, if required
- Site utility locations allowance, if required
- Initial traffic study allowance, if required

It is assumed that SEPA, NEPA, and any Archaeology surveys will be completed by GPUD.



**EXHIBIT E**  
**HOURLY RATES, UNIT PRICES, & ALLOWANCES**  
 PUBLIC UTILITY DISTRICT NO.2 OF GRANT COUNTY, WASHINGTON  
 NEW EPHRATA SERVICE CENTER PROJECT

<b>Key Personnel</b>	<b>Role</b>	<b>RATE</b>
Fran Wall	HZ -PIC	\$ 385.00
Tony	HZ - QA Manager	\$ 385.00
Brian Cavanaugh	HZ - Sr. Project Manager	\$ 315.00
Project Manager (TBD)	HZ - Project Manager	\$ 235.00
David Campbell	HZ - Pricipal Architect	\$ 330.00
Bill Hoelscher	HZ - Sr. Architect	\$ 275.00
Hannah Retzer	HZ -Sr. Project Support	\$ 125.00
John Kluber	HZ - Managing Engineer	\$ 330.00
Brian Burnmeister	HZ - Sr. Mech. Eng.	\$ 225.00
Scott Parma	HZ - Sr. Elect. Eng.	\$ 240.00
Steven Clark	IA - PIC	\$ 285.00
Kathy Simone	IA - Project Manager	\$ 195.00
Project Architect TBD	IA - Project Architect	\$ 165.00
Preston Potratz	IA - Principal Designer	\$ 285.00
	IA - Project Designer	\$ 235.00
	IA - Sr. Project Manager	\$ 225.00
	IA - Design Profesional	\$ 135.00
	IA - Specifications Writer	\$ 145.00
	IA - Sr. Interior Designer	\$ 170.00
	IA - Interior Designer	\$ 135.00
	IA - Engineer of Record	\$ 285.00
	IA - Structural Engineer	\$ 285.00
	IA - Professional Engineer	\$ 185.00
Aaron Binger	Absh - D/B Manager	\$ 169.00
Adam Buckley	Absh -Chief Estimator	\$ 152.00
Jeremy Ackerman	Absh - Estimator	\$ 131.00
John Vandervate	Absh - Precon Mgr./PM	\$ 147.00
Andy Moore	Absh - Superintendent	\$ 160.00
	Absh - Scheduler	\$ 123.00
	Absh - VDC Manager/QC	\$ 140.00
	Absh - Safety	\$ 118.00

**EXHIBIT F**  
**FORM OF GMP AMENDMENT**  
**PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON**  
**NEW EPHRATA SERVICE CENTER PROJECT**

Unless the parties agree in writing otherwise, the GMP Amendment shall be in a substantially similar form as follow:

1. Pursuant to Section 6.6.1 of the Agreement, this Guaranteed Maximum Price (GMP) Amendment incorporates the following terms into the Agreement. To the extent any terms set forth in this GMP Amendment conflict with the Agreement {and/or the Phase 1 Amendment}, the terms in this GMP Amendment shall govern.
2. The Design-Builder has submitted to Owner the GMP Proposal pursuant to Section 6.6.1.3 of the Agreement.
3. The Owner has reviewed the GMP Proposal, the parties have reconciled the Owner's Comments pursuant to Section 6.6.1.3 of the Agreement, and the Owner has accepted the GMP Proposal as reconciled. The conformed, reconciled GMP Proposal contains the following documents and is attached to this GMP Amendment as Attachments 1 through \_\_\_ and is incorporated as if fully set forth herein.
  - a. Proposed GMP pursuant to Section 3.06 of Exhibit C, Scope of Work (Exhibit C) to the Agreement including the following itemized amounts as set forth in the Schedule of Values, Attachment \_\_\_ to the GMP Amendment.
    - i. The Design-Builder's Lump Sum Fee pursuant to Section 6.2 of the Agreement.
    - ii. If applicable, a list of Allowance Items, Allowance Values, and a statement of their basis pursuant to Section 6.4.1 of the Agreement.
    - iii. If applicable, a list of all Not to Exceed Amounts and the information required pursuant to Section 6.4.2 of the Agreement.
    - iv. If applicable, a list of Lump Sums and the information required pursuant to 6.4.3 of the Agreement.
    - v. The Cost of the Work Contingency pursuant to Section 6.4.4.1.a of the Agreement.
    - vi. The Design-Builder's Contingency pursuant to Section 6.4.4.1.b of the Agreement.
    - vii. The Design-Builder's Lump Sum General Conditions Amount pursuant to Section 6.4.5 of the Agreement.
    - viii. If applicable, a schedule of unit prices.
    - ix. A list of the assumptions and clarifications made by the Design-Builder in preparation of the GMP Proposal, as set forth in the Basis of Design Documents.
  - b. Project Schedule pursuant to Section 3.03 of Exhibit C to the Agreement. The Project Schedule will be agreed between the Design-Builder and Owner within one week of the date of the GMP Amendment.
  - c. BIM Execution Plan pursuant to Section 3.04 of Exhibit C to the Agreement. This plan is set forth in Attachment \_\_\_ of the GMP Amendment.
  - d. Basis of Design Documents pursuant to Section 3.05 of Exhibit C to the Agreement. A list of documents that comprise the Basis of Design Documents is set forth in Attachment \_\_\_ to the GMP Amendment.

- e. Schedule of Values pursuant to Section 3.06.B of Exhibit C to the Agreement, Attachment \_\_\_ to the GMP Amendment.
  - f. Subcontract Plan pursuant to Section 3.07 of Exhibit C to the Agreement. This plan is set forth as Attachment \_\_\_ to the GMP Amendment.
  - g. Project Safety and Job Site Hazard Analysis pursuant to Section 3.08 of Exhibit C to the Agreement. The Project Safety and Job Site Hazard Analysis is set forth in the Design-Builder's Safety Plan as Attachment \_\_\_ to the GMP Amendment.
  - h. Project Phasing/Staging Analysis pursuant to 3.09 of Exhibit C to the Agreement will be incorporated into the Project Schedule.
  - i. Permitting Strategy Plan pursuant to Section 3.10 of Exhibit C to the Agreement will be incorporated into the Project Schedule.
  - j. DBE, Small, Veteran, & Local Business Participation/Outreach Plan pursuant to Section 3.11 of Exhibit C to the Agreement is set forth as Attachment \_\_\_ to the GMP Amendment.
  - k. QA/QC Plans pursuant to 3.12 of Exhibit C to the Agreement. The QA/QC Plan is set forth as Attachment \_\_\_ to the GMP Amendment.
  - l. Contract Close-Out Plan pursuant to Section 3.13 of Exhibit C to the Agreement is incorporated into the Basis of Design Documents.
  - m. Differing Site Conditions Report pursuant to Section 3.14 of Exhibit C to the Agreement. The Differing Site Conditions Report is set forth as Attachment \_\_\_ to the GMP Amendment.
4. The Owner has decided to exercise its option to enter into Phase \_\_\_ of the Agreement pursuant to Section 6.6.2 of the Agreement.
5. Consistent with the GMP Proposal, the parties hereby establish the following Commercial Terms:

Cost of the Work	
<i>Lump Sum General Conditions Costs</i>	
<i>Cost of Work</i>	
Design-Builder's Lump Sum Fee	
Design Builder's Contingency	
Quarterly Incentive Total Amount	
Guaranteed Maximum Price Amendment	
Phase ___ Not To Exceed Amount	
Guaranteed Maximum Price	
Commercial Completion Dates (Milestone Dates)	

6. Pursuant to Section 10.2 of the Agreement, Design-Builder shall provide a Payment and Performance Bond within 10 business days pursuant to RCW Chapter 39.08 equal to one hundred percent (100%) of the amount of the Guaranteed Maximum Price set forth above.

In executing this Amendment, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Amendment, and each has the necessary corporate approvals to execute this Amendment, and perform the services described herein.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed on the date set forth below.

Public Utility District No. 2  
of Grant County, Washington

< enter Design-Builders full legal name >

Accepted By: \_\_\_\_\_ Accepted By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

Attachments

	Schedule of Values
	BIM Execution Plan
	Basis of Design Documents
	Subcontract Plan
	Project Safety and Job Site Hazard Analysis
	DBE, Small, Veteran, & Local Business Participation/Outreach Plan
	QA/QC Plans
	Differing Site Conditions Report

**ATTACHMENT \_\_**  
**SCHEDULE OF VALUES**

The Schedule of Values agreed by the parties and dated \_\_\_\_\_ is incorporated into the GMP Amendment as set forth herein.

SAMPLE



**ATTACHMENT \_\_**  
**BIM MODEL AND EXECUTION PLAN**

The BIM Execution Plan dated \_\_\_\_\_ is incorporated into the GMP Amendment as set forth herein.

SAMPLE




\*Documents available for viewing here.

SAMPLE

**ATTACHMENT \_\_**  
**SUBCONTRACT PLAN**

The Subcontractor Procurement Plan dated \_\_\_\_\_ is incorporated into the GMP Amendment as set forth herein.

SAMPLE

**ATTACHMENT \_\_**  
**PROJECT SAFETY AND JOB SITE HAZARD ANALYSIS**

The Project Safety and Job Site Hazard Analysis dated \_\_\_\_\_ is incorporated into the GMP Amendment as set forth herein.

SAMPLE

**ATTACHMENT \_\_**  
**DBE, Small, Veteran, & Local Business Participation/Outreach Plan**

The DBE, Small, Veteran, & Local Business Participation/Outreach Plan for the Public Utility District No. 2 (Grant PUD) New Ephrata Service Center Project is incorporated into the GMP Amendment as set forth herein.

SAMPLE

**ATTACHMENT \_\_**

**QUALITY ASSURANCE & QUALITY CONTROL PLAN**

The Quality Assurance and Quality Control Plan for the Public Utility District No. 2 (Grant PUD) New Ephrata Service Center Project is incorporated into the GMP Amendment as set forth herein.

SAMPLE





**EXHIBIT G  
CHANGE ORDER FORM**

Phase \_\_\_ Contract Change Order

Contract Documents 430-11765

Public Utility District No. 2 of Grant County. Washington	Absher Construction Company
--	-----------------------------

**Project Name:** New Ephrata Service Center Project

**Change Order #:** \_\_\_\_\_

COR#	Description of Change	Change in Contract Time	Change in GMP
			\$
			\$

Phase 1 Not to Exceed Amount	\$
Guaranteed Maximum Price – GMP Amendment No. 1	\$
Net change by previous authorized Change Orders	\$
Total net <i>[check one]</i> <input checked="" type="checkbox"/> Increase / <input type="checkbox"/> Decrease in the GMP by this Change Order	\$
New Guaranteed Maximum Price including this Change Order	\$

The new Contract Time including this Change Order is:

New Scheduled Substantial Completion Date	
New Scheduled Interim Milestone Dates:	
New Final Completion Date	

The changes in the GMP and Contract Time identified in this Change Order include all costs and time extensions associated with performing the changes set forth herein.

Public Utility District No. 2  
of Grant County, Washington

Absher Construction Company

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

SAMPLE

**EXHIBIT H**

**BOND IN LIEU OF RETAINAGE**

KNOW ALL MEN BY THESE PRESENTS, that we \_\_\_\_\_, as Principal, and \_\_\_\_\_, as Surety, are held and firmly bound unto Public Utility District No. 2 of Grant County, Washington (hereinafter "District"), and to any claimants eligible to file a lien or claim against monies retained by the District pursuant to RCW 60.28 (hereinafter collectively designated as "Obligees"), from monies earned by Principal in the sum stated below, to the payment of which, well and truly to be paid, we bind ourselves, or heirs, executors and successors jointly and severally, firmly by these presents.

The condition of the obligations is such that, whereas, the Principal and the District entered into a Contract for public improvement for \_\_\_\_\_ and, whereas, the Principal requested the District to accept this bond in lieu of all of the Contract retainage which the District would otherwise be required to withhold pursuant to Chapter 60.28 RCW; and whereas, the Principal has submitted to the District this bond executed by itself and the Surety, a corporation authorized to issue surety bonds in the State of Washington, in the penal sum of \$\_\_\_\_\_ lawful money of the United States of America, which is 5% of the Contract Price, and the Principal has requested the District, within 30 days of delivery of the bond to the District, to release the monies that would otherwise be retained; and the District has consented to permit Principal to file this bond in lieu hereof.

NOW, THEREFORE, if the Principal shall indemnify the Obligees from all loss which Obligees may suffer by virtue of the release of retainage to Principal on monies earned or to be earned, and shall pay any sum which Obligees may recover on their claims, together with costs of suit, reasonable legal fees, and interest to which the claimants may be entitled consistent with law and any claims, costs of suit and reasonable legal fees incurred by the District, then this obligation to be null and void, otherwise to be in full force and effect.

Provided: however, it is expressly understood and agreed:

1. This bond is given and accepted under and in accordance with the provisions of RCW 60.28 and is subject to all claims and liens and in the same manner and priority as set forth for retained percentages contained therein.
2. The laws of the State of Washington shall be applicable in the determination of the rights and obligations of the parties hereunder.
3. No right of action shall accrue upon or by reason hereof to, or for the use or benefit of anyone other than the Obligees herein identified.
4. The aggregate liability of the Surety under this bond for claims against this bond shall not exceed the penal sum of this bond unless change orders, changes in quantities of work or materials provided or other amendments to the Public improvement Contract increase the amount the District is required to retain, in which event the aggregate liability of the Surety shall increase by a sum equaling the increase in the Contract Price multiplied by 5%.
5. The Surety acknowledges that increases in Contract Price may occur as identified in the preceding paragraph. The Surety hereby waives any defense of lack of notice of said increases and the consequent increases in retainage released to the Principal against claims by the Obligees, or any of them.

- 6. In the event Principal fails at any time to pay persons protected under Washington law, RCW Chapter 60.28, or the District has reason to believe that the District or other Obligee has a claim against the retainage or for other good cause, the District claim against the retainage may, at its option, resume retaining from monies earned by Principal such amount as it would otherwise be entitled to retain had this bond not been accepted. Notwithstanding the District's resuming such retainage, this bond shall remain in full force and effect to the extent of its penal sum, limited to the amount of retainage released to the Principal. After Principal has paid protected persons or otherwise cured any default, the District may, at its option, again release retainage pursuant to this agreement. Notwithstanding any action the District may take pursuant to this section, Surety shall remain liable as set forth above. It shall be no defense, by Surety or Principal, against any claim under this bond that the District should have resumed retaining monies.

IN WITNESS WHEREOF, said Principal and Surety have hereunto set their hands and seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

"PRINCIPAL"

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Attorney in Fact

"SURETY"

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Attorney in Fact

Address of local office and agent, and home offices of Surety Company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* Contractor shall attach Power of Attorney for person signing on behalf of Surety.

**EXHIBIT I**  
**NON-DISCLOSURE AGREEMENT**

This Non-Disclosure Agreement ("NDA") is entered into on the date shown on the signature page between Public Utility District No. 2 of Grant County, Washington ("District"), and \_\_\_\_\_, ("Contractor"). District and Contractor are sometimes referenced herein individually as "Party" and collectively as "Parties."

**RECITALS**

The District has identified and designated certain information as confidential. For purposes of this NDA, "Protected Information" includes:

- District customer information protected under Chapter 19.29A RCW, Consumers of Electricity;
- Personal Information of District employees, customers, and vendors (Chapter 19.255 RCW);
- Proprietary information of District vendors;
- All technical and business information or material that has or could have commercial value or other interest in the business or prospective business of the District;
- All information and material provided by the District which is not an open public record subject to disclosure under Chapter 42.56 RCW, Public Records Act;
- All information of which unauthorized disclosure could be detrimental to the interests of the District or its customers, whether or not such information is identified as Protected Information; and
- Any information identified and designated by the District as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII), and/or Critical Infrastructure Protection (CIP) Protected Information in accordance with the State of Washington, Federal Energy Regulatory Commission (FERC) and/or North American Reliability Corporation (NERC), which have established regulations for the protection of sensitive plans, drawings, and records defined as SSI, CEII, and/or CIP Protected Information. SSI, CEII, and CIP Protected Information are further defined in Exhibit "A".

Because of the sensitive nature of such information that may be provided to the Contractor, Contractor must execute and deliver this NDA to the District prior to receiving such Protected Information from the District.

NOW, THEREFORE, the Parties agree as follows:

1. **Incorporation by Reference.** The recitals set forth above are incorporated herein as if fully set forth.
2. **Protected Information Disclosure.** All information and drawings that are disclosed by the District to the Contractor, which are designated as confidential, SSI, CEII, and/or CIP Protected Information, shall be protected hereunder as Protected Information.

3. **Non-Disclosure.** Subject to the provisions of Section 4 and unless the parties agree otherwise, this non-disclosure obligation shall survive the termination of this NDA. Contractor shall not disclose or disseminate Protected Information and shall:
  - A. Restrict disclosure of Protected Information solely to its agents and employees with appropriate District authorization and not disclose such Protected Information to any others; and
  - B. Advise and require all of its officers, agents, employees, representatives, prospective and successful subcontractors, consultants and employees thereof with access to the Protected Information to execute an NDA in this same form with the District prior to allowing them access to the Protected Information; and
  - C. Use the Protected Information provided hereunder only for purposes directly related to performance of the work under Contract [ContractNo].
  - D. In the event third parties attempt to obtain the Protected Information by legal process, the Contractor agrees that it will not release or disclose any Protected Information until the District has received notice of the legal process and has been given reasonable opportunity to contest such release of information and/or to assert the confidentiality privilege.
  - E. Notify the District immediately following the determination that Protected Information was likely exposed to an unauthorized party.
4. **Ownership and Return of Protected Information.** All Protected Information shall remain the property of the District. Contractor is responsible for safeguarding and returning all Protected Information or shall certify, by signed statement delivered to the District, the destruction of all original Protected Information provided along with any copies made by the Contractor. Such delivery shall be to the District, Attention: Nicona Butler, PO Box 878, Ephrata, WA 98823.
5. **Compliance Audit.** The District may audit Contractor's compliance with this NDA.
6. **Applicable Law.** This NDA is made under, and shall be construed according to, the laws of the State of Washington and the Federal Energy Regulatory Commission regulations. Venue for any action brought pursuant to this NDA shall, at the District's option, be in Grant County Superior Court, Grant County, Washington or in the United States District Court for the Eastern District of Washington.
7. **Assignment.** This NDA may not be assigned.
8. **Violations.** Contractor understands and agrees that the District is providing the Protected Information to Contractor in reliance upon this NDA, and Contractor will be fully responsible to the District for any damages or harm caused to the District by a breach of this NDA by Contractor or any of its officers, directors, agents, employees, subcontractors, consultants or affiliates. Contractor acknowledges and agrees that a breach of any of its promises or agreements contained herein will result in irreparable injury to the District for which there will be no adequate remedy at law, and the District shall be entitled to apply for equitable relief, including injunction and specific performance, in the event of any breach or threatened breach or intended breach of this NDA by Contractor. Such remedies, however, shall not be deemed to be the exclusive remedies for any breach of the NDA but shall be in addition to all other remedies available at law or in equity. In

addition to injunctive relief, civil or criminal penalties may be imposed for each violation of this NDA.

- 9. **Attorney's Fees.** In the event it is necessary for the District to utilize the services of an attorney to enforce any of the terms of this NDA, it shall be entitled to compensation for its reasonable attorney's fees and costs. In the event any legal action becomes necessary to enforce the provisions of the NDA, the substantially prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief allowed, regardless of whether the dispute is settled by trial, trial and appeal, arbitration, mediation, negotiation or otherwise, and regardless of whether suit is formally filed.
- 10. **Corporate Authority; Binding Signatures.** The individual executing this NDA on behalf of Contractor warrants that he or she is an authorized signatory of the entity for which they are signing, and have sufficient institutional authority to execute this NDA.
- 11. **Electronic Signatures.** Signatures transmitted electronically shall be deemed valid execution of this NDA, binding on the parties.
- 12. **Effective Date and Term.** This NDA shall become effective immediately and remain in full force and effect until Contractor has returned all Protected Information to the District provided, however, the obligations contained in Section 3 shall survive the termination of this NDA.

CONTRACTOR: Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT “A” – DEFINITION OF PROTECTED INFORMATION****Definition of Critical Infrastructure Protection (CIP)**

Pursuant to section 215 of the Federal Power Act (FPA), the Federal Energy Regulatory Commission (FERC) approved the Critical Infrastructure Protection (CIP) Reliability Standards. The CIP Reliability Standards require certain users, owners, and operators of the Bulk-Power System to comply with specific requirements (CIP-002 through CIP-014) to safeguard critical cyber assets. Penalties for non-compliance with NERC CIP can include fines, sanctions or other actions against covered entities.

**Definition of Critical Energy Infrastructure Information (CEII)**

The Critical Energy Infrastructure Information (CEII) guidelines of the Federal Energy Regulatory Commission (FERC) define CEII as specific engineering, vulnerability, operational or detailed design information about proposed or existing critical energy infrastructure (physical or virtual) that relates to the production, generation, transportation, transmission or distribution of energy, could be useful to a person planning an attack on critical infrastructure, is exempt from mandatory disclosure, and gives strategic information beyond the location of the critical infrastructure. 18 CFR §388.113 and RCW 42.56.520.

**Definition of Bulk Electric System Cyber System Information (BCSI)**

The North American Electric Reliability Corporation (NERC) has been designated by the FERC, through the Energy Policy Act of 2005, to establish and enforce standards and requirements for the reliable operation of the Bulk Electric System. The Bulk Electric System includes the District’s electrical generation resources, transmission lines, and interconnections with neighboring electric systems. Information related to the District’s Bulk Electric System Cyber Systems (BCS) is required to be protected due to the sensitive security nature of such information, and the need to protect public safety (hereinafter referred to as “CIP Protected Information”). BCSI generally (not exclusively) is defined as information about the BCS that could be used to gain unauthorized access or pose a security threat to the BCS and affect the reliable operations of the Bulk Electric System. The District is required to protect this information including, but not limited to, network topology/diagrams; floor plans for computing centers; equipment layouts; security configuration information and other information as defined in the NERC standards. FERC Order No. 706, issued January 18, 2008; 18 CFR Part 40; and RCW 42.56.070.

**Definition of Security Sensitive Information (SSI)**

Security Sensitive Information is those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal or terrorist acts, which are acts that significantly disrupt the ability of the District to fulfill its mission and goals and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety. SSI includes: (a) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; (b) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism; and (c) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.



### **Bulk Electric System (BES)**

Unless modified by the lists shown below, all Transmission Elements operated at 100 kV or higher and Real Power and Reactive Power resources connected at 100 kV or higher. This does not include facilities used in the local distribution of electric energy. Inclusions:

- I1 - Transformers with the primary terminal and at least one secondary terminal operated at 100 kV or higher unless excluded by application of Exclusion E1 or E3.
- I2 – Generating resource(s) including the generator terminals through the high-side of the step-up transformer(s) connected at a voltage of 100 kV or above with: a) Gross individual nameplate rating greater than 20 MVA. Or, b) Gross plant/facility aggregate nameplate rating greater than 75 MVA.
- I3 - Blackstart Resources identified in the Transmission Operator's restoration plan
- I4 - Dispersed power producing resources that aggregate to a total capacity greater than 75 MVA (gross nameplate rating), and that are connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage of 100 kV or above. Thus, the facilities designated as BES are: a) The individual resources, and b) The system designed primarily for delivering capacity from the point where those resources aggregate to greater than 75 MVA to a common point of connection at a voltage of 100 kV or above.
- I5 –Static or dynamic devices (excluding generators) dedicated to supplying or absorbing Reactive Power that are connected at 100 kV or higher, or through a dedicated transformer with a high-side voltage of 100 kV or higher, or through a transformer that is designated in Inclusion I1 unless excluded by application of Exclusion E4.

### **Bulk Electric System (BES) Cyber Asset**

A Cyber Asset that if rendered unavailable, degraded, or misused would, within 15 minutes of its required operation, misoperation, or non-operation, adversely impact one or more Facilities, systems, or equipment, which, if destroyed, degraded, or otherwise rendered unavailable when needed, would affect the reliable operation of the Bulk Electric System. Redundancy of affected Facilities, systems, and equipment shall not be considered when determining adverse impact. Each BES Cyber Asset is included in one or more BES Cyber Systems

**EXHIBIT J**  
**OWNER'S SAFETY REQUIREMENTS**  
PUBLIC UTILITY DISTRICT NO.2 OF GRANT COUNTY, WASHINGTON  
NEW EPHRATA SERVICE CENTER PROJECT

**CS-1. PURPOSE**

These Contractor Safety Requirements contain safety requirements that are in addition to those specified in the General Conditions. Section CS-2 applies to all work, whereas, Section CS-3 is specific to specialized types of work. To the extent applicable, the Contractor shall ensure that all workers, subcontractors, and suppliers comply with these requirements. In fulfilling these requirements, the Contractor shall also comply with material and equipment manufacturer instructions, and safety and health requirements stated in the Specific Requirements and/or Technical Specification sections where applicable. If there are conflicts between any of the requirements referenced in the Contract Documents, the more stringent requirement shall prevail.

**CS-2. GENERAL**

- A. The Contractor shall adhere to all District specific safety policies as identified in the "Contractor Safety Handbook" found on the Grant PUD website at <https://www.grantpud.org/for-contractors>.
- B. Initial/Warning Notice: Any District employee may notify the Contractor of any safety or health concern. The notice may be delivered verbally to any Contractor employee or subcontractor and the District employee shall notify the District Representative of the Notice. Written notification may be provided to the Contractor at the discretion of the District Representative. The notice shall have the same effect on the Contractor regardless of format or recipient. The Contractor shall take immediate action to mitigate the safety and health concerns identified in the District's notice.
- C. Stop Work Order: District employees also have the authority to immediately stop a work activity without issuing the Initial/Warning Notice. The District employee will immediately notify the District Representative of the Stop Work Order. The District Representative may direct the Contractor to stop work due to safety and health concerns. The Stop Work Order may cover all work on the Contract or only a portion of the work. After the District issues a Stop Work Order, the Contractor shall meet with District Representatives (as determined by the District Representative) to present a written statement outlining specific changes and/or measures the Contractor will make to work procedures and/or conditions to improve safety and health. A Stop Work Order can be rescinded only with the written approval of the District Representative.
  - 1. The Contractor shall not be entitled to any adjustment of the Contract price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor's, Subcontractor's, or supplier's control.
  - 2. The District's conduct does not alter or waive the Contractor's safety and health obligations.
  - 3. Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
  - 4. Non-compliance with safety requirements could lead to termination of the contract in accordance with Section GC-4.
- D. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Contract.

1. The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.
  2. In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, subcontractor, and their workers shall fully cooperate with the District in this investigation.
  3. All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.
  4. For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- E. The Contractor/subcontractor shall conduct and document job briefings each morning with safety as an integral part of the briefing. The Contractor/Subcontractor shall provide an equivalent job briefing to personnel and/or visitors entering the job site after the original job briefing has been completed. Immediately upon request, the Contractor shall provide copies of the daily job briefing and any other safety meeting notes to the District Representative. The notes, at a minimum, shall include date, time, topics, and attendees and shall be retained by the Contractor for the duration of the Contractor's warranty period.
- F. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to other work being performed that may impact the Contractor's work.
- G. Job Site Reviews Performed by Contractor: Each Contractor and Subcontractor shall perform and document weekly safety reviews of their work area(s) by a competent person as defined by WAC 296-62-020. Immediately upon request, the Contractor shall provide a copy of the documented job site review to the District Representative. Contractor and Subcontractor supervisors/foremen shall take immediate action to correct violations, unsafe practices, and unsafe conditions. The Contractor and Subcontractor shall be solely responsible to review and monitor the work area or location of all their employees during the performance of work.
- H. Site Specific Safety Plan (SSSP): The Contractor shall prepare, implement, and enforce a SSSP for all work included in this Contract. The SSSP shall be delivered to and accepted by the District Representative prior to the start of any on-site work.
1. The SSSP shall, at a minimum, identify and provide mitigation measures for any recognized hazards or conditions. Site and adjacent conditions shall be considered. All significant hazards, including unusual or unique hazards or conditions specific to the Contract work shall be identified and mitigated. The Contractor shall provide a clear delegation of authority for the work site(s). The Contractor shall identify, locate, and provide direction to the nearest emergency medical facilities. This shall include telephone numbers for emergency services in the area.
  2. The Contractor shall make available to all workers at the site(s) the SSSP and ensure that all workers are familiar with the content and requirements of the SSSP. Any subcontractors shall adhere to the Contractor's SSSP.

3. Any emergent hazards not identified in the SSSP shall require a Job Hazard Analysis prior to starting work on the associated job.
- I. District Rescue Team and Relation to Contractor Emergencies and Back Shift Operations When District Rescue Team is Not Present: Contractors shall be required to submit an Emergency Plan that covers first response and rescues. This is required to be submitted for approval by the District Representative prior to work starting. Contractors are encouraged to familiarize themselves with District First Responder and Rescue Team capabilities. District Response Teams may not be available during all work hours and typically are not available on off-shifts, weekends, and District holidays. Contractors choosing not to provide their own response personnel must include a process that does not rely on the District in the event District Response Teams are not available.
  - J. The Contractor shall have a dedicated safety professional on the job site anytime work is being performed. The dedicated safety professional shall have an associate or bachelor degree in Occupational Health and Safety, an OSHA Training Institute Certification, or educational equivalent. At the District Representative's discretion, five years' experience as a safety professional may be substituted for educational requirements.
  - K. Contractor shall ensure all crew members, including Subcontractors, performing work are OSHA 10 certified.
  - L. The Contractor shall have a designated safety representative on the job site any time work is being performed. The designated safety representative shall have a minimum of OSHA 30 training.

### CS-3. SPECIALIZED WORK

- A. Requirements for Contractor Representative Attendance at Safety Meetings: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to attend the District monthly safety meeting. The above is a District requirement.
- B. Fabricated Lifting Devices: All fabricated lifting devices including materials handling and storage devices, below the hook lifting devices, cranes, derricks and rigging used in the work shall comply with the most current version of the applicable sections of WAC 296-24 Part D, ASME B30.30 Below the Hook Lifting Devices, ASME BTH-1 Design of Below the Hook Lifting Devices Part F and Part L and the District's Fabricating, Repairing, or Modifying Lifting Devices In-House Policy (SA111123B-APP). Where a conflict may exist between the standards, codes and District Policy, the stricter interpretation of the rules shall apply. At a minimum, lifting devices shall be designed with a factor of safety of 5 to the ultimate material strength. Devices shall be load tested to 200% of the rated working load. Devices carrying personnel shall be designed and the design shall be checked by licensed professional engineers. All custom designs shall be approved and load test witnessed and approved by the District Representative before they are permitted for use on District facilities. The above is the most stringent of WAC, ASME and District requirements.
- C. Crane Operator Certification Requirements – NCCCO: Contractor personnel who operate the District's cranes shall be certified under the National Commission for the Certification of Crane Operators (NCCCO) program. This includes but is not limited to overhead cranes, mobile cranes and boom trucks. Contractor shall be required to present current certification cards for approval by the District Representative prior to equipment operation. The above is a District requirement.
- D. Crane Inspections: Contractor personnel who perform crane inspections shall be certified under the National Commission for the Certification of Crane Operators (NCCCO) program. Inspectors shall be required to present a current certification card for approval by the District Representative prior to performing duties. The above is a District requirement.

- E. Rigging Inspections: Contractor personnel who perform rigging inspections or other lifting and handling of large components shall be certified under the National Commission for the Certification of Crane Operators (NCCCO) program. Riggers shall be required to present a current certification card for approval by the District Representative prior to performing duties. At the District Representative's discretion, a Millwright's card may be substituted for NCCCO certification after review and approval of the Millwright's rigging certification program. The above is a District requirement.
- F. Cord Covers to High Traffic Areas: Contractors shall be required to protect all electrical cords, air lines, hydraulic hoses, water hoses, and other cords, hose, cables, and pipes to prevent them from being driven over or creating tripping or other hazards including at a minimum but not limited to utilizing cord covers in high traffic areas and installing temporary barriers when necessary to prevent foot or vehicle traffic. The above is a District requirement.
- G. Energized Vault Work: All work that takes place regarding underground electrical installations shall comply with the most current version of WAC 296-45 which includes all types of electrical vaults and manholes. When this work involves installing, removing, terminating or switching, personnel must do so without entering the energized vault. To further clarify, all live line tools placed in the energized vault must be properly tested and comply with the requirements set forth in the most current version of WAC 296-45. The above is a Code requirement.
- H. Scaffold Design, Erection and Inspection: All scaffold work shall comply with the most recent version of WAC 296-874. The Contractor shall ensure all scaffolds are designed by a qualified person and constructed according to that design. Only qualified personnel shall erect, move, dismantle and/or alter scaffolds. Qualified erectors shall be supervised by a competent person. Scaffold inspections shall be performed by a competent person before each work shift and after anything occurs that could affect the scaffold's structural integrity. The above is a Code requirement.
- I. Involvement in Job Briefs by Others/Involvement of Others in Contractor's Job Briefs: When work completed by the Contractor will or may affect work being completed by other contractors or by District staff, the Contractor shall ask for a representative from the other contractor or District staff to participate in the Contractor's daily job brief for the purpose of informing the other party of safety hazards that may be encountered as a result of the affected work. Job brief discussion shall include hazards that the other contractor or District staff may encounter as part of the Contractor's work, mitigation measures, clearance points and boundaries, effects that equipment taken out of service or put back into service could have on other parties, Personal Protective Equipment (PPE) requirements and contingency plans. The above is a District requirement.
- J. Temporary Traffic Control: When work activities occur within or adjacent to District access roads, the Contractor shall follow the guidelines for Temporary Traffic Control Planning as specified in the current Manual on Uniform Traffic Control Devices. The plan shall be reviewed and approved by the District Representative prior to implementation. The above is a Code requirement.
- K. Contractor Hazardous Materials Communication: Due to the age of the District facilities there are known materials used in construction that are now classified as hazardous materials such as lead and asbestos. The District Representative shall provide the Contractor with a list of the known hazards in the work area. This list is not comprehensive. The Contractor shall be aware of possible hazards. If the Contractor identifies a possible hazardous material such as lead, asbestos, SF-6 residue and/or hexavalent chromium, all work in that area must stop until the material is tested and identified. The Contractor shall notify the District Representative immediately upon identification of possible hazardous material.

If the material is identified as non-hazardous, work may resume once the materials status has been communicated to the District Representative and Contractor's employees.

If the material is a hazardous substance, proper protocols compliant with regulation must be followed. The above is a Code requirement.

L. Caution and Danger Barriers:

4. Caution Tape or Rope - Yellow will be used to demarcate areas with low safety hazards. Contractor employees may enter the barricade area only after identifying the hazard enclosed by the Caution barrier tape/rope.
5. Danger Tape or Rope – Red will be used to demarcate areas of imminent danger. An employee may not enter the area barricaded with Danger barrier tape/rope without consent of the barricade attendant or tape tag holder.

Contractors that will be introducing hazards as part of their work must barricade the hazardous area to prevent employees from entering the area in accordance with District Policy SA121200-POL. The above is a Code requirement.

M. Confined Spaces: Contractor shall comply with District Policy SA111103-POL. The purpose of a Permit-Required Confined Space Program is to ensure safe practices are utilized prior to and during all construction work activities in confined spaces at District work locations. The District's program is designed to prevent personal injuries, illness, and fatalities in confined spaces. As an employer, the District has developed and implemented this document to meet the written program requirements specified in OSHA regulation 29 CFR 1926 subpart AA and WAC 296-809, the Confined Spaces in Construction Standard. The above is a Code requirement.

N. Qualified Electrical Worker: For purposes of complying with Washington State law and the District's Electrical Safety Program, a Qualified Electrical Worker is defined according to the definition in WAC 296-45. The above is a Code requirement.

O. Authorized Employee: For purposes of complying with Washington State law and the District's Electrical Safety Program, an Authorized Employee is defined according to the definition in WAC 296-45. The above is a Code requirement.

**EXHIBIT K**  
**CERTIFICATE OF COMPLETION AND RELEASE**  
PUBLIC UTILITY DISTRICT NO.2 OF GRANT COUNTY, WASHINGTON  
NEW EPHRATA SERVICE CENTER PROJECT

FROM: \_\_\_\_\_  
(Contractor)

TO: Public Utility District No. 2 of Grant County, Washington  
(District)

Contract No. 430-11765 entered into on \_\_\_\_\_, 2023.

Between Public Utility District No. 2 of Grant County, Washington and \_\_\_\_\_ of ,  
\_\_\_\_\_ for \_\_\_\_\_.

KNOW ALL MEN BY THESE PRESENTS:

1. The undersigned hereby certifies that there is due from and payable by the District to the Contractor under the Contract and duly approved Change Orders and modifications the balance of \$\_\_\_\_\_.

2. The undersigned further certifies that in addition to the amount set forth in paragraph 1, there are outstanding and unsettled the following items which he claims are just and due and owing by the District to the Contractor:

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_

**(Itemize claims and amounts due - If NONE, so state)**

3. The undersigned further certifies that all work required under this Contract including work required under Change Orders numbered \_\_\_\_\_ has been performed in accordance with the terms thereof, and that there are no unpaid claims for materials, supplies, or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of this Contract, and that the wage rates paid by the Contractor and all Subcontractors were in conformity with the Contract provisions relating to said wage rates.

- 4. Except for the amounts stated under paragraphs 1 and 2, hereof, the undersigned has received from the District all sums of money payable to the undersigned under or pursuant to the above mentioned Contractor or any modification or change thereof.
- 5. That in consideration of the payment of the amount stated in paragraph 1 hereof the undersigned does hereby release the District from any and all claims arising under or by virtue of this Contract, except the amount listed in paragraph 2 hereof; provided however, that if for any reason the District does not pay in full the amount stated in paragraph 1 hereof, said deduction shall not affect the validity of this release, but the amount so deducted shall be automatically included under paragraph 2 as an amount which the Contractor has not released but shall release upon payment thereof. The Contractor further certifies that upon the payment of the amount listed in paragraph 1, hereof, he shall release the District from any and all claims of any nature whatsoever arising out of said Contractor or modification thereof, and shall execute such further released or assurances as the District may request.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Authorized Representative

Location or Place Executed (City and State): \_\_\_\_\_





**EXHIBIT L - BACKGROUND CHECK/IDENTITY VERIFICATION  
BY CONTRACTOR/VENDOR**

Contractor Name: \_\_\_\_\_ Date: \_\_\_\_\_

Contract Number: \_\_\_\_\_ Procurement Officer: \_\_\_\_\_

Project Manager: \_\_\_\_\_

In accordance with NERC Reliability Standards CIP 002-011, we are providing Public Utility District No. 2 of Grant County, Washington certification of background checks performed on personnel who will require authorized Unescorted Physical Access and/or Electronic Access to District High or Medium Impact BES Cyber Systems, and their associated EACMS and PACS.

Accordingly, we certify that:

- 1. A background check has been conducted on the following employee(s) that includes a 7-year criminal history records check, a current residence check and a residence check at other locations where, during the 7 years immediately prior to the date of the criminal history records check, the employee has resided for 6 consecutive months or more; and the assessment of the employee is consistent with the safe and efficient performance of the services and meets the minimum standard for criminal checks as set forth by the attached Evaluation Criteria.
- 2. Employment eligibility identity verification has been completed to ensure employee is legally permitted to work in the United States. (Citizenship, Federal I-9 form verification)

Employee Name	Background Check Completion Date	Indicate Pass (P) or Fail (F)	Identity Verification Completion Date	PRA Completion Date (District use only)

**(Do not send actual background check documents)**

Name of company where background check was performed: \_\_\_\_\_

Certified by: \_\_\_\_\_ Title: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Email: \_\_\_\_\_

Return this form to: CIPDocuments@gcpud.org

*\*\*\* Access will not be granted until this Background Check has been completed and training taken\*\*\**

**These are sub-sections of the “Grant County PUD Personnel Risk Assessment Program” relevant to Vendor(s) and/or Contractor(s). For the complete program please contact [rcstaff@gcpud.org](mailto:rcstaff@gcpud.org)**

**Evaluation Criteria:**

Contractors with physical or electronic access to District High or Medium Impact BES Cyber Systems and their associated EACMS and PACS, shall certify a background check was met using the following criteria:

Whether the individual has ever been convicted of any of the following FELONIES:

- Murder
- Kidnapping
- Manslaughter
- Fraud, theft, and/or robbery
- Criminal sexual conduct
- Arson

Whether the individual has ever been convicted of the following MISDEMEANORS:

- Violence related
- Honesty related

Whether the individual has ever been convicted of a single misdemeanor, other than minor traffic offenses, which are generally defined as traffic offenses that did not involve property damage and/or personal injury.

Individual is not currently awaiting adjudication on any criminal charge other than minor traffic offenses, which, again, are generally defined as traffic offenses that did not involve property damage and/or personal injury.

In the event the individual has been convicted of a felony or misdemeanor, the Contractor shall not assign such individual to a District location without first discussing such conviction with the District and obtaining the approval of the District’s PRA Committee for such assignment in accordance with the District’s Personnel Risk Assessment Program. The District reserves the right to refuse the assignment of an individual who does not pass the above Evaluation Criteria after review and consideration of the extenuating circumstances by the District’s PRA Committee.

**FOR GRANT PUD USE ONLY**

If Background Check failed enter date of PRA Committee Review: \_\_\_\_\_ Pass \_\_\_ Fail \_\_\_  
(Check one)

Signature of PRA Committee member: \_\_\_\_\_

**EXHIBIT M – COLLECTIVE BARGAINING AGREEMENT, SECTION 2.5**

2.5 Contracting and Job Security

2.5.1

The District shall make appropriate provisions in any agreement entered into with any building trades, electrical or mechanical contractor or subcontractor, for the furnishing of work to the District, that such contractor or subcontractor shall conform to the Contract provisions of Washington State law affecting Public Utility District at the time of the contract award, except that contracts let in accordance with Section 2.5.2 shall require adherence to current wage rates. The District shall require contractors to furnish the District with the rates of wages and other employee benefits.

2.5.2

For purposes of the preceding paragraph with respect to contracts for line and substation maintenance and construction, including pole testing and tree trimming, current and prevailing wage rates, employee benefits and working conditions shall be defined as the equivalent of those expressed through collective bargaining for the Union's construction membership. Verification of payment shall be furnished to the Union by way of Contractor certified payroll documents upon request. It is agreed by the parties hereto that this requirement can be fulfilled by the contractors having an agreement with Local 77.

2.5.3

Written notice shall be given to the Union prior to the start of pending contract work.

2.5.4

It is recognized by both the Union and the District that a stable total work force is desirable. To this end, the District shall not use contracting as a reason for reduction of force. In the case of lack of work because of automation or technological change, reductions shall be made by attrition when reassignment is not feasible. Employees so affected shall not lose their established pay rate.

**Exhibit N - Work Change Directive**

**DISTRICT INSTRUCTIONS**

No. \_\_\_\_\_

Contract No.:	430-11765	Drawing No. (if applicable):	
Project Name:			

This Instruction is issued in accordance with the terms and conditions of the Contract Documents as:

- 1. An interpretation of Contract Documents, or
- 2. An order to proceed immediately with minor changes not affecting Contract Price or time for completion of the work.

INSTRUCTION:

Sample Only

DO NOT PROCEED with the Instruction 1 or 2 above if you believe this Instruction shall provide the basis for a claim or increase in the Contract Price or time for completion of the work. By signing this Instruction, Contractor hereby agrees that as a result thereof, there shall be no change in Contract Price or time of completion and waives any claim relating thereto.

RECEIPT ACKNOWLEDGED AND INSTRUCTION ACCEPTED (unless CCOP is attached):

Public Utility District No. 2  
of Grant County, Washington

Full Legal Name of Contractor

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Name of Authorized Signature  
Title

Name of Authorized Signature  
Title

Date:  
\_\_\_\_\_

Date:  
\_\_\_\_\_

- 3. An order to proceed with preparation and submittal of Contractor Change Order Proposal Form (CCOP, Exhibit "G") immediately for change affecting Contract Price or time for completion of the work.

SUBMIT AN ITEMIZED PROPOSAL for changes in the Contract Price or time for completion of the work if you believe Instruction 3 is a modification to the Contract Documents that affects Contract Price or time for completion of the work. Within three days, the Contractor must submit a CCOP or notify the District Representative, in writing, of the date on which the CCOP submission will be completed.

**EXHIBIT O**  
**TRAVEL REIMBURSEMENT POLICY**  
PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON  
NEW EPHRATA SERVICE CENTER PROJECT

**Design-Builder's Responsibilities**

- Design-Builder must minimize travel expenses that are requested for reimbursement whenever possible by using the least expensive options that does not result in unreasonably ineffective use of work time.
- Design-Builder must submit a separate invoice including itineraries for all project related travel.
- The Project owner is not responsible for providing insurance coverage.

**Airlines**

Vendors should purchase non-refundable airline tickets and purchase them a minimum of fourteen (14) days in advance of the travel departure date whenever possible. Vendors must travel Economy/Coach class unless authorized in writing.

Vendors must book the Lowest Logical Fare (LLF) which is defined as the lowest fare within a 3-hour departure window and may include connections that do not add more than a two (2) hour layover. Exceptions to the LLF must be authorized in advance.

**Hotels**

Reimbursement for lodging is limited to the single standard room rate. No upgraded room category will be reimbursed.

Expenses for staying in a private home (e.g., family, friends, or at a vendor's personal residence) in lieu of hotel costs are not reimbursable.

**Car Rental**

Vendors should rent midsize or smaller vehicles whenever possible. Full size vehicles are allowed only when being shared by 3 or more people. Insurance must be declined as it is included in negotiated rates. Cars should be shared whenever possible. All cars must be refueled before returning to avoid fuel surcharges. No fuel charges from the rental company may be expensed.

**Rail Travel**

Rail travel should be used when it is less expensive than air travel, adds no more than one and a half hours to the total travel time, or is timelier than driving.

**Frequent Flyer/Frequent Guest Programs**

Vendors may retain program awards and benefits. Participation in these programs shall not influence flight or lodging selections in any manner that would result in increased costs.

**Cancellations**

Vendor shall not seek reimbursement for incurred travel expenses that are cancelled by Vendor. When a trip is cancelled by the Owner. Vendors are responsible for canceling hotel rooms must secure a cancellation number. No hotel expenses which could have been avoided by prompt cancellation will be reimbursable.

## **EXPENSE REIMBURSEMENT**

### **Reimbursable Expenses**

The following items may be reimbursable to Vendors when necessary and reasonable, and incurred while conducting project business. Reimbursable items include but are not limited to:

- Commercial airfare and surface transportation (Economy/Coach Class) including parking fees and tolls
- Actual gratuity tips paid, when reasonable and customary
- Hotel/lodging
- Meals incurred during out-of-town trip (not to exceed \$59.00 USD per day in accordance to Federal Per Diem guidelines)
- Saturday night stay-over (Weekend hotel expenses are reimbursable if airfare savings result in a lower overall cost for the trip by at least \$250.00 USD or equivalent currency and the expenses do not exceed the airfare savings.)
- Hotel high-speed internet connection
- Business related telephone calls

### **Non-Reimbursable Expenses**

Non-reimbursable items include but are not limited to:

- Airline club memberships
- No-show fees for hotels, airfare, or car rentals
- Cancellation fees except those unavoidable due to business requirements
- Class of service upgrades
- Car, train, and air phones
- Barber, hair stylist, manicurist, spa services, shoe shines, and other grooming/personal service expenses
- Lost or stolen personal items
- Personal entertainment including movies and DVD rentals
- Traffic/parking violations
- Family member or other non-business associate's expenses
- Credit card fees including annual or membership fees, late fees, and interest charges
- Insurance premiums
- Clothing purchases
- Entertainment (including entertaining owner representative employees and any event entertainment)
- Foreign travel document requirements
- Free or upgrade certificates for flight, hotel, or car rental
- Laundry and dry cleaning unless trip exceeds 5 business days
- Membership fees (including frequent flyer/frequent guest programs)
- Use of private jet
- Telephone calls
- Trip or flight insurance
- Pet care or kennel costs
- Babysitters or house-sitters

RESOLUTION NO. XXXX

A RESOLUTION ESTABLISHING THE PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY,  
WASHINGTON 10-YEAR CONSERVATION POTENTIAL PLAN AND TWO-YEAR  
CONSERVATION TARGET PURSUANT TO RCW CHAPTER 19.285

Recitals

1. Public Utility District No. 2 of Grant County, Washington ("Grant PUD") is subject to RCW Chapter 19.285, the Energy Independence Act (EIA) and also known as Initiative 937;
2. EIA requires Grant PUD to set targets for energy conservation and use of eligible renewable resources by identifying achievable cost-effective conservation potential through 2033;
3. Beginning January 1, 2024, Grant PUD must begin acquiring all conservation that is cost effective, reliable, and feasible to meet our EIA compliance target;
4. The 2024 ten-year conservation potential plan and two-year conservation target has been reviewed and updated;
5. It is in Grant PUD's best interest to adopt a ten-year conservation potential plan and two-year conservation target;
6. Every two years Grant PUD must review and update its ten-year conservation potential plan, establish a biennial acquisition target, and meet that target during the subsequent two-year period; and
7. A legal advertisement will be published in local newspapers notifying customers of noticed public hearing to be held on November 28, 2023 regarding Grant PUD's efforts to establish the ten-year conservation potential plan and two-year conservation target.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that:

Section 1. Grant PUD has established the ten-year conservation potential plan of 163,374 MWH and two-year conservation target of 33,376 MWH.

Section 2. Grant PUD's biennial target is its pro rata share of its ten-year conservation potential plan.

Section 3. Grant PUD is acquiring all conservation that is cost-effective, reliable, and feasible.

Section 4. Grant PUD reviewed the plan and target as set forth in RCW 19.285.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 12<sup>th</sup> day of December, 2023.

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
President

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Commissioner

MEMORANDUM

November 28, 2023

**TO:** Richard Wallen, General Manager/Chief Executive Officer

**VIA:** Ty Ehrman, Chief Customer Officer *FTC*  
 Cary West, Senior Manager of Customer Solutions *CSW*

**FROM:** Christopher Buchmann, Customer Solutions Program Supervisor *CGOB*

**SUBJECT:** 2024-2025 Energy Independence Act (EIA) Conservation Potential and Biennial Target

**Purpose:** To seek approval from the Commission of Grant PUD’s 2024-2033 ten-year conservation potential and biennial target per the requirements of the Energy Independence Act (AKA EIA or "I-937") as contained in RCW 19.285 and WAC 194-34.

**Discussion:** Grant PUD is required per the provisions of the EIA to develop a ten-year conservation potential and a biennial conservation target every two years. These are to be provided to the Commission in a public hearing after which the Commission may approve them. On November 28<sup>th</sup>, 2023, the Commission will hold a public hearing to review the ten-year conservation potential and biennial target. Grant PUD staff contracted with EES Consulting to prepare a Utility Specific Analysis ("USA") to assist staff efforts to determine Grant PUD’s conservation potential. From this potential Grant PUD’s biennial conservation target is determined. The tables below show the 2024-2033 ten-year potential and 2024-2025 biennial target prepared in 2023 compared to those prepared in 2015, 2017, 2019, and 2021.

Potential and Target Comparisons

	Ten Year Potential	Two year/Biennial Target
Prepared in 2015	175,550 MWH	27,418 MWH
Prepared in 2017	195,523 MWH	32,149 MWH
Prepared in 2019	218,562 MWH	35,828 MWH
Prepared in 2021	161,272 MWH	40,033 MWH
<b>Prepared in 2023</b>	<b>163,374 MWH</b>	<b>33,376 MWH</b>

The 2-year Biennial target has decreased from the 2021 Conservation Potential Assessment (CPA), largely due to the uncertainty of data center projects. The assessment shows a high data center potential in 2024 and then ramping down due to uncertainty in data center savings. Potential in other sectors has decreased compared with the previous CPA due to increased efficiency baselines, program participation, and updated ramp rates that reflect Grant PUD’s historic program achievement.

The table below shows the future Cost Effective Potential for Grant PUD. Note the quantities shown below are cumulative, not annual aMW potential.



Cost-Effective Potential (aMW)				
	2-Year	6-Year	10-Year	20-Year
Residential	0.16	0.66	1.46	3.04
Commercial	0.65	2.01	3.32	6.5
Industrial	2.84	8.99	11.91	15.32
Agricultural	0.15	0.75	1.48	2.94
<b>Total</b>	<b>3.81</b>	<b>12.52</b>	<b>18.65</b>	<b>29.23</b>

**OTHER LEGISLATIVE CONSIDERATIONS:** Washington state enacted several laws that impact conservation planning. Washington HB 1444 enacts efficiency standards for a variety of appliances. Washington also enacted a clean energy law, SB 5116, commonly referred to as the Clean Energy Transformation Act (CETA). CETA (2019) requires the use of specific values for avoided greenhouse gas emissions. The study follows the CETA requirements to value energy efficiency savings at the prescribed value established by the Department of Ecology. Finally, CETA requires all retail sales of electricity be greenhouse gas neutral by 2030 and greenhouse gas free by 2045. This provision has been incorporated into the assumptions of the CPA. Specifically, this impacts the avoided cost of conservation, as described in detail in the CPA report.

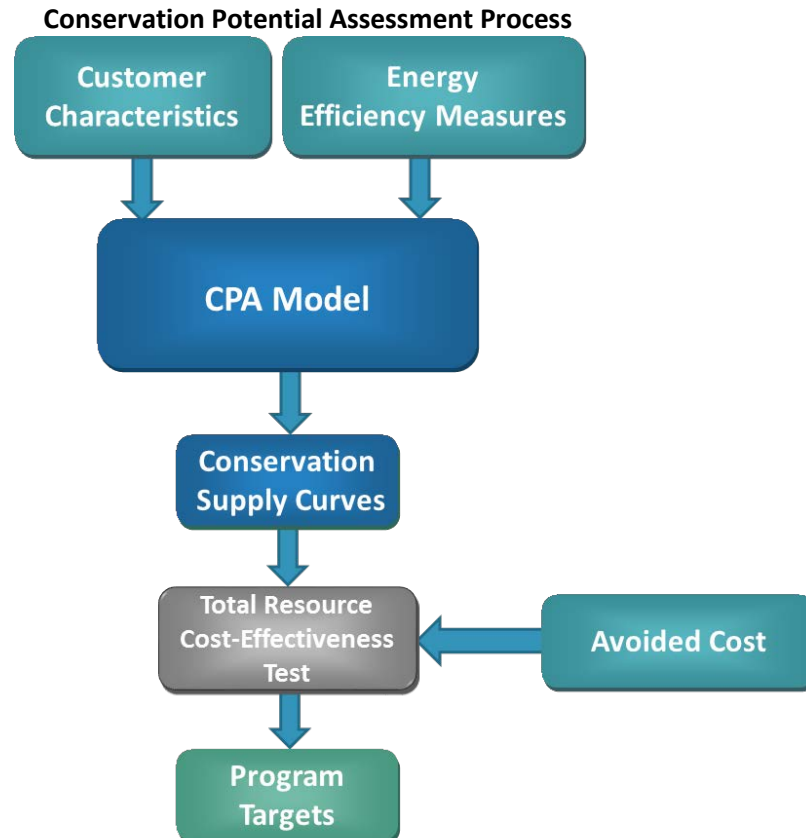
**STUDY UNCERTAINTIES:** The savings estimates presented in the study are subject to the uncertainties associated with the input data. The study utilized the best available data at the time of its development; however, the results of future studies will change as the planning environment evolves. Specific areas of uncertainty include the following:

- **Customer Characteristic Data** – Residential and commercial building data and appliance saturations are in many cases based on regional studies and surveys. There are uncertainties related to the extent that Grant PUD’s service area is similar to that of the region, or that the regional survey data represents the population.
- **Measure Data** – In particular, savings and cost estimates (when comparing to current market conditions), as prepared by the Northwest Power and Conservation Council (Council) and the Regional Technical Forum (RTF), will vary across the region. In some cases, measure applicability or other attributes have been estimated by the Council or the RTF based on professional judgment or limited market research.
- **Market Price Forecasts** – Market prices (and forecasts) are continually changing. The market price forecasts for electricity and natural gas utilized in this analysis represent a snapshot in time. Given a different snapshot in time, the results of the analysis would vary. However, different avoided cost scenarios are included in the analysis to consider the sensitivity of the results to fluctuating market prices over the study period.
- **Utility System Assumptions** – Credits have been included in this analysis to account for the avoided costs of transmission and distribution system expansion. Though potential transmission and distribution system cost savings are dependent on local conditions, the Council considers these credits to be representative estimates of these avoided costs. A value for generation capacity was also included but may change as the Northwest market continues to evolve.
- **Discount Rate** – The Council develops a real discount rate as well as a finance rate for each power plan. The finance rate is based on the relative share of the cost of conservation and the cost of capital for the various program sponsors. The Council has estimated these figures using the most current available information. This study reflects the current borrowing market although changes in borrowing rates will likely vary over the study period.

- **Forecasted Load and Customer Growth** – The CPA bases the 20-year potential estimates on forecasted loads and customer growth provided by the utility. These forecasts include a level of uncertainty especially considering the recovery from COVID related load impacts.
- **Load Shape Data** – The Council provides conservation load shapes for evaluating the timing of energy savings. In practice, load shapes will vary by utility based on weather, customer types, and other factors. The assessment uses the hourly load shapes used in the Seventh Plan to estimate peak demand savings over the planning period, based on shaped energy savings. Since the load shapes are a mix of older Northwest and California data, peak demand savings presented in this report may vary from actual peak demand savings.
- **Frozen Efficiency** – Consistent with the Council’s methodology, the measure baseline efficiency levels and end-using devices do not change over the planning period. In addition, it is assumed that once an energy efficiency measure is installed, it will remain in place over the remainder of the study period.

Due to these uncertainties and the changing environment, under the EIA, qualifying utilities must update their CPAs every two years to reflect the best available information.

**BASIC MODELING METHODOLOGY:** The basic methodology used for the assessment is illustrated below. A key factor is the kilowatt hours saved annually from the installation of an individual energy efficiency measure. The savings from each measure is multiplied by the total number of measures that could be installed over the life of the program. Savings from each individual measure are then aggregated to produce the total potential.



**CUSTOMER CHARACTERISTIC DATA:** Assessment of customer characteristics includes estimating both the number of locations where a measure could be feasibly installed as well as the share—or saturation—of measures that have already been installed. For the analysis, the characterization of our baseline was determined using our historical data, the Northwest Energy Efficiency Alliance’s (NEEA) commercial and residential building stock assessments, and census data. Details of data sources and assumptions are described for each sector in greater detail in the full report.

The assessment primarily sourced baseline measure saturation data from the Council’s Seventh Plan measure workbooks. The Council’s data was developed from NEEA’s Building Stock Assessments, studies, market research and other sources. This data was updated with NEEA’s 2016 Residential Building Stock Assessment and Grant PUD’s historic conservation achievement data, where applicable.

**AVOIDED COST:** Each component of the avoided cost of energy efficiency measure savings is described below. Additional information regarding the avoided cost forecast is included in the full report, in Appendix IV.

**Energy:** The avoided cost of energy is the cost avoided through the acquisition of energy efficiency in lieu of other resources. Avoided costs are used to value energy savings benefits when conducting cost effectiveness tests and are included in the numerator in a benefit-cost test. The avoided costs typically include energy-based values (\$/MWh) and values associated with the demand savings (\$/kW) provided by energy efficiency. These energy benefits are often based on the cost of a generating resource, a forecast of market prices, or the avoided resource identified in the IRP process.

**Social Cost of Carbon:** The social cost of carbon is a cost society incurs when fossil fuels are burned to generate electricity. Both the EIA rules and CETA requires CPAs include the social cost of carbon when evaluating cost effectiveness using the total resource cost test (TRC). CETA further specifies the social cost of carbon values to be used in conservation and demand response studies. These values are shown in the table below and were the same values used in the 2023 CPA.

Social Cost of Carbon Values		
Year in Which Emissions Occur or Are Avoided	Social Cost of Carbon Dioxide (in 2018dollars per metric ton)	Social Cost of Carbon Dioxide (in 2023 dollars per metric ton)
2020	\$74	\$80
2025	\$81	\$88
2030	\$87	\$94
2035	\$93	\$101
2040	\$100	\$108

According to WAC 194-40-110, values may be adjusted for any taxes, fees or costs incurred by utilities to meet portfolio mandates. For example, the social cost of carbon is the full value of carbon emissions which includes the cost to utilities and ratepayers associated with moving to non-emitting resources. Rather than adjust the social cost of carbon for the cost of Renewable Energy Credits (RECs) or renewable energy, the values for RECS and renewable energy are excluded from the analysis to avoid double counting.

The emissions intensity of the marginal resource (market) is used to determine the \$/MWh value for the social cost of carbon. Ecology states that unspecified resources should be given a carbon intensity value

of 0.437 metric tons of CO<sub>2</sub>e/MWh of electricity (0.874 lbs/kWh). This is an average annual value applied to in all months in the conservation potential model. The resulting levelized cost of carbon is \$34/MWh over the 20-year study.

**Transmission and Distribution System:** The EIA requires that deferred capacity expansion benefits for transmission and distribution systems be included in the assessment of cost effectiveness. To account for the value of deferred transmission and distribution system expansion, a distribution system credit value of \$8.53/kW-year and a transmission system credit of \$3.83/kw-year were applied to peak savings from conservation measures, at the time of the regional transmission and Grant PUD's local distribution system peaks (adjusted to 2023 dollars). These values were developed by Council staff in preparation for the 2021 Power Plan.

**Generation Capacity:** Grant PUD used the PowerSIMM modeling platform to develop the 2022 Integrated Resource Plan (IRP) that looks at projected growth in the county's demand for electricity, requirements of the state's Clean Energy Transformation Act, renewable portfolio standards, the risk of low-water flows in the Columbia River, changing power markets, adequacy of power resources, how power would be delivered and the least-expensive, robust solution.

The modeling, given all those variables, shows that by 2025, the utility will need to bring in additional power resources to meet customers' needs. When that happens, the IRP model recommended that additional power resources the utility should consider include solar, solar hybrid (solar coupled with battery storage), wind and power generated by natural gas.

**Risk:** With the generation capacity value explicitly defined, the Council's analysis found a risk credit did not need to be defined as part of its cost-effectiveness test. In the CPA, risk was modeled by varying the base case input assumptions. In doing so, the CPA addresses the uncertainty of the inputs and looks at the sensitivity of the results. The avoided cost components that were varied included the energy prices and generation capacity value. Through the variance of these components, implied risk credits of up to \$11/MWh and \$39/kW-year were included in the avoided cost. Note the capacity value of energy efficiency measures is associated with more uncertainty compared with the energy value. Because of the upcoming implementation of the energy imbalance market (EIM) in the Pacific Northwest, and increased renewables in the region, capacity values are expected to be more volatile compared with energy market prices.

Additional information regarding the avoided cost forecast and risk mitigation credit values is included in the full report in Appendix IV.

**Power Planning Act Credit:** Finally, a 10% benefit was added to the avoided cost as required by the Pacific Northwest Electric Power Planning and Conservation Act.

Grant PUD plans to continue to invest in energy efficiency by offering incentives to all sectors. The results of the CPA will help Energy Services structure energy efficiency program offerings, establish appropriate incentive levels, comply with the EIA and CETA requirements and provide continued energy efficiency as a customer service.

**Justification:** Grant PUD staff have worked with EES Consulting to identify, by the start of our next biennium, January 1, 2024, cost effective conservation as prescribed by the EIA. The analysis performed

by EES Consulting is similar in scope to analysis's they have done with other utilities in the State with details and numbers unique to Grant PUD.

While carbon-emitting natural gas power carries a penalty that would be imposed by the state, limited amounts of it when every other generating resource is inadequate could still prove to be a viable option.

**Financial Consideration:** Energy Services has worked with Wholesale Marketing Supply Department, within the scope of the EIA rules to identify Grant PUD's cost effective conservation. This analysis limits Grant PUD's exposure to the penalties outlined in the EIA.

**Recommendation:** We recommend the Commission approve, after the public hearing, the proposed 10-year conservation potential and biennial conservation target. A Resolution is provided for that purpose.

**Legal Review:** See attached e-mail.

PREPARED BY EES CONSULTING

# Grant County Public Utility District

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***Conservation Potential Assessment:  
2024-2043  
Draft Report***

**October 24, 2023**



October 24, 2023

Mr. Chris Buchmann  
Grant County Public Utility District  
P.O. Box 1519  
Moses Lake, WA 98837

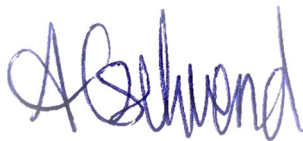
SUBJECT: 2023 Conservation Potential Assessment –Draft Report

Dear Mr. Buchmann:

Please find attached the draft report summarizing the 2023 Grant County Public Utility District Conservation Potential Assessment (CPA). This report covers the 20-year time period from 2024 through 2043.

The 2-year potential has decreased from the 2021 CPA, largely due to increased efficiency baselines, program participation, and lower avoided costs. The resulting potential estimated for the 2024-2025 biennium is 3.81 aMW.

Very truly yours,



**Amber Gschwend**  
**Managing Director, EES Consulting**

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# 1 Executive Summary

This report describes the methodology and results of the 2023 Conservation Potential Assessment (CPA) Grant County Public Utility District (the District). This assessment provides estimates of energy savings by sector for the period 2024 to 2043. The assessment considers a wide range of conservation resources that are reliable, available, and cost-effective within the 20-year planning period.

## 1.1 BACKGROUND

The District provides electricity service to over 46,900 customers located in Grant County, Washington. Over half of the District's load requirements are for serving commercial and industrial customers. The District has completed conservation potential assessments every two years since the Energy Independence Act (EIA) was effective in 2010. The EIA requires that utilities with more than 25,000 customers (known as qualifying utilities) pursue all cost-effective conservation resources and meet conservation targets set using a utility-specific conservation potential assessment methodology.

Washington's Energy Independence Act (EIA), effective January 1, 2010, requires that utilities with more than 25,000 customers (known as qualifying utilities) pursue all cost-effective conservation resources and meet conservation targets set using a utility-specific conservation potential assessment methodology.

The EIA sets forth specific requirements for setting, pursuing, and reporting on conservation targets. The methodology used in this assessment complies with RCW 19.285.040 and WAC 194-37-070 Section 5 parts (a) through (d) and is consistent with the methodology used by the Northwest Power and Conservation Council (Council) in developing the 2021 Power Plan. Thus, this Conservation Potential Assessment will support the District's compliance with EIA requirements.

This assessment was built on the technical workbooks developed for the Final 2021 Power Plan. The primary model assumptions included the following changes since the previous study:

- **Avoided Costs**
  - Recent forecast of power market prices prepared by the Council in April 2023
  - Avoided generation capacity value updated with recent wholesale rates
- **Updated Customer Characteristics Data**
  - Residential home counts
  - Commercial floor area based on recent load growth
  - Industrial sector consumption based on recent load growth
- **Measure Updates**
  - Measure savings, costs, and lifetimes were updated based on the latest data available the 2021 Power Plan supply curves
- **Accounting for Recent Achievements**
  - Internal programs
  - NEEA programs

The first step of this assessment was to carefully define and update the planning assumptions using the new data. The Base Case conditions were defined as the most likely market conditions over the planning

horizon, and the conservation potential was estimated based on these assumptions. Additional scenarios were also developed to test a range of conditions.

## 1.2 RESULTS

Table 1-1 shows the high-level results of this assessment, the cost-effective potential by sector in 2, 6, 10, and 20-year increments. The total 20-year energy efficiency potential is 29.23 aMW. The most important numbers per EIA are the 10-year potential of 18.64 aMW, and the two-year potential of 3.81 aMW. These numbers are also illustrated in Figure 1-1 below.

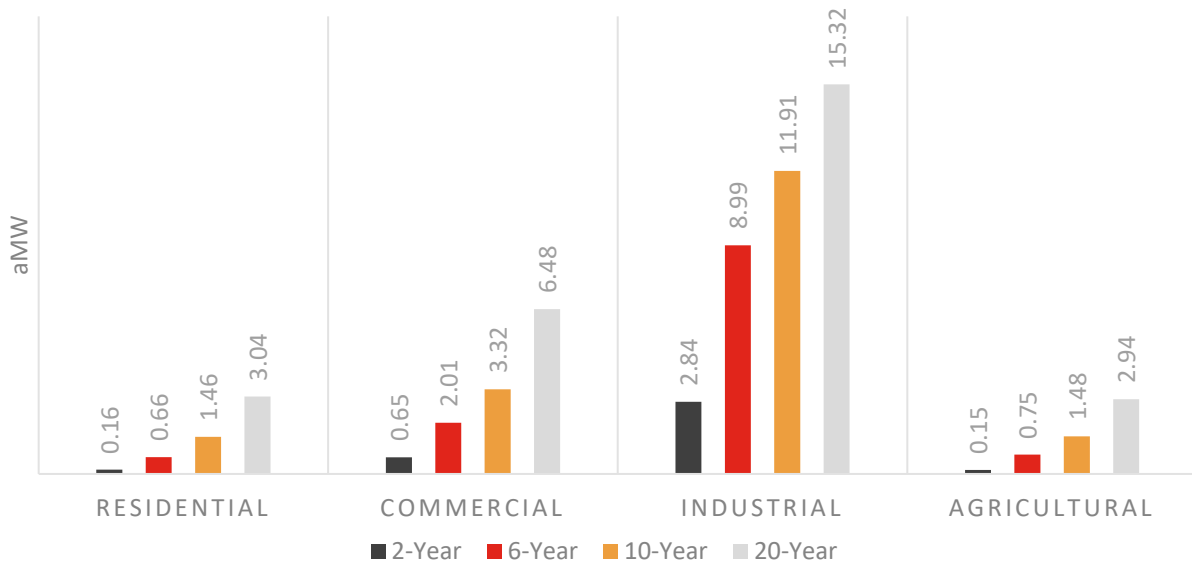
These estimates include energy efficiency achieved through the District’s own utility programs and through its share of the Northwest Energy Efficiency Alliance (NEEA) accomplishments. Some of the potential may be achieved through code and standards changes, especially in later years. In some cases, the savings from those changes will be quantified by NEEA or through BPA’s Momentum Savings work.

**TABLE 1-1: COST-EFFECTIVE POTENTIAL (aMW)**

	2-Year	6-Year	10-Year	20-Year
<b>Residential</b>	0.16	0.66	1.46	3.04
<b>Commercial</b>	0.65	2.01	3.32	6.5
<b>Industrial</b>	2.84	8.99	11.91	15.32
<b>Agricultural</b>	0.15	0.75	1.48	2.94
<b>Total</b>	<b>3.81</b>	<b>12.52</b>	<b>18.65</b>	<b>29.23</b>

*Note: Numbers in this table and others throughout the report may not add to total due to rounding.*

**FIGURE 1-1: COST-EFFECTIVE ENERGY EFFICIENCY POTENTIAL ESTIMATE**



Energy efficiency also has the potential to reduce peak demands. Estimates of peak demand savings are calculated for each measure using the Council’s ProCost tool, which uses hourly load profiles developed for the 2021 Power Plan and a District-specific definition of when peak demand occurs. These unit-level estimates are then aggregated across sectors and years in the same way that energy efficiency measure

savings potential is calculated. The reductions in peak demand provided by energy efficiency are summarized in Table 1-2 below.

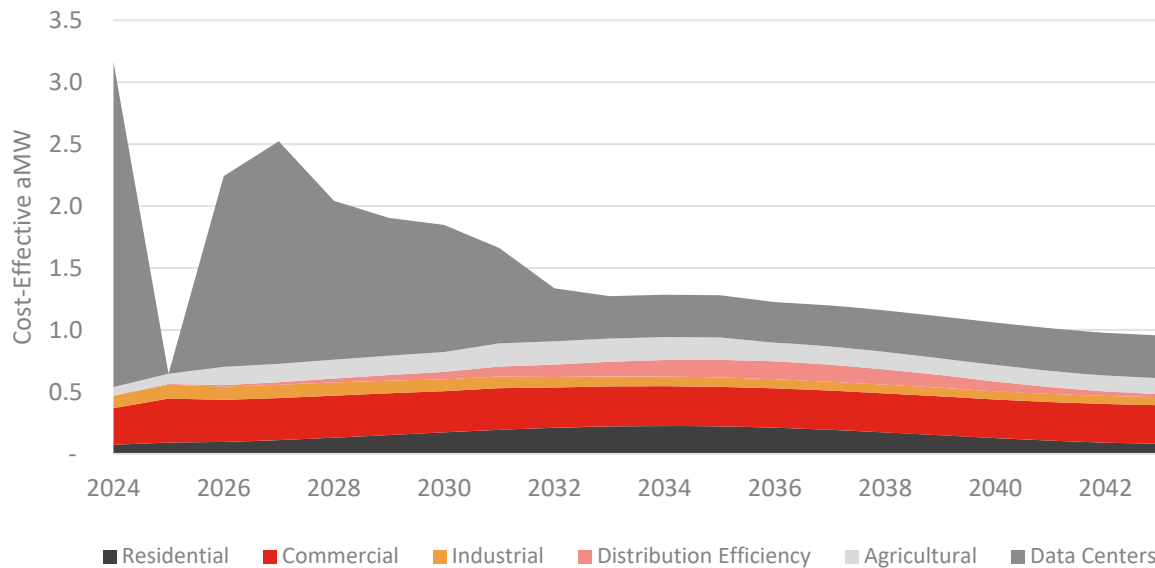
The savings from most energy efficiency measures are concentrated in those periods when energy is being used, and not evenly throughout the day. Thus, the peak demand reduction, measured in MW, is greater than the annual average energy savings. The District’s annual peak occurs most frequently on summer evenings, between 4 and 6 PM. In addition to these peak demand savings, demand savings would occur in varying amounts throughout the year.

**TABLE 1-2: COST-EFFECTIVE DEMAND SAVINGS (MW)**

	2-Year	4-Year	10-Year	20-Year
Residential	0.52	2.10	4.83	10.69
Commercial	0.50	1.53	2.51	4.78
Industrial	2.86	9.06	12.02	15.48
Agricultural	0.01	0.12	0.40	0.70
<b>Total</b>	<b>3.89</b>	<b>12.82</b>	<b>19.77</b>	<b>31.66</b>

The 20-year energy efficiency potential is shown on an annual basis in Figure 1-2. This assessment shows potential starting around 3.2 aMW in 2024 and ramping down over the period due to uncertainty in data center savings. In the other sectors, potential also gradually decreases after 2024 as the remaining retrofit measure opportunities diminish over time.

**FIGURE 1-2: ANNUAL COST-EFFECTIVE ENERGY EFFICIENCY POTENTIAL ESTIMATE**



The largest share of future savings potential is projected to be from large data center projects. The savings potential estimated in the first 2 years is based on both historic levels and the projects with planned completion dates in 2024 and 2025. These larger projects take significant lead time to develop and complete. While the District has historically relied on data center projects in meeting its targets, future savings potential is uncertain. The estimates for 2026 and beyond are based on average historic values that decline over the 20-year period. Future savings will depend significantly on future load growth, which

is inherently impacted by multiple factors and uncertainties. The District will continue to update this study in future reporting periods with the best available information.

The second largest share of conservation is available in the District’s commercial sector. The potential in the commercial sector is higher compared with the potential estimated in the 2021 CPA. The District has also achieved significant savings in lighting measures in recent years, leaving limited remaining savings. Savings in the commercial sector are spread across numerous end uses, but the primary areas for opportunity are in the HVAC end use. Notable measures in this area include:

- Residential Sized and Commercial-Sized Heat Pump Water Heaters
- Heat Recovery Ventilation
- Chillers and AC
- Commercial Lighting
- Refrigeration

Only 15% of the potential is in the residential sector. The largest contributing measure categories for residential applications include water heating and HVAC. Measures with notable potential in this end use include:

- Smart Thermostat
- Low Flow Shower Heads Efficiency 1.5 gallons per minute (gpm) or better
- Faucet Aerators
- Water Heater Circulator Controls and Circulators
- Air Source Heat Pump

This study identified lower potential in the industrial sector relative to the 2021 CPA due mostly to customer participation in energy efficiency programs.

### 1.3 COMPARISON TO PREVIOUS ASSESSMENT

Table 1-3 shows a comparison of the 2, 10, and 20-year Base Case conservation potential by customer sector for this assessment and the results of the District’s 2021 CPA.

**TABLE 1-3: COMPARISON OF 2021 CPA AND 2023 CPA COST-EFFECTIVE POTENTIAL**

	2-Year			10-Year			20-Year		
	2021	2023	% Change	2021	2023	% Change	2021	2023	% Change
<b>Residential</b>	0.13	0.16	27%	2.57	1.46	-43%	7.01	3.04	-57%
<b>Commercial</b>	0.43	0.65	52%	6.63	3.32	-50%	20.68	6.48	-69%
<b>Industrial</b>	3.98	2.84	-29%	8.71	11.91	37%	18.13	15.32	-15%
<b>Agricultural</b>	0.02	0.15	651%	0.50	1.48	195%	1.33	2.94	121%
<b>Total</b>	<b>4.56</b>	<b>3.81</b>	<b>-16%</b>	<b>18.41</b>	<b>18.65</b>	<b>1%</b>	<b>47.15</b>	<b>29.23</b>	<b>-38%</b>

*\*Note that the 2021 columns refer to the CPA completed in 2021 for the time period of 2022 through 2041. The 2023 assessment is for the timeframe: 2024 through 2043.*

The change in conservation potential estimated since the 2021 study is the result of several changes to the input assumptions, including measure data and avoided cost assumptions. Additionally, new measures

were added to the assessment and ramp rates were adjusted to account for program maturity, lingering COVID impacts, and 2021 Power Plan assumptions. A detailed analysis is provided in the Results section of this study.

### 1.3.1 Measure Data

Measure data was updated to include the Final 2021 Power Plan supply curve data.

### 1.3.2 Avoided Cost

An updated forecast of market prices was used to value energy savings. This forecast is lower than the forecast used in the 2021 assessment. Other avoided cost assumptions remained largely the same.

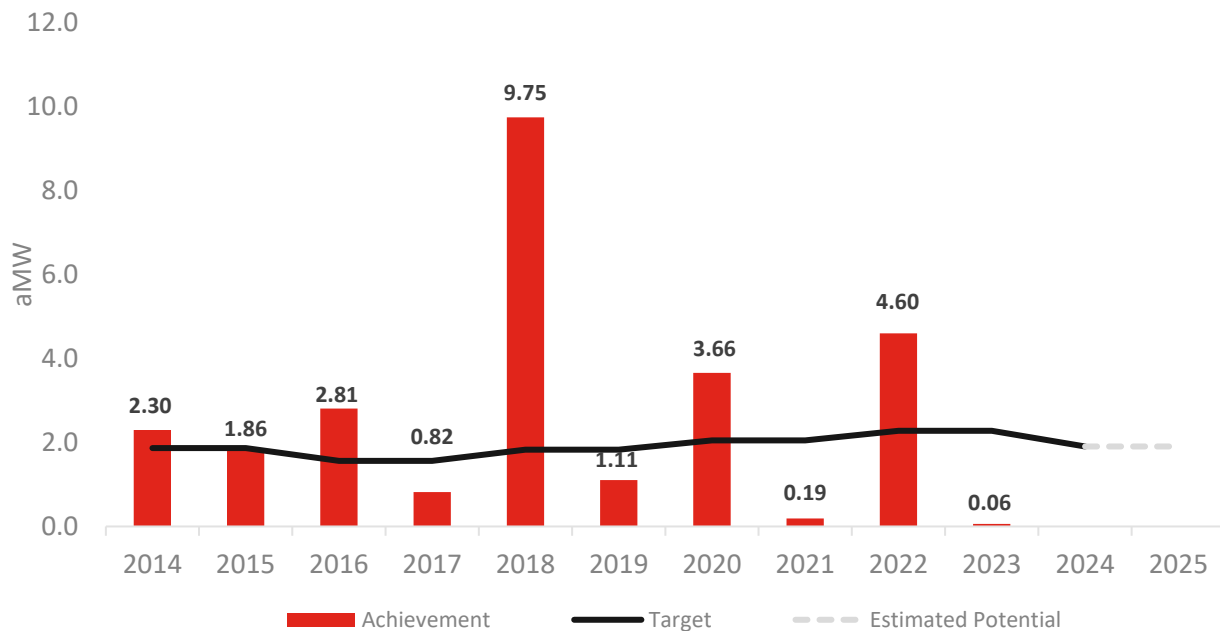
### 1.3.3 Customer Characteristics

No changes were made from the last CPA. However, growth in usage and number of customers was accounted for in the base year assumptions.

## 1.4 TARGETS AND ACHIEVEMENT

Figure 1-3 compares the District’s historic achievement with its targets. The estimated potential for 2024 and 2025 is based on the Base Case scenario presented in this report and represents approximately a 16% reduction over the 2022-23 biennium. A decrease was expected based on higher efficiency baselines since the 2021 Power Plan was finalized plus the lower value of energy based on the Council’s 2023 market price forecast. The figure below also shows that the District has consistently met its biennial energy efficiency targets, and that the potential estimates presented in this report are achievable through the District’s various programs and the District’s share of NEEA savings.

**FIGURE 1-3: HISTORIC ACHIEVEMENT AND TARGETS**



## 1.5 CONCLUSION

This report summarizes the CPA conducted for the District for the 2024 to 2043 timeframe. Many components of the CPA are updated from previous CPA models including items such as energy market price forecast, code and standard changes, recent conservation achievements, revised savings values and ramp rates for RTF and Council measures, and multiple scenario analyses.

The near-term results of this assessment are lower than the previous assessment, primarily due to the large amount of efficiency already achieved both regionally and by the District and the updated efficient baselines resulting from building codes and the 2021 Power Plan baselines. The results show a total 10-year cost-effective potential of 18.64 aMW and a two-year potential of 3.81 aMW for the 2024-25 biennium, which is an 16% decrease from the target for the previous biennium. This decrease is due primarily to reduced cost-effectiveness for some measures, program achievements, and updated program ramp rates that account slower adoption post COVID-19.



## 2 Introduction

### 2.1 OBJECTIVES

The objective of this report is to describe the results of the Grant Public Utility District (the District) 2023 Electric Conservation Potential Assessment (CPA). This assessment provides estimates of energy savings by sector for the period 2023 to 2044, with the primary focus on the initial 10 years. This analysis has been conducted in a manner consistent with requirements set forth in RCW 19.285 (EIA) and 194-37 WAC (EIA implementation) and Washington Clean Energy Transformation Act (CETA) and is part of the District's compliance documentation. The results and guidance presented in this report will also assist the District in strategic planning for its conservation programs. Finally, the resulting conservation supply curves can be used in the District's Integrated Resource Plan (IRP).

The conservation measures used in this analysis are based on the measures that were included in the Council's 2021 Power Plan. The assessment considered a wide range of conservation resources that are reliable, available, and cost effective within the 20-year planning period.

### 2.2 ELECTRIC UTILITY RESOURCE PLAN REQUIREMENTS

According to Chapter RCW 19.280, utilities with at least 25,000 retail customers are required to develop IRPs by September 2008 and biennially thereafter. The legislation mandates that these resource plans include assessments of commercially available conservation and efficiency measures. This CPA is designed to assist in meeting these requirements for conservation analyses. The results of this CPA may be used in the next IRP due to the state by September 2024. More background information is provided below.

### 2.3 ENERGY INDEPENDENCE ACT

Chapter RCW 19.285, the Energy Independence Act, requires that, "each qualifying utility pursue all available conservation that is cost-effective, reliable and feasible." The timeline for requirements of the Energy Independence Act is detailed below:

- By January 1, 2010 – Identify achievable cost-effective conservation potential through 2019 using methodologies consistent with the Pacific Northwest Power and Conservation Council's (Council) latest power planning document.
- Beginning January 2010, each utility shall establish a biennial acquisition target for cost-effective conservation that is no lower than the utility's pro rata share for the two-year period of the cost-effective conservation potential for the subsequent ten years.
- On or before June 1, 2012, each utility shall submit an annual conservation report to the department (the Department of Commerce or its successor). The report shall document the utility's progress in meeting the targets established in RCW 19.285.040.
- Beginning on January 1, 2014, cost-effective conservation achieved by a qualifying utility in excess of its biennial acquisition target may be used to help meet the immediately subsequent two biennial acquisition targets, such that no more than twenty percent of any biennial target may be met with excess conservation savings.

- Beginning January 1, 2014, a qualifying utility may use conservation savings in excess of its biennial target from a single large facility to meet up to an additional five percent of the immediately subsequent two biennial acquisition targets.<sup>1</sup>

This report summarizes the preliminary results of a comprehensive CPA conducted following the requirements of the EIA and additions made by the passage of CETA. A checklist of how this analysis meets EIA requirements is included in Appendix III.

## 2.4 OTHER LEGISLATIVE CONSIDERATIONS

Washington state enacted several laws that impact conservation planning. Washington HB 1444 enacts efficiency standards for a variety of appliances. Washington also enacted a clean energy law, SB 5116. CETA (2019) requires the use of specific values for avoided greenhouse gas emissions. This study follows the CETA requirements to value energy efficiency savings at the prescribed value established by the Department of Ecology. Finally, CETA requires that all sales of electricity be greenhouse gas neutral by 2030 and greenhouse gas free by 2045. This provision has been incorporated into the assumptions of this CPA. Specifically, this impacts the avoided cost of conservation, as described in Appendix IV.

## 2.5 STUDY UNCERTAINTIES

The savings estimates presented in this study are subject to the uncertainties associated with the input data. This study utilized the best available data at the time of its development; however, the results of future studies will change as the planning environment evolves. Specific areas of uncertainty include the following:

- Customer Characteristic Data – Residential and commercial building data and appliance saturations are in many cases based on regional studies and surveys. There are uncertainties related to the extent that the District’s service area is similar to that of the region, or that the regional survey data represents the population.
- Measure Data – In particular, savings and cost estimates (when comparing to current market conditions), as prepared by the Council and RTF, will vary across the region. In some cases, measure applicability or other attributes have been estimated by the Council or the RTF based on professional judgment or limited market research.
- Market Price Forecasts – Market prices (and forecasts) are continually changing. The market price forecasts for electricity and natural gas utilized in this analysis represent a snapshot in time. Given a different snapshot in time, the results of the analysis would vary. However, different avoided cost scenarios are included in the analysis to consider the sensitivity of the results to fluctuating market prices over the study period.
- Utility System Assumptions – Credits have been included in this analysis to account for the avoided costs of transmission and distribution system expansion. Though potential transmission and distribution system cost savings are dependent on local conditions, the Council considers these credits

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<sup>1</sup> The EIA requires that the savings must be cost-effective and achieved within a single biennial period at a facility whose average annual load before conservation exceeded 5 aMW. In addition, the law requires that no more than 25% of a biennial target may be met with excess conservation savings, inclusive of provisions listed in this section.

to be representative estimates of these avoided costs. A value for generation capacity was also included but may change as the Northwest market continues to evolve.

- Discount Rate – The Council develops a real discount rate as well as a finance rate for each power plan. The finance rate is based on the relative share of the cost of conservation and the cost of capital for the various program sponsors. The Council has estimated these figures using the most current available information. This study reflects the current borrowing market although changes in borrowing rates will likely vary over the study period.
- Forecasted Load and Customer Growth – The CPA bases the 20-year potential estimates on forecasted loads and customer growth provided by the utility. These forecasts include a level of uncertainty especially considering the recovery from COVID related load impacts.
- Load Shape Data – The Council provides conservation load shapes for evaluating the timing of energy savings. In practice, load shapes will vary by utility based on weather, customer types, and other factors. This assessment uses the hourly load shapes used in the 2021 Plan to estimate peak demand savings over the planning period, based on shaped energy savings. Since the load shapes are a mix of older Northwest and California data, peak demand savings presented in this report may vary from actual peak demand savings.
- Frozen Efficiency – Consistent with the Council’s methodology, the measure baseline efficiency levels and end-using devices do not change over the planning period. In addition, it is assumed that once an energy efficiency measure is installed, it will remain in place over the remainder of the study period.

Due to these uncertainties and the changing environment, under the EIA, qualifying utilities must update their CPAs every two years to reflect the best available information.

## 2.6 COVID IMPACTS

Impacts from COVID-19 have been incorporated into this study in various ways such as:

- Load levels have largely recovered since the 2020 pandemic. The baseline load and customer counts reflect current and future usage levels.
- Ramp rates, in some cases, were adjusted due to the slowdown of program uptake since the pandemic began. At first, projects were stopped due to concerns over spreading the virus. In addition to the lower participation rates, supply chain issues have delayed many projects. Largely, the 2021 Power Plan draft ramp rates were applied for each measure; however, some measure ramp rates were slowed to reflect recent achievements despite the District’s efforts to promote programs.

The above considerations have been modeled in this study.

## 2.7 REPORT ORGANIZATION

The report is organized with the following main sections:

- Methodology – CPA methodology along with some of the overarching assumptions
- Recent Conservation Achievement – The District’s recent achievements and current energy efficiency programs
- Customer Characteristics – Housing and commercial building data for updating the baseline conditions
- Results – Energy Savings and Costs – Primary base case results
- Scenario Results – Results of all scenarios
- Summary
- References & Appendices

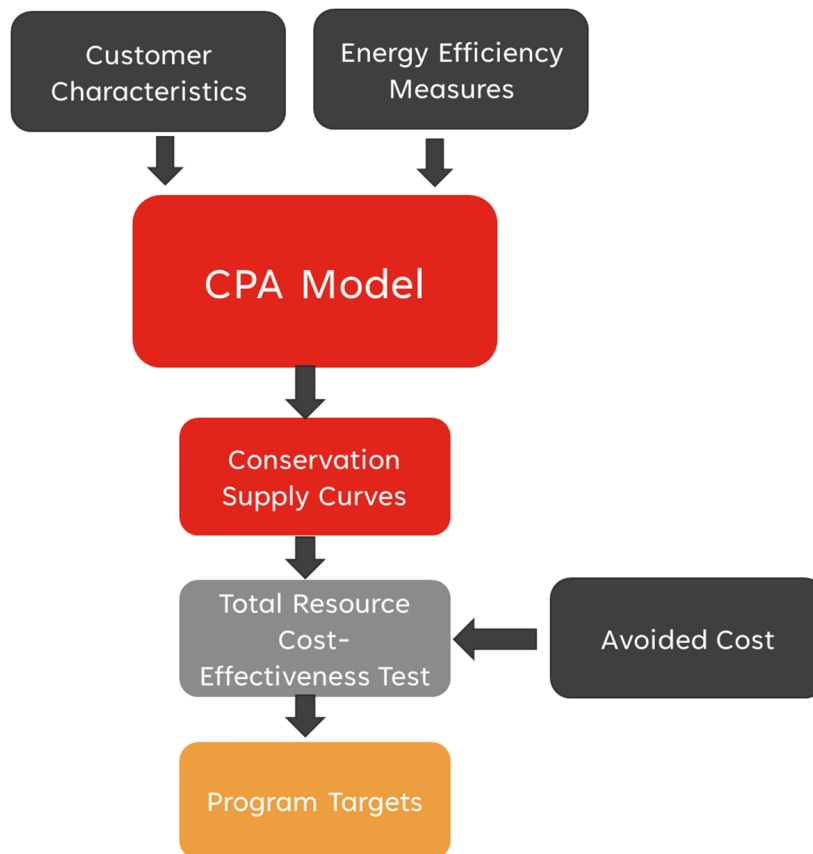
### 3 CPA Methodology

This study is a comprehensive assessment of the energy efficiency potential in the District’s service area. The methodology complies with RCW 19.285.040 and WAC 194-37-070 Section 5 parts (a) through (d) and is consistent with the methodology used by the Northwest Power and Conservation Council (Council) in developing the 2021 Power Plan. This section provides a broad overview of the methodology used to develop the District’s conservation potential target. Specific assumptions and methodology as they pertain to compliance with the EIA and CETA are provided in Appendix III of this report.

#### 3.1 BASIC MODELING METHODOLOGY

The basic methodology used for this assessment is illustrated in Figure 3-1. A key factor is the kilowatt hours saved annually from the installation of an individual energy efficiency measure. The savings from each measure are multiplied by the total number of measures that could be installed over the life of the program. Savings from each individual measure are then aggregated to produce the total potential.

**FIGURE 3-1: CONSERVATION POTENTIAL ASSESSMENT PROCESS**



#### 3.2 CUSTOMER CHARACTERISTIC DATA

Assessment of customer characteristics includes estimating both the number of locations where a measure could be feasibly installed as well as the share—or saturation—of measures that have already been installed. For this analysis, the characterization of the District’s baseline was determined using data

provided by the District, NEEA’s commercial and residential building stock assessments, and census data. Details of data sources and assumptions are described for each sector later in the report.

This assessment primarily sourced baseline measure saturation data from the Council’s 2021 Plan measure workbooks. The Council’s data was developed from NEEA’s Building Stock Assessments, studies, market research and other sources. This data was updated with NEEA’s 2016 Residential Building Stock Assessment and the District’s historic conservation achievement data, where applicable. The District’s historic achievement is discussed in detail in the next section.

### **3.3 ENERGY EFFICIENCY MEASURE DATA**

The characterization of efficiency measures includes measure savings, costs, and lifetime. Other features, such as measure load shape, operation and maintenance costs, and non-energy benefits are also important for measure definition. The Council’s 2021 Power Plan is the primary source for conservation measure data.

The measure data includes adjustments from raw savings data for several factors. The effects of space-heating interaction, for example, are included for all lighting and appliance measures, where appropriate. For example, if an electrically heated house is retrofitted with efficient lighting, the heat that was originally provided by the inefficient lighting will have to be made up by the electric heating system. These interaction factors are included in measure savings data to produce net energy savings. Other financial-related data needed for defining measure costs and benefits include discount rate, line losses, and deferred capacity-expansion benefits.

A list of measures by end-use is included in Appendix VI.

### **3.4 TYPES OF POTENTIAL**

Once the customer characteristics and energy efficiency measures are fully described, energy efficiency potential can be quantified. Three types of potential are used in this study: technical, achievable, and economic or cost-effective potential. Technical potential is the theoretical maximum efficiency available in the service territory if cost and market barriers are not considered. Market barriers and other consumer acceptance constraints reduce the total potential savings of an energy efficient measure. When these factors are applied, the remaining potential is called the achievable potential. Economic potential is a subset of the achievable potential that has been screened for cost effectiveness through a benefit-cost test. Figure 3-2 illustrates the four types of potential followed by more detailed explanations.

**FIGURE 3-2: TYPES OF ENERGY EFFICIENCY POTENTIAL<sup>2</sup>**



**Technical** – Technical potential is the amount of energy efficiency potential that is available, regardless of cost or other technological or market constraints, such as customer willingness to adopt a given measure. It represents the theoretical maximum amount of energy efficiency that is possible in a utility’s service territory absent these constraints.

Estimating the technical potential begins with determining a value for the energy efficiency measure savings. Additionally, the number of applicable units must be estimated. Applicable units are the units across a service territory where the measure could feasibly be installed. This includes accounting for units that may have already been installed. The value is highly dependent on the measure and the housing stock. For example, a heat pump measure may only be applicable to single family homes with electric space heating equipment. A saturation factor accounts for measures that have already been completed.

In addition, technical potential considers the interaction and stacking effects of measures. For example, interaction occurs when a home installs energy efficient lighting and the demands on the heating system rise due to a reduction in heat emitted by the lights. If a home installs both insulation and a high-efficiency heat pump, the total savings of these stacked measures is less than if each measure were installed individually because the demands on the heating system are lower in a well-insulated home. Interaction is addressed by accounting for impacts on other energy uses. Stacked measures within the same end use are often addressed by considering the savings of each measure as if it were installed after other measures that impact the same end use.

The total technical potential is often significantly more than the amount of achievable and economic potential. The difference between technical potential and achievable potential is a result of the number

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<sup>2</sup> Reproduced from U.S. Environmental Protection Agency. *Guide to Resource Planning with Energy Efficiency*. Figure 2-1, November 2007.

of measures assumed to be affected by market barriers. Economic potential is further limited due to the number of measures in the achievable potential that are not cost-effective.

**Achievable Technical** – Achievable technical potential, also referred to as achievable potential, is the amount of potential that can be achieved with a given set of market conditions. It takes into account many of the realistic barriers to adopting energy efficiency measures. These barriers include market availability of technology, consumer acceptance, non-measure costs, and the practical limitations of ramping up a program over time. The level of achievable potential can increase or decrease depending on the given incentive level of the measure. In the Seventh Power Plan, the Council assumes that 85% of technical potential can be achieved over the 20-year study period. This is a consequence of a pilot program offered in Hood River, Oregon where home weatherization measures were offered at no cost. The pilot was able to reach over 90% of homes. These assumptions will be updated in the next study based on a measure-by-measure analysis of maximum achievability rates as finalized in the forthcoming 2021 Power Plan. The Council also uses a variety of ramp rates to estimate the rate of achievement over time. This CPA follows the Council’s methodology, including both the achievability and ramp rate assumptions.

**Economic** – Economic potential is the amount of potential that passes an economic benefit-cost test. In Washington State, EIA requirements stipulate that the total resource cost test (TRC) be used to determine economic potential. The TRC evaluates all costs and benefits of the measure regardless of who pays the cost or receives the benefit. Costs and benefits include the following: capital cost, O&M cost over the life of the measure, disposal costs, program administration costs, environmental benefits, distribution and transmission benefits, energy savings benefits, economic effects, and non-energy savings benefits. Non-energy costs and benefits can be difficult to enumerate, yet non-energy costs are quantified where feasible and realistic. Examples of non-quantifiable benefits might include added comfort and reduced road noise from better insulation or increased real estate value from new windows. A quantifiable non-energy benefit might include reduced detergent costs or reduced water and sewer charges from energy efficient clothes washers.

For this potential assessment, the Council’s ProCost model was used to determine cost effectiveness for each energy efficiency measure. The ProCost model values measure energy savings by time of day using conservation load shapes (by end-use) and segmented energy prices. The version of ProCost used in the 2021 CPA evaluates measure savings on an hourly basis, but ultimately values the energy savings during two segments covering high and low load hour time periods.

### 3.5 AVOIDED COST

Each component of the avoided cost of energy efficiency measure savings is described below. Additional information regarding the avoided cost forecast is included in Appendix IV.

#### 3.5.1 Energy

The avoided cost of energy is the cost that is avoided through the acquisition of energy efficiency in lieu of other resources. Avoided costs are used to value energy savings benefits when conducting cost effectiveness tests and are included in the numerator in a benefit-cost test. The avoided costs typically include energy-based values (\$/MWh) and values associated with the demand savings (\$/kW) provided by energy efficiency. These energy benefits are often based on the cost of a generating resource, a forecast of market prices, or the avoided resource identified in the IRP process.

### 3.5.2 Social Cost of Carbon

The social cost of carbon is a cost that society incurs when fossil fuels are burned to generate electricity. Both the EIA rules and CETA require that CPAs include the social cost of carbon when evaluating cost effectiveness using the total resource cost test (TRC). CETA further specifies the social cost of carbon values to be used in conservation and demand response studies. These values are shown in Table 3-1 below and were the same value used in the 2023 CPA.

**TABLE 3-1: SOCIAL COST OF CARBON VALUES<sup>3</sup>**

Year in Which Emissions Occur or Are Avoided	Social Cost of Carbon Dioxide \$2018/metric ton	Social Cost of Carbon Dioxide \$2023/short ton <sup>1</sup>
2020	\$74	\$80
2025	\$81	\$88
2030	\$87	\$94
2035	\$93	\$101
2040	\$100	\$108

*<sup>1</sup>ProCost model inputs for \$/CO<sub>2</sub> are in short tons. In the modeling, 2023 dollars are converted to \$2016 to be consistent with the 2021 Power Plan measure data.*

According to WAC 194-40-110, values may be adjusted for any taxes, fees or costs incurred by utilities to meet portfolio mandates.<sup>4</sup> For example, the social cost of carbon is the full value of carbon emissions which includes the cost to utilities and ratepayers associated with moving to non-emitting resources. Rather than adjust the social cost of carbon for the cost of RECs or renewable energy, the values for RECS and renewable energy are excluded from the analysis to avoid double counting.

The emissions intensity of the marginal resource (market) is used to determine the \$/MWh value for the social cost of carbon. Ecology states that unspecified resources should be given a carbon intensity value of 0.437 metric tons of CO<sub>2</sub>e/MWh of electricity (0.874 lbs/kWh).<sup>5</sup> This is an average annual value applied to in all months in the conservation potential model.<sup>6</sup> The resulting levelized cost of carbon is \$34/MWh over the 20-year study.

<sup>3</sup> WAC 194-40-100. Available at :<https://apps.leg.wa.gov/wAc/default.aspx?cite=194-40-100&pdf=true>.

<sup>4</sup> WAC 194-40-110 (b).

<sup>5</sup> WAC 173-444-040 (4).

<sup>6</sup> The seasonal nature of carbon intensity is not modeled due to the prescriptive annual value established by Ecology in WAC 173-444-040.



### 3.5.3 Renewable Portfolio Standard Cost

Renewable energy purchases need to meet both RPS and CETA and can be avoided through conservation. Utilities may meet Washington RPS through either bundled energy purchases such as purchasing the output of a wind resource where the non-energy attributes remain with the output, or they may purchase unbundled RECs. As stated above, the value of avoided renewable energy credit purchases resulting from energy efficiency is accounted for within the social cost of carbon construct. The social cost of carbon already considers the cost of moving from an emitting resource to a non-emitting resource. Therefore, it is not necessary to include an additional value for renewable energy purchases prior to 2045 when all energy must be non-emitting or renewable.

Beginning in 2045, the social cost of carbon may no longer be an appropriate adder in resource planning. However, prior to 2045 utilities may still use offsets to meet CETA requirements. Since the study period of this evaluation ends prior to 2045, the avoided social cost of carbon is included in each year. For future studies that extend to 2045 and beyond, it would be appropriate to include renewable energy or non-emitting resource costs as the avoided cost of energy rather than market plus the social cost of carbon.

### 3.5.4 Transmission and Distribution System

The EIA requires that deferred capacity expansion benefits for transmission and distribution systems be included in the assessment of cost effectiveness. To account for the value of deferred transmission and distribution system expansion, a distribution system credit value of \$8.53/kW-year and a transmission system credit of \$3.83/kw-year were applied to peak savings from conservation measures, at the time of the regional transmission and the District's local distribution system peaks (adjusted to \$2023). These values were developed by Council staff in preparation for the 2021 Power Plan.<sup>7</sup>

### 3.5.5 Generation Capacity

Beginning in October 2023, the District will be a load following customer of BPA. As a load following customer, the District's avoided cost of capacity is built into BPA's preference rates. BPA demand rates are escalated 3% each rate period (every two years). Over the 20-year analysis period, the resulting cost of avoided capacity is \$104/kW-year (2023\$) in levelized terms.

In the Council's 2021 Power Plan,<sup>8</sup> a generation capacity value of \$143/kW-year was explicitly calculated (\$2023). This value is used in the high scenario.

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<sup>7</sup> Northwest Power and Conservation Council Memorandum to the Power Committee Members. Subject; Updated Transmission & Distribution Deferral Value for the 2021 Power Plan. March 5, 2019. Available at: [https://www.nwcouncil.org/sites/default/files/2019\\_0312\\_p3.pdf](https://www.nwcouncil.org/sites/default/files/2019_0312_p3.pdf).

<sup>8</sup> <https://www.nwcouncil.org/energy/powerplan/7/home/>.

### **3.5.6 Risk**

With the generation capacity value explicitly defined, the Council’s analysis found that a risk credit did not need to be defined as part of its cost-effectiveness test. In this CPA, risk was modeled by varying the base case input assumptions. In doing so, this CPA addresses the uncertainty of the inputs and looks at the sensitivity of the results. The avoided cost components that were varied included the energy prices and generation capacity value. Through the variance of these components, implied risk credits of up to \$11/MWh and \$39/kW-year were included in the avoided cost. Note that the capacity value of energy efficiency measures is associated with more uncertainty compared with the energy value. Because of the upcoming implementation of the energy imbalance market (EIM) in the Pacific Northwest, and increased renewables in the region, capacity values are expected to be more volatile compared with energy market prices.

Additional information regarding the avoided cost forecast and risk mitigation credit values is included in Appendix IV.

### **3.5.7 Power Planning Act Credit**

Finally, a 10% benefit was added to the avoided cost as required by the Pacific Northwest Electric Power Planning and Conservation Act.

## **3.6 DISCOUNT AND FINANCE RATE**

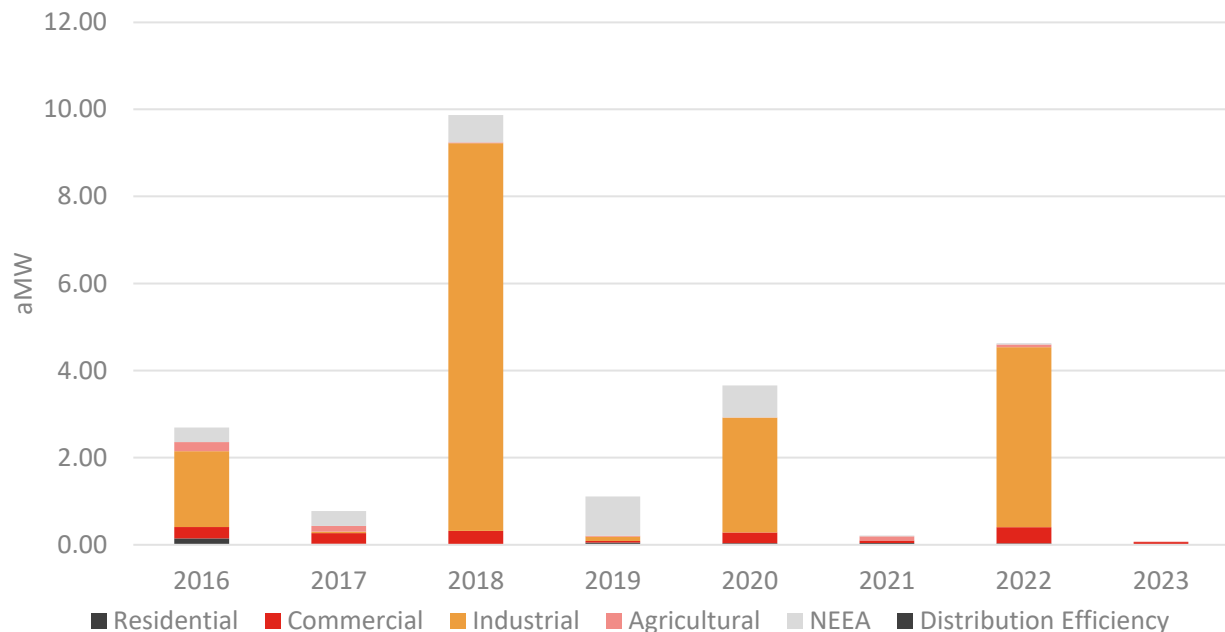
The Council develops a real discount rate for each of its Power Plans. In preparation for the 2021 Power Plan, the Council proposed using a discount rate of 3.75%. This discount rate was used in this CPA. The discount rate is used to convert future costs and benefits into present values. The present values are then used to compare net benefits across measures that realize costs and benefits at different times and over different useful lives.

## 4 Recent Conservation Achievement

The District has pursued conservation and energy efficiency resources for many years. Currently, the utility offers a variety of programs for residential, commercial, industrial, and agricultural customers. These include residential weatherization, Energy Star® appliance rebates, new construction programs for commercial customers, and energy-efficiency audits. In addition to utility programs, the District receives credit for market-transformation activities that are accomplished by the Northwest Energy Efficiency Alliance (NEEA) in its service territory.

Figure 4-1 shows the distribution of conservation among the District’s customer sectors and through Northwest Energy Efficiency Alliance (NEEA) efforts over the past five years. NEEA’s work helps bring energy efficient emerging technologies, like ductless heat pumps and heat pump water heaters to the Northwest markets. Note that savings achievement for 2020 were lower than historic achievements primarily due to the COVID-19 pandemic. Economic factors and risk for COVID-19 transmission both likely contributed to fewer measures being implemented in the District’s service area. More detail of these savings is provided below for each sector.

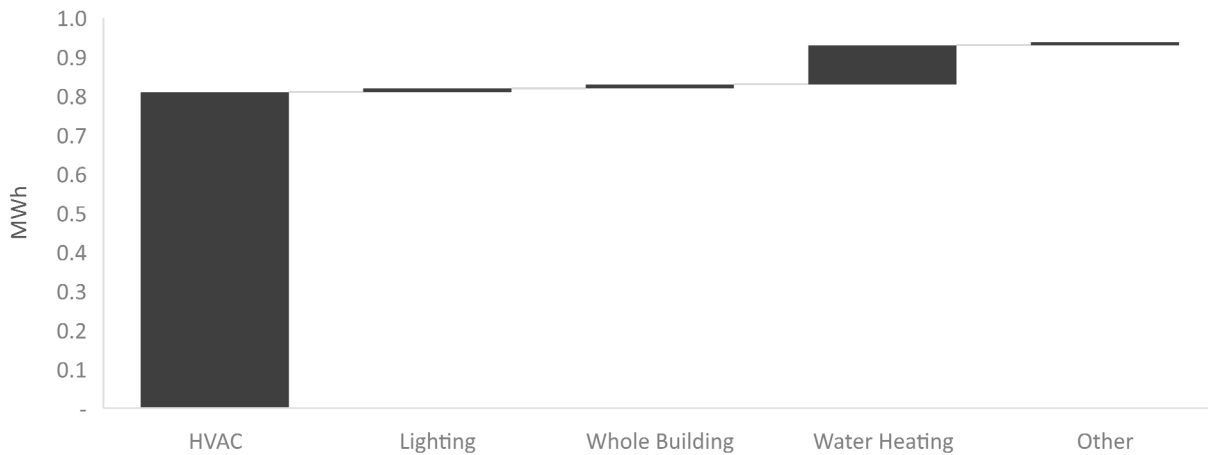
**FIGURE 4-1: RECENT CONSERVATION HISTORY BY SECTOR**



### 4.1 RESIDENTIAL

Figure 4-2 shows historic conservation achievement by end use in the residential sector. Savings from HVAC and lighting measures account for most of the savings. Note that in the figure below, HVAC includes weatherization measures. The “Other” category includes energy star appliances and consumer electronics.

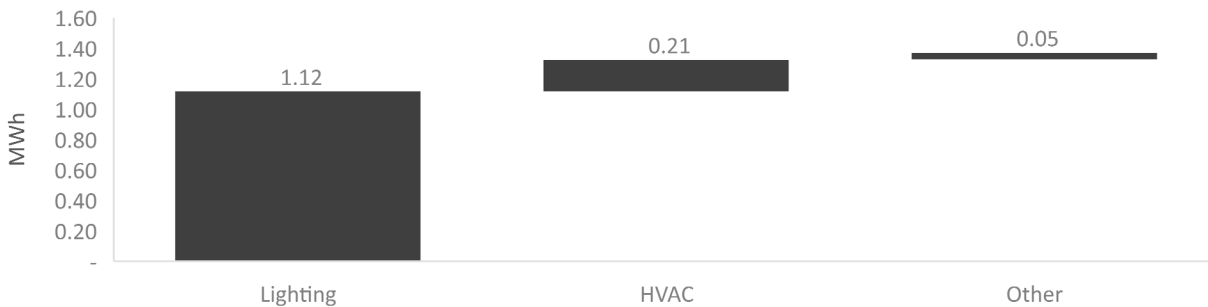
**FIGURE 4-2: 2017-2023 YTD RESIDENTIAL SAVINGS ACHIEVEMENT**



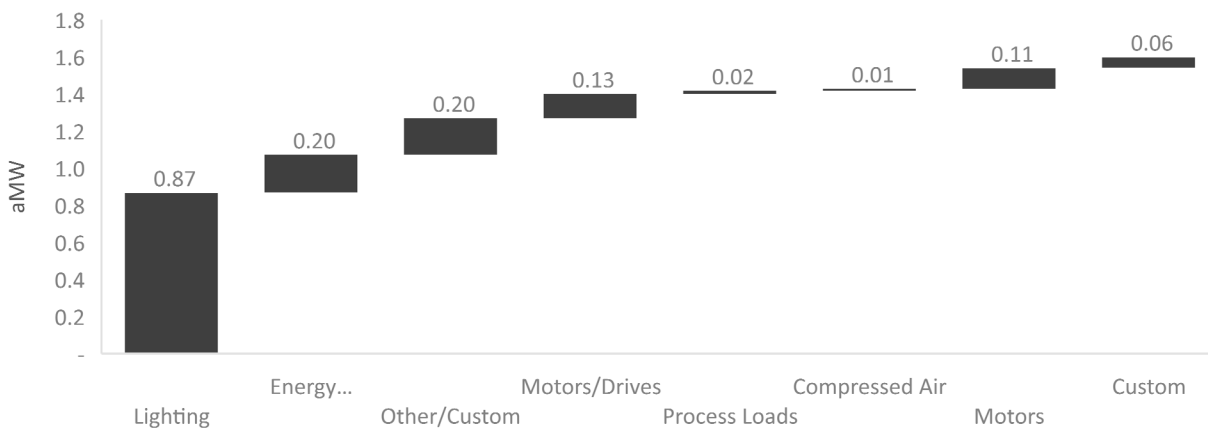
## 4.2 COMMERCIAL & INDUSTRIAL

Historic achievement in the commercial and industrial sectors is primarily due to lighting, Strategic Energy Management, and custom HVAC projects. Figures 4-3 and 4-4 show the breakdown of commercial and industrial savings, respectively, from 2017 to 2023 year to date.

**FIGURE 4-3: 2017-2023 YTD COMMERCIAL SAVINGS**



**FIGURE 4-4: 2017-2023 YTD INDUSTRIAL SAVINGS**



### 4.3 AGRICULTURE

Agriculture program achievement has been acquired through irrigation hardware and other system upgrades, such as variable frequency drives. Achievement from 2016-2023 in this sector totals 0.55 aMW.

### 4.4 CURRENT CONSERVATION PROGRAMS

The District offers a wide range of conservation programs to its customers. These programs include many types of deemed conservation rebates, energy audits, net metering, and custom projects. The current programs offered by the District are detailed below.

#### 4.4.1 Residential

- *Weatherization* – This program provides rebates for both windows and insulation.
- *HVAC Rebates* – This program provides rebates for a variety of space conditioning upgrades including rebates for HVAC upgrades and conversions.

#### 4.4.2 Commercial and Industrial

- *Lighting Energy Efficiency Program (LEEP)* – Owners of commercial buildings can apply for a lighting energy audit. Applicable rebate amounts are determined upon completion of the audit.
- *Custom Projects Rebates* – The District offers rebates for special projects that improve efficiency or process related systems including, but not limited to, compressed air, variable frequency drives, industrial lighting interactive with HVAC systems, and refrigeration. Rebates for this program vary.

#### 4.4.3 Agriculture

- *Agricultural Rebate Program* – This program offers incentives for irrigation sprinklers, nozzles, and regulators as well as replacement.

### 4.5 SUMMARY

The District plans to continue to invest in energy efficiency by offering incentives to all sectors. The results of this CPA will help the District program managers to structure energy efficiency program offerings, establish appropriate incentive levels, comply with the EIA and CETA requirements and provide continued energy efficiency as a customer service.

## 5 Customer Characteristics Data

The District serves over 37,000 electric customers in Grant County PUD County, Washington, with a service area population of approximately 104,579. A key component of an energy efficiency assessment is to understand the characteristics of these customers—primarily the building and end-use characteristics. These characteristics for each customer class are described below.

### 5.1 RESIDENTIAL

For the residential sector, the key characteristics include house type, space heating fuel, and water heating fuel. Tables 5-1, 5-2, 5-3 and 5-4 show relevant residential data for single family, multi-family and manufactured homes in the District’s service territory as analyzed in the 2019 CPA. Residential characteristics are based on data collected through home audits provided by Grant PUD. This data provides estimates of the current residential characteristics in Grant PUD’s service territory and are utilized as the baseline in this study.

**TABLE 5-1: RESIDENTIAL BUILDING CHARACTERISTICS**

Heating Zone	Cooling Zone	Solar Zone	Residential Households	Total Population
1	3	3	41,956	104,579

**TABLE 5-2: HOME HEATING & COOLING SYSTEM SATURATIONS**

	Single Family	Multifamily - Low Rise	Manufactured
Electric Forced Air Furnace	25%	1%	85%
Heat Pump	35%	1%	15%
Ductless Heat Pump	1%	2%	0%
Electric Zonal/Baseboard	39%	96%	0%
Central Air Conditioning	48%	2%	11%
Room Air Conditioning	42%	35%	3%

**TABLE 5-3: EXISTING HOMES – APPLIANCE SATURATIONS**

	Single Family	Multifamily - Low Rise	Manufactured
DHW buffer	79%	77%	94%
Refrigerator	129%	103%	121%
Freezer	53%	4%	43%
Clothes Washer	99%	47%	99%
Clothes Dryer	98%	47%	95%
Dishwasher	89%	78%	77%
Microwave	96%	96%	96%
Electric Oven	49%	40%	56%
RAC	53%	35%	38%

**TABLE 5-4: NEW HOMES – APPLIANCE SATURATIONS**

	<b>Single Family</b>	<b>Multifamily - Low Rise</b>	<b>Manufactured</b>
<b>DHW buffer</b>	79%	77%	94%
<b>Refrigerator</b>	138%	104%	117%
<b>Freezer</b>	39%	0%	43%
<b>Clothes Washer</b>	96%	53%	100%
<b>Clothes Dryer</b>	91%	49%	100%
<b>Dishwasher</b>	84%	68%	84%
<b>Microwave</b>	96%	96%	96%
<b>Electric Oven</b>	49%	40%	56%
<b>RAC</b>	53%	35%	38%

## 5.2 COMMERCIAL

Building floor area is the key parameter in determining conservation potential for the commercial sector as many of the measures are based on savings as a function of building area. Generally, floor area additions are analyzed by reviewing kWh growth in a utility’s service area. The District provided floor area estimates for new buildings constructed since 2021. This data is added to the 2022 floor area estimate from the previous assessment.

The 2018 data was developed by coding each general service customer based on the Commercial Building Stock Assessment (CBSA)<sup>9</sup> building definitions. The appropriate EUI is then applied to the sum of kWh for each building type resulting in estimated square feet. Table 5-5 compares the 2022 estimates with the 2024 estimates. After 2024, a 1% growth rate is applied to commercial building floor area growth.

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<sup>9</sup> Navigant Consulting. 2014. *Northwest Commercial Building Stock Assessment: Final Report*. Portland, OR: Northwest Energy Efficiency Alliance.

**TABLE 5-5: COMMERCIAL BUILDING SQUARE FOOTAGE BY SEGMENT**

Segment	2022 Floor Area Estimate	2024 Floor Area Estimate
Large Office	22,128	22,128
Medium Office	777,053	777,053
Small Office	1,035,713	1,066,031
Extra Large Retail Space	-	730,992
Large Retail	956,650	225,658
Medium Retail	773,412	807,090
Small Retail	1,723,534	1,787,953
School (K-12)	4,019,941	4,019,941
University	883,927	883,927
Warehouse	23,158,268	23,646,652
Supermarket	348,008	348,008
Mini Mart	203,509	204,169
Restaurant	467,747	475,984
Lodging	2,137,264	2,147,396
Hospital	632,421	639,477
Residential Care	42,059	42,059
Assembly	1,434,465	1,434,465
Other Commercial	5,640,209	5,652,806
<b>Total</b>	<b>44,256,309</b>	<b>44,911,790</b>

### 5.3 INDUSTRIAL

The methodology for estimating industrial potential is different than the approaches used for the residential and commercial sectors primarily because most energy efficiency opportunities are unique to specific industrial segments. The Council and this study use a “top-down” methodology that utilizes annual consumption by industrial segment and then disaggregates total usage by end-use shares. Estimated measure savings are applied to each sector’s end-use shares.

The 2020 usage for industrial customers was updated by applying historic and forecast growth rates from the District’s load forecast. Overall, industrial load growth is projected to increase by 1.8% from 2020 to 2024. Individual industrial customer usage is summed by industrial segment in Table 5-6. Data Center loads are shown separately.



**TABLE 5-6: INDUSTRIAL SECTOR LOAD BY SEGMENT, MWH**

Industry	2020 Loads	2024 Forecast
Paper	16,587	16,954
Foundries	42,202	43,137
Frozen Food	229,975	235,073
Other Food	76,313	78,004
Silicon	9,929	10,149
Metal Fabrication	-	-
Equipment/Transportation	21,741	22,223
Cold Storage	34,919	35,693
Fruit Storage	47,471	48,523
Refinery	70,956	72,529
Chemical	595,547	608,748
Miscellaneous Manufacturing	241,641	246,997
<b>Total</b>	<b>1,387,280</b>	<b>1,418,029</b>
Data Centers	1,531,597	2,260,080

## 5.4 AGRICULTURE

To determine agriculture sector characteristics in the District’s service territory, EES utilized data provided by the United States Department of Agriculture (USDA) as shown in Table 5-7. The USDA conducts a census of farms and ranches in the U.S. every five years. The most recent available data for this analysis is from the 2017 census, which was published in 2019.

**TABLE 5-7: AGRICULTURAL INPUTS**

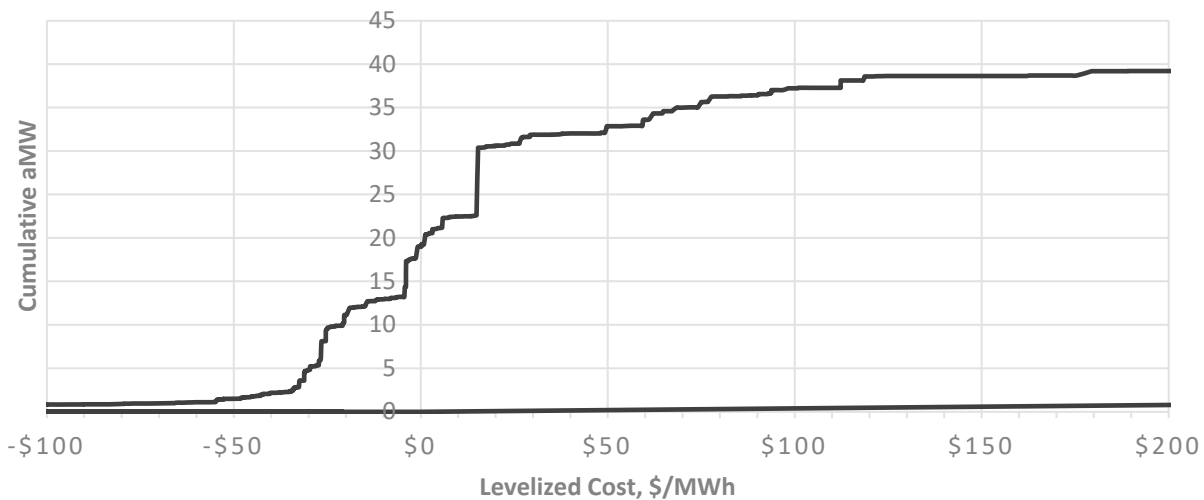
Dairy Production, 1,000 lbs	763,182
Total Irrigated Acreage	393,015
Total Number of Pumps	4,199
Total Number of Farms	1,635
Stock Tanks	711
Back-Up Generator	4

## 6 Results – Energy Savings and Costs

### 6.1 ACHIEVABLE CONSERVATION POTENTIAL

Achievable potential is the amount of energy efficiency potential that is available regardless of cost. Figure 6-1, below, shows a supply curve of 20-year achievable potential. A supply curve is developed by plotting cumulative energy efficiency savings potential (aMW) against the levelized cost (\$/MWh) of the savings when measures are sorted in order of ascending cost. The potential shown in Figure 6-1 has not been screened for cost-effectiveness. Costs are levelized, allowing for the comparison of measures with different lifetimes. The supply curve facilitates comparison of demand-side resources to supply-side resources and is often used in conjunction with integrated resource plans. Figure 6-1 shows that approximately 32 aMW of cumulative saving potential are available for less than \$50/MWh.

**FIGURE 6-1: 20-YEAR ACHIEVABLE POTENTIAL LEVELIZED COST SUPPLY CURVE, EXCLUDING DATA CENTERS**



### 6.2 ECONOMIC CONSERVATION POTENTIAL

Economic or cost-effective potential is the amount of potential that passes the Total Resource Cost (TRC) test. This means that the present value of the benefits attributed to the conservation measure exceeds the present value of the measure costs over its lifetime.

Table 6-1 shows the economic potential by sector in 2, 6, 10 and 20-year increments. Compared with the technical and achievable potential, it shows that 15.6 aMW of the total 40 aMW is cost-effective for the District. The last section of this report discusses how these values could be used for setting targets.

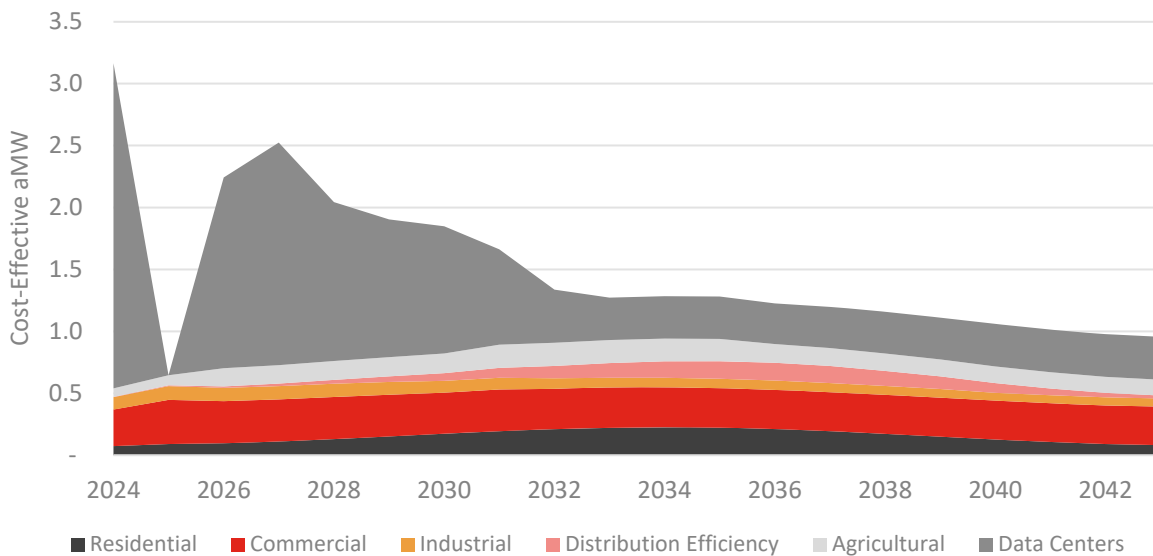
**TABLE 6-1: COST-EFFECTIVE ACHIEVABLE POTENTIAL – BASE CASE (aMW)**

	2-Year	6-Year	10-Year	20-Year
<b>Residential</b>	0.16	0.66	1.46	3.04
<b>Commercial</b>	0.65	2.01	3.32	6.48
<b>Industrial excluding Data Centers</b>	0.21	0.63	0.99	1.69
<b>Agricultural</b>	0.15	0.75	1.48	2.94
<b>Total</b>	<b>1.19</b>	<b>4.17</b>	<b>7.72</b>	<b>15.60</b>

### 6.3 SECTOR SUMMARY

Figure 6-2 shows economic potential by sector on an annual basis. In this figure, estimated data center savings are shown separately from other industrial process potential.

**FIGURE 6-2: ANNUAL COST-EFFECTIVE POTENTIAL BY SECTOR**



Second to data centers, the largest share of the potential is in the commercial sector followed by savings potential in the residential and agricultural sectors. Ramp rates from the 2021 Power Plan were used to establish reasonable conservation achievement levels. In some cases, alternate ramp rates were assigned to reflect the District’s current rate of program achievement. Achievement levels are affected by factors including timing of equipment turnover and new construction, supply chain delays, economic factors, program and technology maturity, market trends, and current utility staffing and funding.

#### 6.3.1 Residential

Near-term residential conservation potential is higher than what was identified in the 2019 assessment. Savings potential has been impacted by new measures added by the Council for the 2021 Power Plan, the avoided cost updates, and program achievement.

Within the residential sector, water heating and HVAC (including weatherization) measures make up the largest share of savings (Figure 6-3). This is due, in part, to the fact that the District’s residential customers

rely mostly on electricity for space and water heating. Many weatherization measures are no longer cost-effective due to changes in costs and in energy savings values. The large amount of potential for water heating is primarily due to 1.5 gpm or lower shower heads, efficient clothes washers, aerators, and heat pump water heaters.

**FIGURE 6-3: ANNUAL RESIDENTIAL COST-EFFECTIVE POTENTIAL BY END USE**

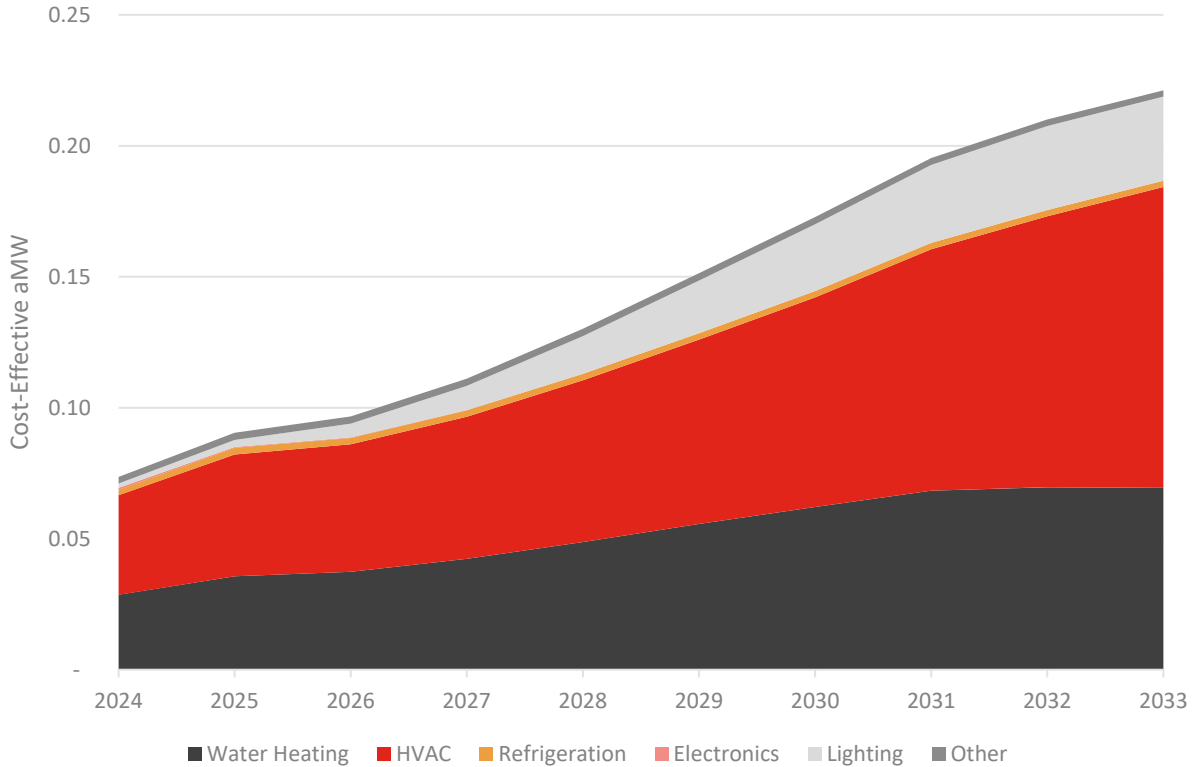


Figure 6-4 shows how the 10-year residential potential breaks down into end uses and key measure categories. The area of each block represents its share of the total 10-year residential potential.

**FIGURE 6-4: RESIDENTIAL COST-EFFECTIVE POTENTIAL BY END USE AND MEASURE CATEGORY**

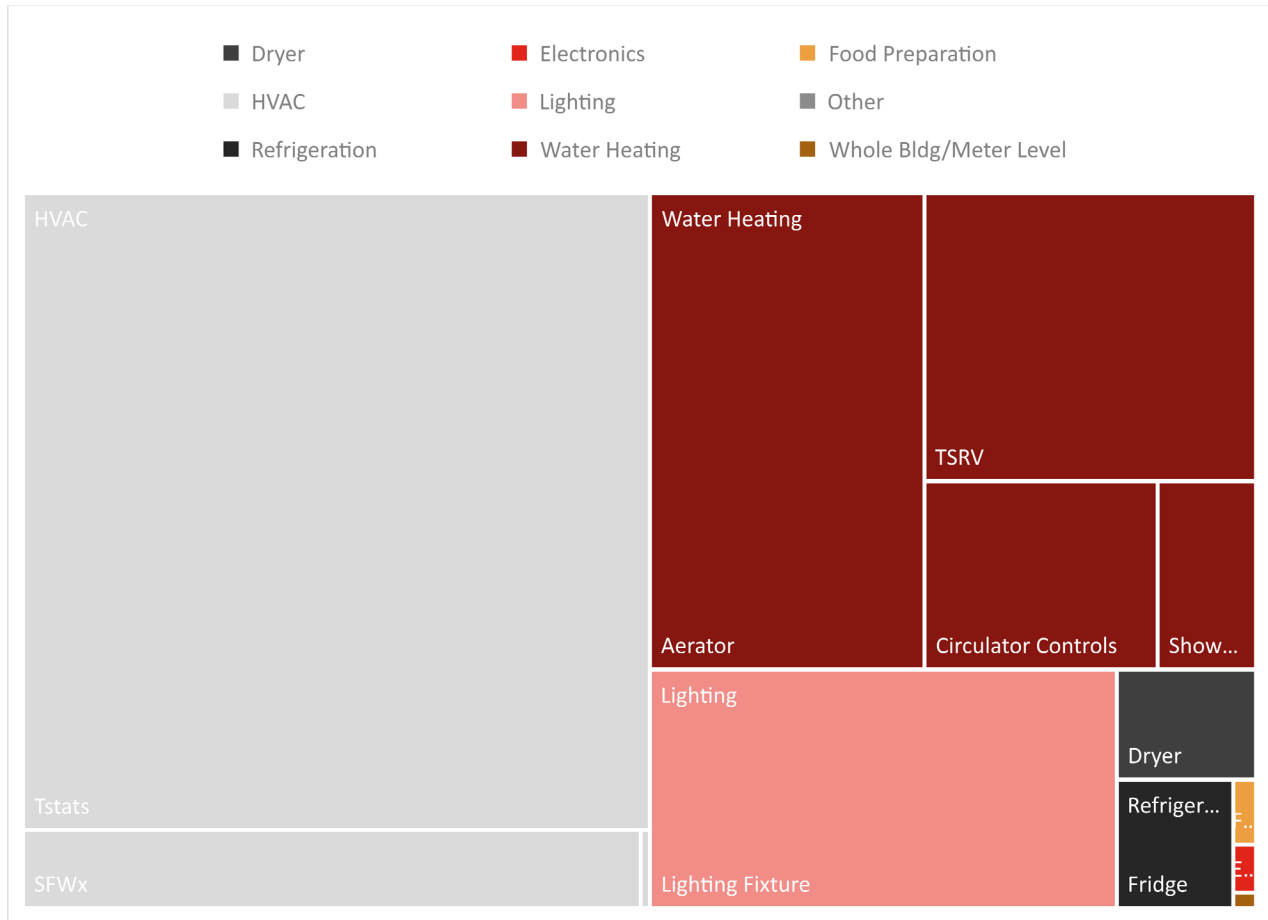


Table 6-2 compares how the savings potential has changed since the 2021 CPA. The primary drivers are reduced cost effectiveness as well as updated measure baselines.

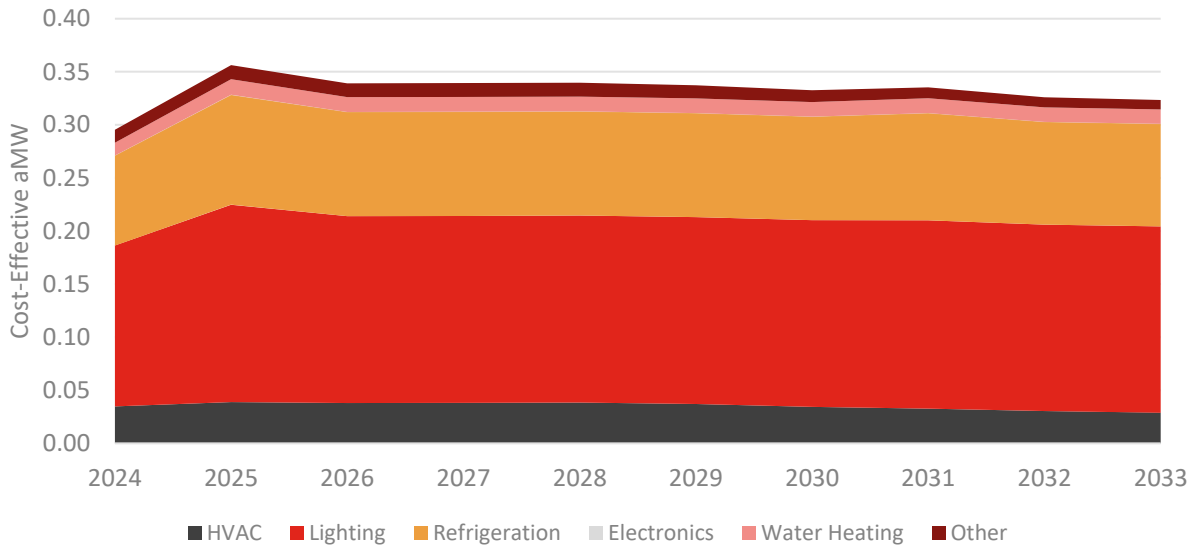
**TABLE 6-2: COMPARISON RESIDENTIAL 20-YEAR ECONOMIC ACHIEVABLE POTENTIAL, AMW**

End Use	2021 CPA	2023 CPA	Discussion
Water Heating	3.63	0.97	Reduced cost-effectiveness
HVAC	1.64	1.68	Added measure permutations
Lighting	0.00	0.30	Reduced cost-effectiveness
Electronics	0.27	0.00	Updated computer measures, reduced cost-effectiveness
Food Preparation	0.00	0.00	Reduced cost-effectiveness
Dryer	0.00	0.04	Updated to 2021 Plan methodology/measures
Refrigeration	0.00	0.05	Updated saturation
Whole Bldg./Meter Level	0.00	0.00	Updated saturation/applicability, Reduced cost-effectiveness
Well Pumps	5.54	0.00	Well pumps not cost-effective
<b>Total</b>	<b>3.63</b>	<b>3.04</b>	

### 6.3.2 Commercial

The diverse nature of commercial building energy efficiency is reflected in the variety of end-uses and corresponding measures as shown in Figure 6-5. Beyond HVAC and lighting, additional sources of potential are available in water heating, electronics, motors, food preparation and process loads.

**FIGURE 6-5: ANNUAL COMMERCIAL COST-EFFECTIVE POTENTIAL BY END USE**



The key end uses and measures within the commercial sector are shown in Figure 6-6. The area of each block represents its share of the 10-year commercial potential.

**FIGURE 6-6: COMMERCIAL COST-EFFECTIVE POTENTIAL BY END USE AND MEASURE CATEGORY**

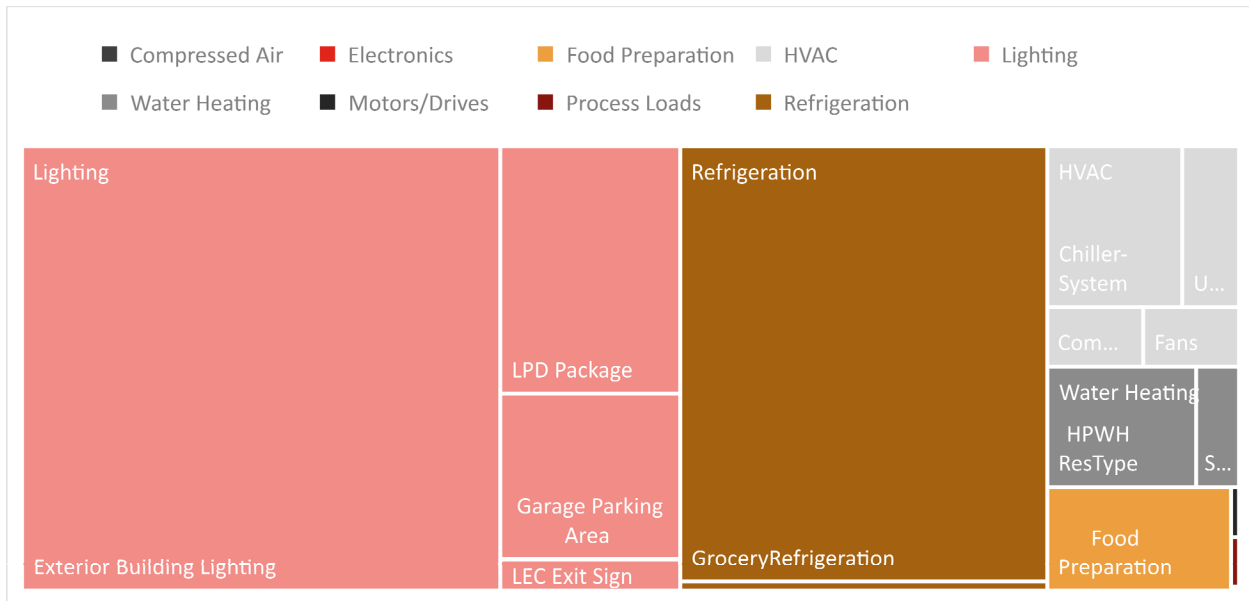


Table 6-3 provides a summary of the differences between the 2021 assessment and this 2023 CPA by end-use.

**TABLE 6-3: COMPARISON COMMERCIAL 20-YEAR ECONOMIC ACHIEVABLE POTENTIAL, AMW**

End Use	2021 CPA	2023 CPA	Discussion
Food Preparation	0.21	0.18	Updated measure data/baselines
Lighting	3.33	3.50	Growth in floor area
Electronics	0.00	0.00	Updated measure data/baselines
Refrigeration	0.87	1.93	Reduced costs, added measures
Process Loads	0.09	0.00	Not cost effective
Compressed Air	0.26	0.00	Updated to 2021 Plan methodology/measures
HVAC	1.56	0.58	Reduced cost-effectiveness, Adjusted applicability
Motors/Drives	0.28	0.00	Reduced cost-effectiveness, Added Commercial Clean Water Pumps
Water Heating	0.34	0.27	Reduced cost-effectiveness; removed older water heating measures, adjusted applicability based on building type
<b>Total</b>	<b>13.25</b>	<b>6.48</b>	

### 6.3.3 Industrial

#### 6.3.3.1 Data Centers

Approximately 60% of the District’s industrial loads are in data center and cryptocurrency processes. The Council does not provide measures or savings analysis for large, centralized data centers. Historically, the District’s CPAs have utilized commercial sector server measures to estimate data center potential. Beginning in 2021, savings for data centers have been evaluated for new customers at the project level. This study continues this methodology by efficiency evaluation based on the District’s loads and unique

nature of large data center operations. The bulleted list below from the 2021 study summarizes some of the issues identified in developing large data center energy efficiency potential estimates.

- Large data centers are often willing to work with the District at the time of new service to identify, measure, and verify energy efficiency improvements. Through its relationship with existing customers, the District has learned that existing loads are continually optimized without measurement and verification practices in place. Due to the unique nature of data center loads, customers are incentivized to choose the most efficient hardware when regular updates are made. Because these improvements are happening naturally and cannot be claimed through the State's audit process for compliance with targets, the potential for savings in existing data center loads is excluded from the target and future potential estimates.
- Historic data center project savings have been significant, saving up to 10% of new data center total load. However, this historic savings amount cannot be applied to future load growth estimates due to the nature of how energy use is evolving for large data centers. Specifically, historic savings have been achieved through cooling measures as data centers have been housed inside buildings requiring specific HVAC equipment. New data centers are typically housed in containers or other non-building structures removing a large portion of the HVAC savings potential.
- Data center measures are largely cost-effective from the utility and ratepayer perspectives. The analysis does not explicitly evaluate the benefits and costs from a TRC perspective. Rather, due to their low incremental costs compared with savings potential, it is assumed that the measures are cost-effective from a total resource cost perspective.
- The District plans to update the data center savings potential every two years for the purposes of defining an accurate 2-year savings target based on planned new loads. Scenario analysis provides a range of potential savings over the longer-term study period.

If the growth in data centers continues, and the District is able to reduce future baseline energy use by 9%, the District can expect approximately 13.6 aMW in data center savings over the 20-year study period. If future savings are not achieved at the same rate of 9% baseline usage, these savings estimates are reduced to 7.6 aMW (assuming 5% savings). Finally, it's expected that state energy codes will be updated in the near-term thereby eliminating future potential savings.

#### *6.3.3.2 Other Industrial*

The other 40% of the District's industrial load is composed primarily of food processing and chemical facilities. Lighting and HVAC measures comprise the majority of non-data center industrial potential (Figure 6-7). In Figure 6-7, the Other category is largely comprised of savings in refrigeration and fan systems, as well as smaller amounts of savings from compressed air and pump systems.





The most impactful change in the industrial savings potential is the adjustment for recent program achievements. The District has completed over 1 aMW in energy efficiency projects since 2016. This is reflected in the updated results in the table below. Table 6-4 compares the potential estimated in this study to the 2021 assessment. The end use categories have been updated to align with the 2021 Plan Industrial Tool.

**TABLE 6-4: COMPARISON INDUSTRIAL 20-YEAR ECONOMIC ACHIEVABLE POTENTIAL, AMW**

<b>End Use</b>	<b>2021 CPA</b>	<b>2023 CPA</b>
Data Centers (2-year)	3.90	2.63
Compressed Air	0.43	0.05
Energy Project Management	1.70	NA
Fans	1.25	0.00
Food Processing	1.42	NA
Food Storage	1.74	NA
Hi-Tech	0.19	NA
Integrated Plant Energy Management	1.50	NA
Lighting	1.55	0.71
Material Handling	0.02	NA
Metals	0.01	NA
Municipal Sewage Treatment	0.26	NA
Paper	0.02	NA
Plant Energy Management	1.37	NA
Pumps	2.77	0.00
HVAC	NA	0.38
Low Temp Refrigeration	NA	0.20
Med Temp Refer	NA	0.02
All Electric	NA	0.00
Material Processing	NA	0.23
Material Handling	NA	0.10
Melting and Casting	NA	0.00
Other	NA	0.00
<b>Total</b>	<b>14.26</b>	<b>4.32</b>

### 6.3.4 Agriculture

Potential in agriculture is a product of total acres under irrigation in the District's service territory, number of pumps, and the number of farms. As shown in Figure 6-9, most of the cost-effective conservation potential is due to irrigation pump motors. There are some dairy farms in Grant County; however, most of the dairy efficiency measures were not cost-effective.

**FIGURE 6-9: ANNUAL AGRICULTURE COST-EFFECTIVE POTENTIAL BY END USE**

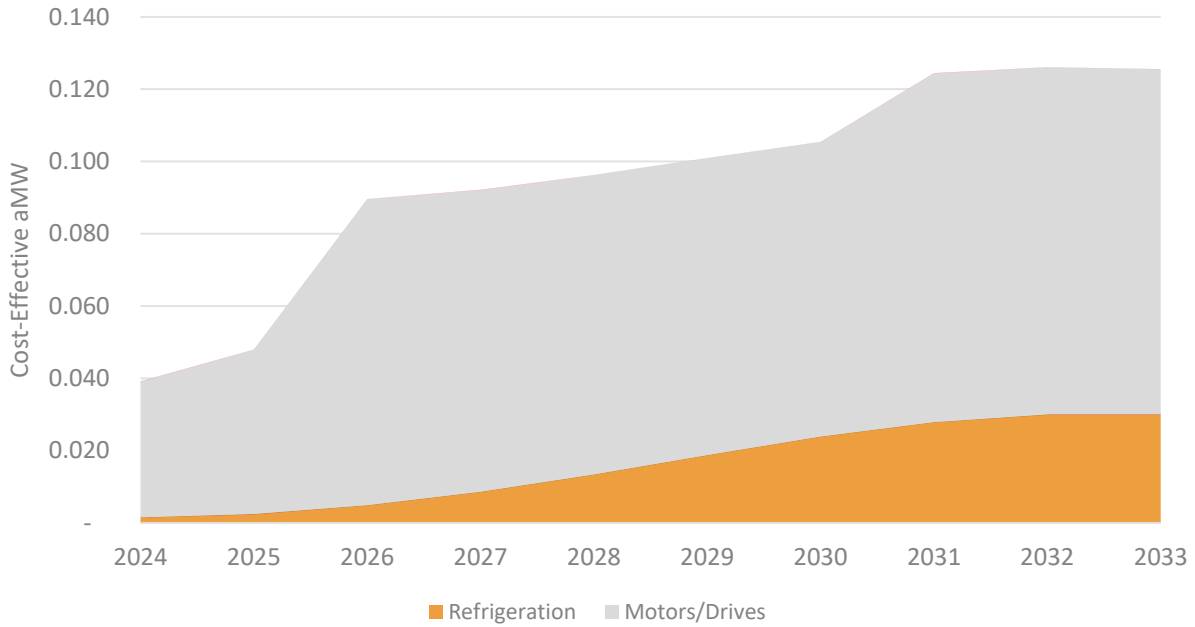


Table 6-5 compares the results of the 2021 CPA with this updated assessment.

**TABLE 6-5: COMPARISON AGRICULTURAL 20-YEAR ECONOMIC ACHIEVABLE POTENTIAL, AMW**

End Use	2021 CPA	2023 CPA	Discussion
Irrigation	1.03	0.00	Reduced cost-effectiveness for irrigation hardware
Lighting	0.09	0.00	Updated applicability
Dairy Efficiency/ Refrigeration	0.04	0.28	New measures
HVAC	NA	0.00	New measures not cost-effective.
Motors/Drives	0.16	1.60	Updated irrigation pump measures
Process Loads	NA	0.001	Added energy free stock tanks
<b>Total</b>	<b>1.33</b>	<b>1.85</b>	

## 6.4 COST

Budget costs can be estimated at a high level based on the incremental cost of the measures (Table 6-6). The assumptions in this estimate include 20 percent of measure cost for administrative costs and 35 percent of the incremental measure costs is assumed to be paid by the utility as incentives. A 20 percent allocation of measure costs to administrative expenses is a standard assumption for conservation programs. This figure was used in the Council’s 2021 Power Plan. The 35 percent utility-share of measure costs is used in all sectors except in the utility distribution efficiency category, where the District is likely to pay the entire cost of any measures implemented and no incentives will be paid. These assumptions are consistent with the District’s previous CPA.

This chart shows that the District can expect to spend over \$3.4 million to realize estimated savings over the next two years including program administration costs. The bottom row of Table 6-6 shows the cost per MWh of first year savings.

**TABLE 6-6: UTILITY PROGRAM COSTS (2023\$) EXCLUDING DATA CENTERS**

	2-Year	6-Year	10-Year	20-Year
Residential	\$740,000	\$2,910,000	\$6,250,000	\$12,200,000
Commercial	\$1,730,000	\$5,310,000	\$8,760,000	\$16,980,000
Industrial	\$660,000	\$1,990,000	\$3,140,000	\$5,520,000
Agricultural	\$260,000	\$1,340,000	\$2,680,000	\$5,290,000
<b>Total</b>	<b>\$3,430,000</b>	<b>\$11,970,000</b>	<b>\$22,510,000</b>	<b>\$45,130,000</b>
\$/First Year MWh	\$330	\$328	\$333	\$330

The cost estimates presented in this report are conservative estimates for future expenditures since they are based on historic values. Future conservation achievement may be more costly than historic conservation achievement since utilities often choose to implement the lowest cost programs first. In addition, as energy efficiency markets become more saturated, it may require more effort from the District to acquire conservation through its programs. Although not included in the above estimates, residential Low-Income programs are also significantly more costly to implement due to rebates being paid at 3 to 5 times the level of non-low-income residential programs. The additional effort may result in increased administrative costs.

**TABLE 6-7: TRC LEVELIZED COST (2023\$/MWH) EXCLUDING DATA CENTERS**

	2-Year	4-Year	10-Year	20-Year
Residential	\$50	\$51	\$53	\$56
Commercial	\$31	\$31	\$30	\$30
Industrial	\$72	\$70	\$66	\$59
Agricultural	\$16	\$16	\$17	\$17
<b>Total</b>	<b>\$35</b>	<b>\$34</b>	<b>\$33</b>	<b>\$32</b>

## 7 Scenario Results

The costs and savings discussed throughout the report thus far describe the Base Case avoided cost scenario. Under this scenario, annual potential for the planning period was estimated by applying assumptions that reflect the District's expected avoided costs. In addition, the Council's 20-year ramp rates were applied to each measure and then adjusted to more closely reflect the District's recent level of achievement.

Additional scenarios were developed to identify a range of possible outcomes that account for uncertainties over the planning period. In addition to the Base Case scenario, this assessment tested low and high scenarios to test the sensitivity of the results to different future avoided cost values. The avoided cost values in the low and high scenarios reflect values that are realistic and lower or higher, respectively, than the Base Case assumptions.

To understand the sensitivity of the identified savings potential to avoided cost values alone, all other inputs were held constant while varying avoided cost inputs.

Table 7-1 summarizes the Base, Low, and High avoided cost input values. Relative to the values used in the 2019 CPA, many of the avoided cost assumptions have decreased including energy and capacity estimates. These changes reduced the 20-year potential estimate due to decreased cost-effectiveness; however, the adjusted ramp rates for the new time horizon increase the near-term potential slightly compared with the 2019 results.

Rather than using a single generic risk adder applied to each unit of energy, the Low and High avoided cost values consider lower and higher potential future values for each avoided cost input. These values reflect potential price risks based upon both the energy and capacity value of each measure. The final row tabulates the implied risk adders for the Low and High scenarios by summarizing all additions or subtractions relative to the Base Case values. Risk adders are provided in both energy and demand savings values. The first set of values is the maximum (or minimum in the case of negative values). The second set of risk adder values are the average values in energy terms. Further discussion of these values is provided in Appendix IV.

**TABLE 7-1: AVOIDED COST ASSUMPTIONS BY SCENARIO, \$2023**

	Base	Low	High
<b>Energy</b>	NWPCC April 2023 Baseline Price Forecast	10% Lower than NWPCC April 2023 Baseline Price Forecast	NWPCC April 2023 High Westside Demand
<b>Social Cost of Carbon, \$/short ton</b>	WAC 194-40-100 \$34/MWh	WAC 194-40-100 \$34/MWh	WAC 194-40-100 \$34/MWh
<b>Avoided Cost of RPS Compliance</b>	Included in Social Cost of Carbon		
<b>Distribution System Credit, \$/kW-yr</b>	\$8.53	\$8.53	\$8.53
<b>Transmission System Credit, \$/kW-yr</b>	\$3.83	\$3.83	\$3.83
<b>Deferred Generation Capacity Credit, \$/kW-yr</b>	\$104	\$0	\$143.18
<b>Implied Risk Adder, 20-year Levelized \$/MWh \$/kW-yr</b>	N/A	Average: -\$1/MWh and -\$104/kW-yr	Average: \$11/MWh and \$39/kW-year

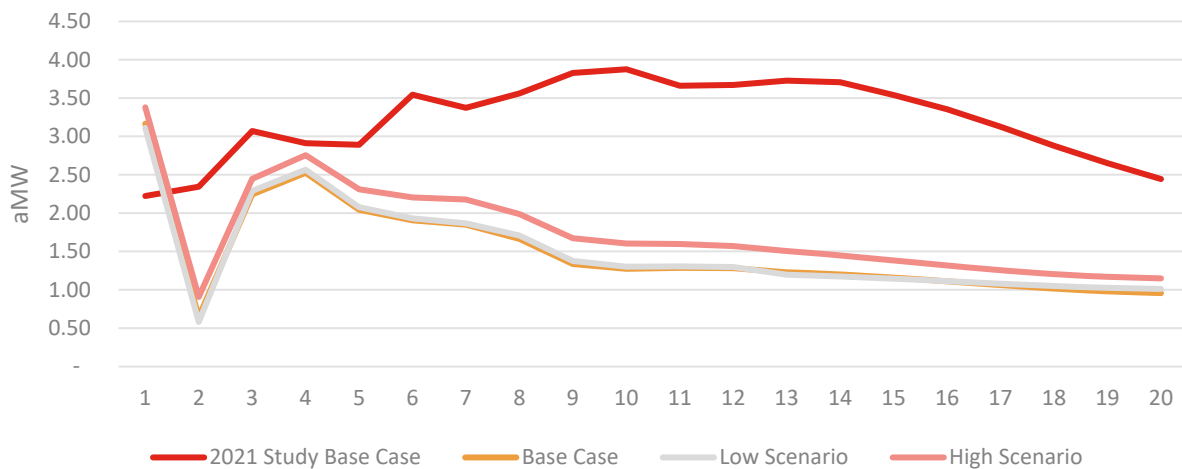
Table 7-2 summarizes results across each avoided input scenario, using Base Case load forecasts and measure acquisition rates.

**TABLE 7-2: COST-EFFECTIVE POTENTIAL – AVOIDED COST SCENARIO COMPARISON**

	2-Year	4-Year	10-Year	20-Year
<b>Base Case</b>	3.8	12.5	18.6	29.9
<b>Low Scenario</b>	3.7	12.6	18.8	30.2
<b>High Scenario</b>	4.3	14.0	21.4	35.0

Figure 7-1 compares the results of the scenario analysis with the base case from the 2021 assessment.

**FIGURE 7-1: SCENARIO COMPARISON**



In all cases, the 20-year economic achievable potential is lower compared with the 2021 study due to the factors described in this analysis including changes to the avoided cost, increased efficiency, and historic achievements.

## 8 Summary

This report summarizes the results of the 2021 CPA conducted for the District. The assessment provides estimates of energy savings by sector for the period 2024 to 2043 with a focus on the first 10 years of the planning period, as required by the EIA. The assessment considered a wide range of conservation resources that are reliable, available, and cost effective within the 20-year planning period.

The cost-effective potential identified in this report is a low cost and low risk resource and helps to keep future electricity costs to a minimum. Additionally, conservation achievements inherently provide capacity savings to the District. Relative to the values used in the 2021 CPA, many of the avoided cost assumptions have decreased including energy value estimates. These changes reduced the 20-year potential estimate due to decreased cost-effectiveness.

### 8.1 METHODOLOGY AND COMPLIANCE WITH STATE MANDATES

The energy efficiency potential reported in this document is calculated using methodology consistent with the Council’s methodology for assessing conservation resources. Appendix III documents the development of conservation targets for each WAC 194-37-070 requirement and describes how each item was completed. Utility-specific data regarding customer characteristics, service-area composition, and historic conservation achievements were used, in conjunction with the measures identified by the Council, to determine available energy-efficiency potential. This close connection with the Council methodology enables compliance with the Washington EIA.

Three types of energy-efficiency potential were calculated: technical, achievable, and economic. Most of the results shown in this report are the economic potential, or the potential that is cost effective in the District’s service territory. The economic and achievable potential considers savings that will be captured through utility program efforts, market transformation and implementation of codes and standards. Often, realization of full savings from a measure will require efforts across all three areas. Historic efforts to measure the savings from codes and standards have been limited, but regional efforts to identify and track savings are increasing as they become an important component of the efforts to meet aggressive regional conservation targets.

### 8.2 CONSERVATION TARGETS

The EIA states that utilities must establish a biennial target that is “no lower than the qualifying utility’s pro rata share for that two-year period of its cost-effective conservation potential for the subsequent ten-year period.”<sup>10</sup> However, the State Auditor’s Office has stated that:

The term pro-rata can be defined as equal portions but it can also be defined as a proportion of an “exactly calculable factor.” For the purposes of the Energy

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<sup>10</sup> RCW 19.285.040 Energy conservation and renewable energy targets.

Independence Act, a pro-rata share could be interpreted as an even 20 percent of a utility's 10-year assessment but state law does not require an even 20 percent.<sup>11</sup>

The State Auditor's Office expects that qualifying utilities have analysis to support targets that are more or less than the 20 percent of the ten-year assessments. This document serves as support for the target selected by the District and approved by its Commission.

### **8.3 SUMMARY**

This study shows a range of conservation target scenarios. These scenarios are estimates based on the set of assumptions detailed in this report and supporting documentation and models. Due to the uncertainties discussed in the Introduction section of this report, actual available and cost-effective conservation may vary from the estimates provided in this report.

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<sup>11</sup> State Auditor's Office. Energy Independence Act Criteria Analysis. Pro-Rata Definition. CA No. 2011-03. [https://www.sao.wa.gov/local/Documents/CA\\_No\\_2011\\_03\\_pro-rata.pdf](https://www.sao.wa.gov/local/Documents/CA_No_2011_03_pro-rata.pdf).



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## Appendix I – Acronyms

ALH – Average Load Hours  
aMW – Average Megawatt  
BCR – Benefit-Cost Ratio  
BPA – Bonneville Power Administration  
CETA – Clean Energy Transformation Act  
CPA – Conservation Potential Assessment  
DVR – Demand voltage reduction  
EIA – Energy Independence Act  
ERWH – Electric Resistance Water Heater  
EUI – Energy Use Intensity  
GPM – Gallons per minute  
HLH – Heavy load hour energy  
HPWH – Heat Pump Water Heater  
HVAC – Heating, ventilation and air-conditioning  
IRP – Integrated Resource Plan  
kW – kilowatt  
kWh – kilowatt-hour  
LED – Light-emitting diode  
LLH – Light load hour energy  
MW – Megawatt  
MWh – Megawatt-hour  
NEEA – Northwest Energy Efficiency Alliance  
NPV – Net Present Value  
O&M – Operation and Maintenance  
RPS – Renewable Portfolio Standard  
RTF – Regional Technical Forum  
TRC – Total Resource Cost  
UC – Utility Cost

## Appendix II – Glossary

*7<sup>th</sup> Power Plan: Seventh Northwest Conservation and Electric Power Plan*, Feb 2016. A regional resource plan produced by the Northwest Power and Conservation Council (Council).

*2021 Power Plan*: A regional resource plan produced by the Northwest Power and Conservation Council (Council). At the time of this study, the Final plan is scheduled to be released in early 2022.

*Average Megawatt (aMW)*: Average hourly usage of electricity, as measured in megawatts, across all hours of a given day, month or year.

*Avoided Cost*: Refers to the cost of the next best alternative. For conservation, avoided costs are usually market prices.

*Achievable Potential*: Conservation potential that takes into account how many measures will actually be implemented after considering market barriers. For lost-opportunity measures, there is only a certain number of expired units or new construction available in a specified time frame. The Council assumes 85% of all measures are achievable. Sometimes achievable potential is a share of economic potential, and sometimes achievable potential is defined as a share of technical potential.

*Cost Effective*: A conservation measure is cost effective if the present value of its benefits is greater than the present value of its costs. The primary test is the Total Resource Cost test (TRC), in other words, the present value of all benefits is equal to or greater than the present value of all costs. All benefits and costs for the utility and its customers are included, regardless of who pays the costs or receives the benefits.

*Economic Potential*: Conservation potential that considers the cost and benefits and passes a cost-effectiveness test.

*Levelized Cost*: Resource costs are compared on a levelized-cost basis. Levelized cost is a measure of resource costs over the lifetime of the resource. Evaluating costs with consideration of the resource life standardizes costs and allows for a straightforward comparison.

*Lost Opportunity*: Lost-opportunity measures are those that are only available at a specific time, such as new construction or equipment at the end of its life. Examples include heat-pump upgrades, appliances, or premium HVAC in commercial buildings.

*MW (megawatt)*: 1,000 kilowatts of electricity. The generating capacity of utility plants is expressed in megawatts.

*Non-Lost Opportunity*: Measures that can be acquired at any time, such as installing low-flow shower heads.

*Northwest Energy Efficiency Alliance (NEEA)*: The alliance is a unique partnership among the Northwest region's utilities, with the mission to drive the development and adoption of energy-efficient products and services.

*Northwest Power and Conservation Council “The Council”*: The Council develops and maintains a regional power plan and a fish and wildlife program to balance the Northwest's environment and energy needs. Their three tasks are to: develop a 20-year electric power plan that will guarantee adequate and reliable energy at the lowest economic and environmental cost to the Northwest; develop a program to protect and rebuild fish and wildlife populations affected by hydropower development in the Columbia River Basin; and educate and involve the public in the Council's decision-making processes.

*Regional Technical Forum (RTF):* The Regional Technical Forum (RTF) is an advisory committee established in 1999 to develop standards to verify and evaluate conservation savings. Members are appointed by the Council and include individuals experienced in conservation program planning, implementation and evaluation.

*Renewable Portfolio Standards:* Washington state utilities with more than 25,000 customers are required to meet defined percentages of their load with eligible renewable resources by 2012, 2016, and 2020.

*Retrofit (discretionary):* Retrofit measures are those that can be replaced at any time during the unit's life. Examples include lighting, shower heads, pre-rinse spray heads, or refrigerator decommissioning.

*Technical Potential:* Technical potential includes all conservation potential, regardless of cost or achievability. Technical potential is conservation that is technically feasible.

*Total Resource Cost Test (TRC):* This test is used by the Council and nationally to determine whether or not conservation measures are cost effective. A measure passes the TRC if the ratio of the present value of all benefits (no matter who receives them) to the present value of all costs (no matter who incurs them) is equal to or greater than one.

## Appendix III – Documenting Conservation Targets

References:

- 1) Report – “GCPUD Public Utilities 2023 Conservation Potential Assessment”. **Final Report – October XX, 2023.**
- 2) Model – “EES CPA Model-v4.0.xlsm” and supporting files
  - a. MC\_and\_Loadshape-GCPUD-Base.xlsm – referred to as “MC and Loadshape file” – contains price and load shape data

WAC 194-37-070 Documenting Development of Conservation Targets; Utility Analysis Option		
NWPCC Methodology	EES Consulting Procedure	Reference
<p>a) <b>Technical Potential:</b> Determine the amount of conservation that is technically feasible, considering measures and the number of these measures that could physically be installed or implemented, without regard to achievability or cost.</p>	<p>The model includes estimates for stock (e.g. number of homes, square feet of commercial floor area, industrial load) and the number of each measure that can be implemented per unit of stock. The technical potential is further constrained by the amount of stock that has already completed the measure.</p>	<p>Model – the technical potential is calculated as part of the achievable potential, described below.</p>
<p>b) <b>Achievable Potential:</b> Determine the amount of the conservation technical potential that is available within the planning period, considering barriers to market penetration and the rate at which savings could be acquired.</p>	<p>The assessment conducted for the District used ramp rate curves to identify the amount of achievable potential for each measure. Those assumptions are for the 20-year planning period. An additional factors ranging from 85% to 95% were included to account for market barriers in the calculation of achievable potential. This factor comes from a study conducted in Hood River where home weatherization measures were offered for free and program administrators were able to reach more than 85% of home owners.</p>	<p>Model – the use of these factors can be found on the sector measure tabs, such as ‘Residential Measures’. Additionally, the complete set of ramp rates used can be found on the ‘Ramp Rates’ tab.</p>

<b>WAC 194-37-070 Documenting Development of Conservation Targets; Utility Analysis Option</b>		
<b>NWPCC Methodology</b>	<b>EES Consulting Procedure</b>	<b>Reference</b>
c) <b>Economic Achievable Potential:</b> Establish the economic achievable potential, which is the conservation potential that is cost-effective, reliable, and feasible, by comparing the total resource cost of conservation measures to the cost of other resources available to meet expected demand for electricity and capacity.	Benefits and costs were evaluated using multiple inputs; benefit was then divided by cost. Measures achieving a benefit-cost ratio greater than one were tallied. These measures are considered achievable and cost-effective (or economic).	Model – Benefit-Cost ratios are calculated at the individual level by ProCost and passed up to the model.
d) <b>Total Resource Cost:</b> In determining economic achievable potential, perform a life-cycle cost analysis of measures or programs	The life-cycle cost analysis was performed using the Council’s ProCost model. Incremental costs, savings, and lifetimes for each measure were the basis for this analysis. The Council and RTF assumptions were utilized.	Model – supporting files include all of the ProCost files used in the 2021 Power Plan. The life-cycle cost calculations and methods are identical to those used by the Council.
e) Conduct a total resource cost analysis that assesses all costs and all benefits of conservation measures regardless of who pays the costs or receives the benefits	Cost analysis was conducted per the Council’s methodology. Capital cost, administrative cost, annual O&M cost and periodic replacement costs were all considered on the cost side. Energy, non-energy, O&M and all other quantifiable benefits were included on the benefits side. The Total Resource Cost (TRC) benefit cost ratio was used to screen measures for cost-effectiveness (i.e., those greater than one are cost-effective).	Model – the “Measure Info Rollup” files pull in all the results from each avoided cost scenario, including the BC ratios from the ProCost results. These results are then linked to by the Conservation Potential Assessment model. The TRC analysis is done at the lowest level of the model in the ProCost files.
f) Include the incremental savings and incremental costs of measures and replacement measures where resources or measures have different measure lifetimes	Savings, cost, and lifetime assumptions from the Council’s Final 2021 Power Plan Supply Curves, and RTF were used.	Model – supporting files include all of the ProCost files used in the 2021 Plan, with later updates made by the RTF. The life-cycle cost calculations and methods are identical to those used by the Council.

**WAC 194-37-070 Documenting Development of Conservation Targets; Utility Analysis Option**

NWPC Methodology	EES Consulting Procedure	Reference
g) Calculate the value of energy saved based on when it is saved. In performing this calculation, use time differentiated avoided costs to conduct the analysis that determines the financial value of energy saved through conservation	The Council's 2021 Power Plan measure load shapes were used to calculate time of day of savings and measure values were weighted based upon peak and off-peak pricing. This was handled using the Council's ProCost tool, so it was handled in the same way as the 2021 Power Plan models.	Model – See MC_AND_LOADSHAPE files for load shapes. The ProCost files handle the calculations.
h) Include the increase or decrease in annual or periodic operations and maintenance costs due to conservation measures	Operations and maintenance costs for each measure were accounted for in the total resource cost per the Council's assumptions.	Model – the ProCost files contain the same assumptions for periodic O&M as the Council and RTF.
i) Include avoided energy costs equal to a forecast of regional market prices, which represents the cost of the next increment of available and reliable power supply available to the utility for the life of the energy efficiency measures to which it is compared	The Council's April 2023 Baseline market price forecast was used to value energy in the Base Case Scenario.	Report – See Appendix IV. Model – See MC_AND_LOADSHAPE files (“Base Market Forecast” worksheet).
j) Include deferred capacity expansion benefits for transmission and distribution systems	Deferred transmission capacity expansion benefits were given a benefit of \$3.83/kW-year in the cost-effectiveness analysis. A distribution system credit of \$8.83/kW-year was also used (\$2023). These values were developed by the Council in preparation for the 2021 Power Plan.	Model – this value can be found on the ProData page of each ProCost file.
k) Include deferred generation benefits consistent with the contribution to system peak capacity of the conservation measure	Deferred generation capacity expansion benefits were given a value of \$ 104/kW-year in the cost effectiveness analysis for the Base Case Scenario. This is based upon the District's marginal cost for generation capacity. See Appendix IV for further discussion of this value.	Model – this value can be found on the ProData page of the ProCost Batch Runner file.
l) Include the social cost of carbon emissions from avoided non-conservation resources	This CPA uses the social cost of carbon values specified in WAC 194-40-100	The MC_AND_LOADSHAPE files contain the carbon cost assumptions for each avoided cost scenario.

**WAC 194-37-070 Documenting Development of Conservation  
Targets; Utility Analysis Option**

NWPC Methodology	EES Consulting Procedure	Reference
m) Include a risk mitigation credit to reflect the additional value of conservation, not otherwise accounted for in other inputs, in reducing risk associated with costs of avoided non-conservation resources	In this analysis, risk was considered by varying avoided cost inputs and analyzing the variation in results. Rather than an individual and non-specific risk adder, our analysis included a range of possible values for each avoided cost input.	The scenarios section of the report documents the inputs used and the results associated. Appendix IV discusses the risk adders used in this analysis.
n) Include all non-energy impacts that a resource or measure may provide that can be quantified and monetized	Quantifiable non-energy benefits were included where appropriate. Assumptions for non-energy benefits are the same as in the Council's 2021 Power Plan. Non-energy benefits include, for example, water savings from clothes washers.	Model – the ProCost files contain the same assumptions for non-power benefits as the Council and RTF. The calculations are handled in ProCost.
o) Include an estimate of program administrative costs	Total costs were tabulated and an estimated 20% of the total was assigned as the administrative cost. This value is consistent with regional average and BPA programs. The 20% value was used in the Fifth, Sixth, Seventh Power plans and 2021 Power Plan.	Model – this value can be found on the ProData page of the ProCost Batch Runner file.
p) Include the cost of financing measures using the capital costs of the entity that is expected to pay for the measure	Costs of financing measures were included utilizing the same assumptions from the 2021 Power Plan.	Model – this value can be found on the ProData page of the ProCost Batch Runner file.
q) Discount future costs and benefits at a discount rate equal to the discount rate used by the utility in evaluating non-conservation resources	Discount rates were applied to each measure based upon the Council's methodology. A real discount rate of 3.75% was used, based on the Council's most recent analyses in support of the 2021 Power Plan.	Model – this value can be found on the ProData page of the ProCost Batch Runner file.
r) Include a ten percent bonus for the energy and capacity benefits of conservation measures as defined in 16 U.S.C. § 839a of the Pacific Northwest Electric Power Planning and Conservation Act	A 10% bonus was added to all measures in the model parameters per the Conservation Act.	Model – this value can be found on the ProData page of the ProCost V.4.006 ProData page.



## Appendix IV – Avoided Cost and Risk Exposure

The 2021 District (District) Conservation Potential Assessment (CPA) was conducted for the period 2022 through 2041 as required under RCW 19.285 and WAC 194.37. According to WAC 197.37.070, the District must evaluate the cost-effectiveness of conservation by setting avoided energy costs equal to a forecast of regional market prices. In addition, several other components of the avoided cost of energy efficiency savings must be evaluated including generation capacity value, transmission and distribution costs, risk, and the social cost of carbon.

This appendix describes each of the avoided cost assumptions and provides a range of values that were evaluated in the 2021 CPA. The 2023 CPA considers three avoided cost scenarios: Base, Low, and High. Each of these is discussed below.

### AVOIDED ENERGY VALUE

For the purposes of the 2023, EES used the Council’s April 2023 market price forecasts. The Baseline forecast is used in the Base and Low scenarios. This price forecast reflects the large amount of renewable energy forecast to come online in the next 20 years. The high scenario assumes the High Westside Demand forecast scenario developed by the Council. In this scenario, electricity demand is increased on the West side of the Region due to aggressive electrification goals.

### AVOIDED COST ADDERS AND RISK

From a total resource cost perspective, energy efficiency provides multiple benefits beyond the avoided cost of energy. These include deferred capital expenses on generation, transmission, and distribution capacity; as well as the reduction of required renewable energy credit (REC) purchases, avoided social costs of carbon emissions, and the reduction of utility resource portfolio risk exposure. Since energy efficiency measures provide both peak demand and energy savings, these other benefits are monetized as value per unit of either kWh or kW savings.

**FIGURE IV-1: OVERVIEW OF PORTFOLIO REQUIREMENTS**

Energy-Based	Capacity Based
<ul style="list-style-type: none"> <li>• Social Cost of Carbon</li> <li>• Renewable Energy Credits</li> <li>• GHG-Free or Neutral Resources</li> <li>• Risk Reduction Premium</li> </ul>	<ul style="list-style-type: none"> <li>• Generation Capacity Deferral</li> <li>• Transmission Capacity Deferral</li> <li>• Distribution Capacity Deferral</li> </ul>

The estimated values and associated uncertainties for these avoided cost components are based on relevant portfolio requirements from the Clean Energy Transformation Act (CETA). The timeline below summarizes the relevant milestones for portfolio planning. The type of energy the District will need to procure is based on these requirements; therefore, the requirements set the avoided cost as it relates to capacity, renewable, and GHG-free power supply.

**FIGURE IV-2: OVERVIEW OF PORTFOLIO REQUIREMENTS**

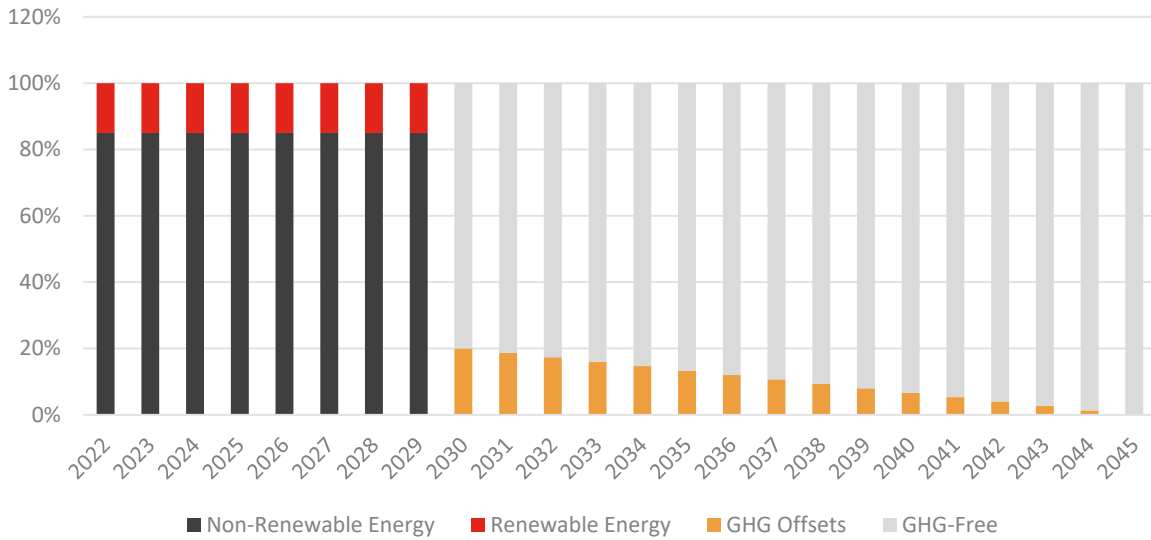
Through 2030, the District must meet the renewable portfolio standard (RPS) set for Washington State Utilities of 15% of the system load. The RPS can be met through either bundled or unbundled RECs. Next, CETA establishes a 100% GHG neutral requirement by 2030. The requirement states that at least 80% of a utility’s portfolio must be sourced directly from either renewable<sup>12</sup> or non-emitting resources.<sup>13</sup> A utility may then meet the mandate by purchasing no more than 20% of its portfolio in offsets such as unbundled REC purchases. The offsets will then be phased out by 2045 as shown in Figure IV-3.

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<sup>12</sup> Renewable resources include water, wind, solar energy, geothermal, renewable natural gas, renewable hydrogen, wave, ocean or tidal power, and biodiesel not derived from crops raised on land cleared from old growth forest or first growth, or biomass. (Chapter 173-444 WAC available at: <https://ecology.wa.gov/DOE/files/c0/c08b45ae-7140-4b30-a3c2-faf8aa042651.pdf>).

<sup>13</sup> Non-emitting resources are those that generate electricity, or provide capacity of ancillary services to an electric utility that do not emit greenhouse gases as a by-product. *See id.*

**FIGURE IV-3: SUMMARY OF RPS AND CETA PORTFOLIO REQUIREMENTS**



### Social Cost of Carbon

The social cost of carbon is a cost that society incurs when fossil fuels are burned to generate electricity. Both the EIA rules and CETA requires that CPAs include the social cost of carbon when evaluating cost effectiveness using the total resource cost test (TRC). CETA further specifies the social cost of carbon values to be used in conservation and demand response studies. These values are shown in Table IV-1 below.

**TABLE IV-1: SOCIAL COST OF CARBON VALUES<sup>14</sup>**

Year in Which Emissions Occur or Are Avoided	Social Cost of Carbon Dioxide (in 2007 dollars per metric ton)	Social Cost of Carbon Dioxide (in 2018 dollars per metric ton)
2020	\$62	\$74
2025	\$68	\$81
2030	\$73	\$87
2035	\$78	\$93
2040	\$84	\$100
2045	\$89	\$106
2050	\$95	\$113

<sup>14</sup> WAC 194-40-100. Available at: <https://apps.leg.wa.gov/wAc/default.aspx?cite=194-40-100&pdf=true>.

According to WAC 194-40-110, values may be adjusted for any taxes, fees or costs incurred by utilities to meet portfolio mandates.<sup>15</sup> For example, the social cost of carbon is the full value of carbon emissions which includes the cost to utilities and ratepayers associated with moving to non-emitting resources. Rather than adjust the social cost of carbon for the cost of RECs or renewable energy, the values for RECS and renewable energy are excluded from the analysis to avoid double counting.

The emissions intensity of the marginal resource (market) is used to determine the \$/MWh value for the social cost of carbon. Ecology states that unspecified resources should be given a carbon intensity value of 0.437 metric tons of CO<sub>2</sub>e/MWh of electricity (0.874 lbs/kWh).<sup>16</sup> This is an average annual value applied to in all months in the conservation potential model.<sup>17</sup>

### **Avoided Renewable Energy Purchases**

Renewable energy purchases need to meet both RPS and CETA and can be avoided through conservation. Utilities may meet Washington RPS through either bundled energy purchases such as purchasing the output of a wind resource where the non-energy attributes remain with the output, or they may purchase unbundled RECs.

As stated above, the value of avoided renewable energy credit purchases resulting from energy efficiency is accounted for within the social cost of carbon construct. The social cost of carbon already considers the cost of moving from an emitting resource to a non-emitting resource. Therefore, it is not necessary to include an additional value for renewable energy purchases prior to 2045 when all energy must be non-emitting or renewable.

Beginning in 2045, the social cost of carbon may no longer be an appropriate adder in resource planning. However, prior to 2045 utilities may still use offsets to meet CETA requirements. Since the study period of this evaluation ends prior to 2045, the avoided social cost of carbon is included in each year. For future studies that extend to 2045 and beyond, it would be appropriate to include renewable energy or non-emitting resource costs as the avoided cost of energy rather than market plus the social cost of carbon.

### **Risk Adder**

In general, the risk that any utility faces is that energy efficiency will be undervalued, either in terms of the value per kWh or per kW of savings, leading to an under-investment in energy efficiency and exposure to higher market prices or preventable investments in infrastructure. The converse risk—an over-valuing of energy and subsequent over-investment in energy efficiency—is also possible, albeit less likely. For example, an over-investment would occur if an assumption is made that economies will remain basically

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<sup>15</sup> WAC 194-40-110 (b).

<sup>16</sup> WAC 173-444-040 (4).

<sup>17</sup> The seasonal nature of carbon intensity is not modeled due to the prescriptive annual value established by Ecology in WAC 173-444-040.

the same as they are today, and subsequent sector shifts or economic downturns cause large industrial customers to close their operations. Energy efficiency investments in these facilities may not have been in place long enough to provide the anticipated low-cost resource.

In order to address risk, the Council develops a risk adder (\$/MWh) for its cost-effectiveness analysis of energy efficiency measures. This adder represents the value of energy efficiency savings not explicitly accounted for in the avoided cost parameters. The risk adder is included to ensure an efficient level of investment in energy efficiency resources under current planning conditions. Specifically, in cases where the market price has been low compared to historic levels, the risk adder accounts for the likely possibility that market prices will increase above current forecasts.

The value of the risk adder has varied depending on the avoided cost input values. The adder is the result of stochastic modeling and represents the lower risk nature of energy efficiency resources. In the Sixth Power Plan the risk adder was significant (up to \$50/MWh for some measures). In the Seventh Power Plan the risk adder was determined to be \$0/MWh after the addition of the generation capacity deferral credit. The 2021 Power Plan used the same methodology as the Seventh Plan. While the Council uses stochastic portfolio modeling to value the risk credit, utilities conduct scenario and uncertainty analysis. The scenarios modeled in the District's CPA include an inherent value for the risk credit such as higher market prices due to a number of factors including electrification, and increased renewables integrated onto the grid.

For the District's 2023 CPA, the avoided cost parameters have been estimated explicitly, and a scenario analysis is performed. Therefore, no risk adder was used for the base case. Variation in other avoided cost inputs covers a range of reasonable outcomes and is sufficient to identify the sensitivity of the cost-effective energy efficiency potential to a range of outcomes. The scenario results present a range of cost-effective energy efficiency potential, and the identification of the District's biennial target based on the range modeled is effectively selecting the utility's preferred risk strategy and associated risk credit.

### **Deferred Transmission and Distribution System Investment**

Energy efficiency measure savings reduce capacity requirements on both the transmission and distribution systems. The Council's 2021 Power assumes these avoided costs are \$3.83/kW-year and \$8.5/kW-year for transmission and distribution systems, respectively (\$2023).<sup>18</sup> These assumptions are used in all scenarios in the CPA.

### **Deferred Investment in Generation Capacity**

Beginning in October 2023, the District will be a load following customer of BPA. As a load following customer, the District's avoided cost of capacity is built into BPA's preference rates. BPA demand rates

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<sup>18</sup> Northwest Power and Conservation Council Memorandum to the Power Committee Members. Subject; Updated Transmission & Distribution Deferral Value for the 2021 Power Plan. March 5, 2019. Available at: [https://www.nwcouncil.org/sites/default/files/2019\\_0312\\_p3.pdf](https://www.nwcouncil.org/sites/default/files/2019_0312_p3.pdf).

are escalated 3% each rate period (every two years).<sup>19</sup> Over the 20-year analysis period, the resulting cost of avoided capacity is \$104/kW-year (2023\$) in levelized terms.

In the Council’s 2021 Power Plan,<sup>20</sup> a generation capacity value of \$143/kW-year was explicitly calculated (\$2023). This value is used in the high scenario.

## SUMMARY OF SCENARIO ASSUMPTIONS

Table IV-2 summarizes the recommended scenario assumptions. The Base Case represents the most likely future.

**TABLE IV-2 AVOIDED COST ASSUMPTIONS BY SCENARIO, \$2023**

	<b>Base</b>	<b>Low</b>	<b>High</b>
<b>Energy</b>	NWPCC April 2023 Baseline Price Forecast	10% lower than NWPCC April 2023 Price Forecast	NWPCC April 2023 High Westside Demand
<b>Social Cost of Carbon, \$/short ton</b>	WAC 194-40-100 \$34/MWh	WAC 194-40-100 \$34/MWh	WAC 194-40-100 \$34/MWh
<b>Avoided Cost of RPS Compliance</b>	Included in Social Cost of Carbon		
<b>Distribution System Credit, \$/kW-yr</b>	\$8.53	\$8.53	\$8.53
<b>Transmission System Credit, \$/kW-yr</b>	\$3.83	\$3.83	\$3.83
<b>Deferred Generation Capacity Credit, \$/kW-yr</b>	\$104	\$0	\$143.18
<b>Implied Risk Adder, 20-year Levelized \$/MWh \$/kW-yr</b>	N/A	Average: -\$1/MWh and -\$104/kW-yr	Average: \$11/MWh and \$39/kW-year

<sup>19</sup> BP-24 Rate Proceeding. July 2023. BP-24-A-02-AP01 Available online: <https://www.bpa.gov/-/media/Aep/rates-tariff/bp-24/Final-Proposal/Appendix-BFinal-Proposal-Power-Rate-Schedules-and-GRSPsBP24A02AP01Rev-1.pdf>.

<sup>20</sup> <https://www.nwcouncil.org/energy/powerplan/7/home/>.

## Appendix V – Ramp Rate Documentation

This section is intended to document how ramp rates were adjusted to align near term potential with recent achievements of the District programs.

Modelling work began with the 2021 Power Plan ramp rate assignments for each measure. The District’s program achievements from 2020 and estimates for 2021 were compared at a sector level with the first two years of the study period, 2024-2025. This allowed for the identification of sectors where ramp rate adjustments may be necessary.

Table V-1 below shows the results of the comparison by sector after ramp rate adjustments were made.

**TABLE V-1 COMPARISON OF SECTOR LEVEL PROGRAM ACHIEVEMENT AND POTENTIAL (AMW)**

	Program History				CPA Potential	
	2020	2021	2022*	20-'22 Avg	2024	2025
<b>Residential</b>	0.12	0.12	0.12	0.12	0.07	0.09
<b>Commercial</b>	0.19	0.40	0.09	0.23	0.30	0.36
<b>Industrial</b>	0.14	0.94	0.14	0.40	0.06	0.06
<b>Agricultural</b>	0.00	0.00	0.00	0.00	0.08	0.10
<b>Distribution Efficiency</b>	0.00	0.01	0.02	0.01	0.00	0.01
<b>NEEA</b>	0.64	0.69	0.13	0.49		
<b>Total</b>	<b>1.08</b>	<b>2.17</b>	<b>0.50</b>	<b>1.25</b>	<b>0.51</b>	<b>0.61</b>

*\*Projected*

When viewing the achievement and potential at the sector level, adjustments were found to be necessary in the residential and commercial sectors. The 2021 Power Plan ramp rates were found to be a good match for the District programs in the industrial, agricultural, and distribution system sectors. The draft 2021 Power Plan assigns a fast ramp rate to exterior commercial lighting. The ramp rate for these measures was adjusted to smooth potential over the 20-year period (moving from Fast 80 to 20-year ramp rates). This adjustment accounts for COVID impacts in supply chain and program participation observed in 2020 and continuing into 2023. The 2021 Power Plan documents do not consider COVID impacts, therefore, it is appropriate to make the adjustments to the potential in the near-term for purposes of target setting.

## Appendix VI – Measure List

This appendix provides a high-level measure list of the energy efficiency measures evaluated in the 2023 CPA. The CPA evaluated thousands of measures; the measure list does not include each individual measure; rather it summarizes the measures at the category level, some of which are repeated across different units of stock, such as single family, multifamily, and manufactured homes. Specifically, utility conservation potential is modeled based on incremental costs and savings of individual measures. Individual measures are then combined into measure categories to more realistically reflect utility-conservation program organization and offerings. For example, single family attic insulation measures are modeled for a variety of upgrade increments: R-0 to R-38, R-0 to R-49, or R-19 to R-38. The increments make it possible to model measure savings and costs at a more precise level. Each of these individual measures are then bundled across all housing types to result in one measure group: attic insulation.

The following tables list the conservation measures (at the category level) that were used to model conservation potential presented in this report. Measure data was sourced from the Council’s 2021 Plan workbooks. Please note that some measures may not be applicable to an individual utility’s service territory based on characteristics of the utility’s customer sectors.



Table VI-1 Residential End Uses and Measures		
End Use	Measures/Categories	Data Source
Appliances	Heat Pump Clothes Dryer	2021 Power Plan
	Clothes Dryer	2021 Power Plan
	Oven	2021 Power Plan
Electronics	Advanced Power Strips	2021 Power Plan
	Desktop	2021 Power Plan
	Laptop	2021 Power Plan
	Monitor	2021 Power Plan
	Air Cleaners	2021 Power Plan
Food Preparation	Electric Oven	2021 Power Plan
	Microwave	2021 Power Plan
HVAC	Air Source Heat Pump	2021 Power Plan
	Controls, Commissioning, and Sizing	2021 Power Plan
	Central Air Conditioning	2021 Power Plan
	Ductless Heat Pump	2021 Power Plan
	Ducted Heat Pump	2021 Power Plan
	Duct Sealing	2021 Power Plan
	Ground Source Heat Pump	2021 Power Plan
	Heat Recovery Ventilation	2021 Power Plan
	Attic Insulation	2021 Power Plan
	Floor Insulation	2021 Power Plan
	Wall Insulation	2021 Power Plan
	Windows	2021 Power Plan
	Cellular Shades	2021 Power Plan
	Whole House Fan	2021 Power Plan
Wi-Fi Enabled Thermostats	2021 Power Plan	
Lighting	Linear Fluorescent Lighting	2021 Power Plan
	Floor/Table Lamps	2021 Power Plan
	Ceiling and Wall Flush Mount	2021 Power Plan
	Downlight Fixture	2021 Power Plan
	Exterior Porch	2021 Power Plan
	Linear Porch	2021 Power Plan
	Track Lighting	2021 Power Plan
	Linear Base	2021 Power Plan
Decorative Base	2021 Power Plan	
Refrigeration	Freezer	2021 Power Plan
	Refrigerator	2021 Power Plan
Water Heating	Aerator	2021 Power Plan
	Water Heater Pipe Insulation	2021 Power Plan
	Clothes Washer	2021 Power Plan
	Dishwasher	2021 Power Plan
	Heat Pump Water Heater	2021 Power Plan
	Showerheads	2021 Power Plan
	Solar Water Heater	2021 Power Plan
	Circulator Controls	2021 Power Plan
Thermostatic Valve	2021 Power Plan	
Whole Building	Wastewater Heat Recovery	2021 Power Plan
	EV Charging Equipment Behavior	2021 Power Plan

<b>Table VI-1 Residential End Uses and Measures</b>		
<b>End Use</b>	<b>Measures/Categories</b>	<b>Data Source</b>
	Well Pump	2021 Power Plan

<b>Table VI-2 Commercial End Uses and Measures</b>		
<b>End Use</b>	<b>Measures/Categories</b>	<b>Data Source</b>
Compressed Air	Controls, Equipment, & Demand Reduction	2021 Power Plan
Electronics	Desktop Computer	2021 Power Plan
	Laptop Computer	2021 Power Plan
	Smart Plug Power Strips	2021 Power Plan
	Data Center Measures	2021 Power Plan
Food Preparation	Combination Ovens	2021 Power Plan
	Convection Ovens	2021 Power Plan
	Fryers	2021 Power Plan
	Hot Food Holding Cabinet	2021 Power Plan
	Steamer	2021 Power Plan
	Pre-Rinse Spray Valve	2021 Power Plan
HVAC	Advanced Rooftop Controller	2021 Power Plan
	Chiller Upgrade	2021 Power Plan
	Commercial Energy Management	2021 Power Plan
	Demand Control Ventilation	2021 Power Plan
	Ductless Heat Pumps	2021 Power Plan
	Economizers	2021 Power Plan
	Secondary Glazing Systems	2021 Power Plan
	Variable Refrigerant Flow	2021 Power Plan
	Web-Enabled Programmable Thermostat	2021 Power Plan
	Fans	2021 Power Plan
PTPH	2021 Power Plan	
Lighting	Bi-Level Stairwell Lighting	2021 Power Plan
	Exterior Building Lighting	2021 Power Plan
	Exit Signs	2021 Power Plan
	Lighting Controls	2021 Power Plan
	Interior Lighting	2021 Power Plan
	Garage Lighting	2021 Power Plan
	Street & Roadway Lighting	2021 Power Plan
Motors/Drives	ECM for Variable Air Volume	2021 Power Plan
	Motor Rewinds	2021 Power Plan
Process Loads	Municipal Water Supply	2021 Power Plan
Refrigeration	Grocery Refrigeration Bundle	2021 Power Plan
	Freezer	2021 Power Plan
Water Heating	Commercial Clothes Washer	2021 Power Plan
	Showerheads	2021 Power Plan
	Clean Water Pumps	2021 Power Plan
	Heat Pump Water Heaters	2021 Power Plan
	Circulator Pumps	2021 Power Plan
Process Loads	Elevators	2021 Power Plan
	Engine Block Heater Control	2021 Power Plan

<b>Table VI-3 Industrial End Uses and Measures</b>		
<b>End Use</b>	<b>Measures/Categories</b>	<b>Data Source</b>
Compressed Air	Air Compressor Equipment	2021 Power Plan
	Demand Reduction	2021 Power Plan
Energy Management	Air Compressor Optimization	2021 Power Plan
	Energy Project Management	2021 Power Plan
	Fan Energy Management	2021 Power Plan
	Fan System Optimization	2021 Power Plan
	Cold Storage Tune-up	2021 Power Plan
	Chiller Optimization	2021 Power Plan
	Integrated Plant Energy Management	2021 Power Plan
	Plant Energy Management	2021 Power Plan
	Pump Energy Management	2021 Power Plan
	Pump System Optimization	2021 Power Plan
Fans	Efficient Centrifugal Fan	2021 Power Plan
	Fan Equipment Upgrade	2021 Power Plan
Hi-Tech	Clean Room Filter Strategy	2021 Power Plan
	Clean Room HVAC	2021 Power Plan
	Chip Fab: Eliminate Exhaust	2021 Power Plan
	Chip Fab: Exhaust Injector	2021 Power Plan
	Chip Fab: Reduce Gas Pressure	2021 Power Plan
Lighting	Chip Fab: Solid State Chiller	2021 Power Plan
	Efficient Lighting	2021 Power Plan
	High-Bay Lighting	2021 Power Plan
Low & Medium Temp Refrigeration	Lighting Controls	2021 Power Plan
	Food: Cooling and Storage	2021 Power Plan
	Cold Storage Retrofit	2021 Power Plan
Material Handling	Grocery Distribution Retrofit	2021 Power Plan
	Material Handling Equipment	2021 Power Plan
Metals	Material Handling VFD	2021 Power Plan
	New Arc Furnace	2021 Power Plan
Misc.	Synchronous Belts	2021 Power Plan
	Food Storage: CO2 Scrubber	2021 Power Plan
	Food Storage: Membrane	2021 Power Plan
Motors	Motor Rewinds	2021 Power Plan
Paper	Efficient Pulp Screen	2021 Power Plan
	Material Handling	2021 Power Plan
	Premium Control	2021 Power Plan
	Premium Fan	2021 Power Plan
Process Loads	Municipal Sewage Treatment	2021 Power Plan
	Efficient Agitator	2021 Power Plan
	Effluent Treatment System	2021 Power Plan
	Premium Process	2021 Power Plan
	Refiner Plate Improvement	2021 Power Plan
Pumps	Refiner Replacement	2021 Power Plan
	Equipment Upgrade	2021 Power Plan
Transformers	New/Retrofit Transformer	2021 Power Plan
Wood	Hydraulic Press	2021 Power Plan
	Pneumatic Conveyor	2021 Power Plan

<b>Table VI-3 Agriculture End Uses and Measures</b>		
<b>End Use</b>	<b>Measures/Categories</b>	<b>Data Source</b>
Dairy Efficiency	Efficient Lighting	2021 Power Plan
	Milk Pre-Cooler	2021 Power Plan
	Vacuum Pump	2021 Power Plan
Irrigation	Low Energy Sprinkler Application	2021 Power Plan
	Irrigation Hardware	2021 Power Plan
	Line Pressure Reduction	2021 Power Plan
Lighting	Agricultural Lighting	2021 Power Plan
Process Loads	Circulating Block Heater for Back -Up Generator	2021 Power Plan
	Energy Free Stock Tank	2021 Power Plan
Motors/Drives	Green Motor Rewinds	2021 Power Plan

<b>Table VI-4 Distribution Efficiency End Uses and Measures</b>		
<b>End Use</b>	<b>Measures/Categories</b>	<b>Data Source</b>
Distribution Efficiency	ECM-1 LDC Voltage Control without VVO & AMI	2021 Power Plan
	ECM-2 & ECM 3 LDC Voltage Control with VVO & AMI	2021 Power Plan

## Appendix VII –Energy Efficiency Potential by End-Use

<b>Table VII-1</b>				
<b>Residential Economic Potential (aMW)</b>				
	<b>2 Year</b>	<b>6 Year</b>	<b>10 Year</b>	<b>20 Year</b>
Dryer	0.01	0.02	0.02	0.04
Electronics	0.00	0.00	0.00	0.00
Food Preparation	0.00	0.00	0.00	0.00
HVAC	0.09	0.32	0.71	1.68
Lighting	0.00	0.05	0.17	0.30
Refrigeration	0.00	0.01	0.02	0.05
Water Heating	0.06	0.25	0.52	0.97
Whole Bldg/Meter Level	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.16</b>	<b>0.66</b>	<b>1.46</b>	<b>3.04</b>

<b>Table VII-2</b>				
<b>Commercial Economic Potential (aMW)</b>				
	<b>2 Year</b>	<b>6 Year</b>	<b>10 Year</b>	<b>20 Year</b>
Compressed Air	0.00	0.00	0.00	0.00
Electronics	0.00	0.00	0.00	0.00
Food Preparation	0.02	0.08	0.11	0.18
HVAC	0.07	0.23	0.35	0.58
Lighting	0.34	1.04	1.75	3.50
Motors/Drives	0.00	0.00	0.00	0.00
Process Loads	0.00	0.00	0.00	0.00
Refrigeration	0.19	0.58	0.97	1.93
Water Heating	0.03	0.08	0.14	0.27
<b>Total</b>	<b>0.65</b>	<b>2.01</b>	<b>3.32</b>	<b>6.48</b>

<b>Table VII-3</b>				
<b>Industrial Economic Potential (aMW)</b>				
	<b>2 Year</b>	<b>4 Year</b>	<b>10 Year</b>	<b>20 Year</b>
Compressed Air	0.01	0.02	0.03	0.05
Fans	0.00	0.00	0.00	0.00
Lighting	0.07	0.21	0.35	0.71
Pumps	0.00	0.00	0.00	0.00
HVAC	0.08	0.24	0.33	0.38
Low Temp Refer	0.02	0.06	0.10	0.20
Med Temp Refer	0.00	0.01	0.01	0.02
All Electric	0.00	0.00	0.00	0.00
Material Processing	0.02	0.07	0.11	0.23
Material Handling	0.01	0.03	0.05	0.10
Melting and Casting	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Data Centers	2.63	8.36	10.92	14.32
<b>Total</b>	<b>2.84</b>	<b>8.99</b>	<b>11.91</b>	<b>16.01</b>

<b>Table VII-4</b>				
<b>Agricultural Economic Potential (aMW)</b>				
	<b>2 Year</b>	<b>4 Year</b>	<b>10 Year</b>	<b>20 Year</b>
Dairy Efficiency	0.00	0.00	0.00	0.00
Irrigation	0.00	0.00	0.00	0.00
Lighting	0.00	0.00	0.00	0.00
Motors/Drives	0.08	0.42	0.79	1.59
Process Loads	0.00	0.00	0.00	0.00
HVAC	0.00	0.00	0.00	0.00
Refrigeration	0.00	0.05	0.16	0.28
<b>Total</b>	<b>0.08</b>	<b>0.42</b>	<b>0.79</b>	<b>1.59</b>

# For Commission Review – 11/28/2023

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO to execute Change Order No. 8 to Contract 430-4179 with DataPro Solutions, Inc., increasing the not-to-exceed contract amount by \$77,081.42 for a new contract total of \$601,593.31, extending the contract completion date to December 31, 2024, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 8.

CO8 430-4179 DataPro Solutions



## MEMORANDUM

Date: November 15, 2023

**TO:** Rich Wallen, General Manager/Chief Executive Officer

**VIA:** Charles Meyer, Managing Director of Enterprise Technology

**FROM:** Paula Alley, District Representative

**SUBJECT:** Contract 430-4179, Change Order No. 8

### **Purpose:**

To request Commission approval of Change Order No. 8 to Contract 430-4179 to increase the awarded contract price with DataPro Solutions, Inc. ("DataPro") and to extend the contract deadline for one year to December 31, 2024. DataPro provides licensing and support for File360.

### **Discussion:**

DataPro provides Grant PUD licensing and support for File360. File360 is an enterprise software application that is critical to District business operations including holding our records and doing revision control of those records.

Annual maintenance for support and licensing of the File360 product is due and will be paid out of this Contract. DataPro requires a contract to be in place for annual support and licensing and cannot be paid by PO.

The existing software licenses and support for File360 expires on December 31, 2023. The District must license the application yearly to continue legal use of the product.

The initial Support and Maintenance Agreement for \$73,143.82 was signed on December 19, 2015. We project we will require this support and licensing for the foreseeable future or until File360 is replaced with a new solution. The cost for our yearly maintenance for 2024 will be \$77,081.42.

### **Justification:**

The records capabilities of the File360 application are critical to the core business operations of Grant PUD, and provides a quality information system to manage the records that Grant needs to maintain and produce if a public request is made.

The District needs to renew the support and licensing because the District cannot source and implement a new solution that meets requirements in the current timeframe, and it would be cost prohibitive.

### **Change Order History:**

See attached change order table.

### **Recommendation:**

Commission approval of Change Order No. 8 to Contract 430-4179 to increase the awarded contract price and to extend the contract through December 31, 2024 with DataPro Solutions, Inc.

**Legal Review:**

See attached email(s).

**From:** [Charles Meyer](#)  
**To:** [Zachery Cooper](#); [Paula Alley](#)  
**Cc:** [Michele Mesaros](#)  
**Subject:** RE: Commission Memo Approval CO8 contract 430-4179  
**Date:** Thursday, November 16, 2023 10:53:12 AM  
**Attachments:** [image001.png](#)

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Approved.

**Charles Meyer**

*Managing Director of Enterprise Technologies*

CELL 760.579.1171

EMAIL [cmeyer@gcpud.org](mailto:cmeyer@gcpud.org)



[grantpud.org](http://grantpud.org)

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**From:** Zachery Cooper <[zcooper@gcpud.org](mailto:zcooper@gcpud.org)>  
**Sent:** Thursday, November 16, 2023 10:46 AM  
**To:** Charles Meyer <[cmeyer@gcpud.org](mailto:cmeyer@gcpud.org)>; Paula Alley <[Palley@gcpud.org](mailto:Palley@gcpud.org)>  
**Cc:** Michele Mesaros <[mmesaros@gcpud.org](mailto:mmesaros@gcpud.org)>  
**Subject:** Commission Memo Approval CO8 contract 430-4179

Good afternoon,

Can I get your approval of the commission memo for CO8 on contract 430-4179?

Thank you,

**Zachery Cooper**

*Procurement Officer II*

**OFFICE** 509.760.7617

**EMAIL** [zcooper@gcpud.org](mailto:zcooper@gcpud.org)

**ADDRESS** 14352 Hwy 243 S Bldg. 6, Beverly, WA 99321



[grantpud.org](http://grantpud.org)

**From:** [Paula Alley](#)  
**To:** [Zachery Cooper](#); [Charles Meyer](#)  
**Cc:** [Michele Mesaros](#)  
**Subject:** RE: Commission Memo Approval CO8 contract 430-4179  
**Date:** Thursday, November 16, 2023 10:51:58 AM  
**Attachments:** [image002.jpg](#)  
[image003.png](#)

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Approved.

## Paula Alley

*Enterprise Technology,  
Enterprise Applications Manager*

**OFFICE** 509.754.7697  
**EXT.** 2284  
**CELL.** 509.948.6665  
**EMAIL** [palley@gcpud.org](mailto:palley@gcpud.org)



[grantpud.org](http://grantpud.org)

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**From:** Zachery Cooper <[zcooper@gcpud.org](mailto:zcooper@gcpud.org)>  
**Sent:** Thursday, November 16, 2023 10:46 AM  
**To:** Charles Meyer <[cmeyer@gcpud.org](mailto:cmeyer@gcpud.org)>; Paula Alley <[Palley@gcpud.org](mailto:Palley@gcpud.org)>  
**Cc:** Michele Mesaros <[mmesaros@gcpud.org](mailto:mmesaros@gcpud.org)>  
**Subject:** Commission Memo Approval CO8 contract 430-4179

Good afternoon,

Can I get your approval of the commission memo for CO8 on contract 430-4179?

Thank you,

## Zachery Cooper

*Procurement Officer II*

**OFFICE** 509.760.7617  
**EMAIL** [zcooper@gcpud.org](mailto:zcooper@gcpud.org)  
**ADDRESS** 14352 Hwy 243 S Bldg. 6, Beverly, WA 99321





CHANGE ORDER  
NO. 8

Pursuant to Section 5, the following changes are hereby incorporated into this Contract:

- A. Description of Change: Increase the Contract Price and extend the Contract completion date.
  - 1. Contractor shall provide one additional year for Software Maintenance for the base modules in accordance with the Scope of Services Section 1.A, from January 1, 2024 through December 31, 2024, in the amount of \$41,081.42.
  - 2. Contractor shall provide one additional year for Support Services in accordance with Scope of Services Section 1.B, 1, 2, and 3, from January 1, 2024 through December 31, 2024, in the amount of \$36,000.00.
- B. Time of Completion: The revised completion date shall be December 31, 2024.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$77,081.42 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$601,593.31, including changes incorporated by this Change Order.
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2  
of Grant County, Washington

DataPro Solutions, Inc.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Change Order Table

**Contract Title:** Licensing and Support Services for File 360

Contract No.	430-4179	Award Date:	12/19/2015
Project Manager:	Paula Alley	Original Contract Amount:	\$73,143.82
District Representative (If Different):	Judy Johnson	Original Contract completion:	12/31/2016
Contractor:	DataPro Solutions	Total CO Cost Change Amt	\$528,449.49

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Increase the Contract Price and Extend the Contract completion date.	Dept Mgr	12/01/16	12/31/17	\$63,442.42	\$136,586.24	\$63,442.42
2	Increase the Contract Price and Extend the Contract completion date.	Dept Mgr	12/14/17	12/31/18	\$64,046.15	\$200,632.39	\$127,488.57
3	Increase the Contract Price and Extend the Contract completion date.	Senior Mgr	12/21/18	12/31/19	\$64,635.12	\$265,267.51	\$192,123.69
4	Increase the Contract Price and Extend the Contract completion date.	Senior Mgr	12/02/19	12/31/20	\$65,207.82	\$330,475.33	\$257,331.51
5	Increase the Contract Price and Extend the Contract completion date.	Senior Mgr	10/26/20	12/31/21	\$65,295.43	\$395,770.76	\$322,626.94
6	Increase the Contract Price and Extend the Contract completion date.	Senior Mgr	10/28/21	12/31/22	\$66,525.85	\$462,296.61	\$389,152.79
7	Increase the Contract Price and Extend the Contract completion date.	Senior Mgr	11/29/22	12/31/23	\$62,215.28	\$524,511.89	\$451,368.07
8	Increase the Contract Price and Extend the Contract completion date.	Comm		12/31/24	\$77,081.42	\$601,593.31	\$528,449.49
Total Change Order Cost Change Amount					528,449.49		

# For Commission Review – 11/28/2023

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing transfer of \$45,000,000.00 from the Electric Revenue Fund into the Rate Stabilization portion of the Electric System R&C Fund effective December 31, 2023.

R&C Fund Transfer



## MEMORANDUM

November 16, 2023

**TO:** Bonnie Overfield, Chief Financial Officer/Treasurer

**VIA:** Jennifer Sager, Senior Manager of Accounting/Controller

**FROM:** Angelina Johnson, Senior Manager of Treasury & FP/Deputy Treasurer

**SUBJECT:** Electric System R&C fund transfer

**Purpose:** Request approval from the Commission to transfer funds from the Electric System Revenue Fund into the Rate Stabilization portion of the Electric System Reserve & Contingency (R&C) Fund effective December 31, 2023, to decrement debt service coverage in a future year.

**Discussion:** The R&C Fund was established by Resolution 4112 in 1982 and provided that the Treasurer/Controller establish and maintain the fund, payments from the fund be authorized by the Commission, and for parameters surrounding deposits be established annually in the District's budget. The current adopted financial parameters as included annually in the budget detail that Electric Working Capital beyond \$25 million be transferred to the R&C Fund. Per the current financial forecast managed by Treasury the report presented to the Treasurer October 3<sup>rd</sup>, 2023, for review supported the available amount per this criterion is \$45 million.

**Justification:** The financial planning target for debt service coverage in the Electric System is currently set at 2.0x (1.25x per bond covenant). By transferring the recommended \$45 million into the Rate Stabilization portion of the R&C Fund the District would be decrementing the 2024 debt service coverage to place in the reserve fund to offset possible future shortfalls in debt service coverage.

**Financial Justification:** After the transfer based upon the current financial forecast the consolidated debt service coverage would be 3.37 for 2023, well above the requirement. This would allow in the future if debt service coverage were to drop below 1.25x in future years, funds could be utilized from the Rate Stabilization portion of the R&C Fund and treated as an increase in revenues to help the District reach the 1.25x requirement. If the above recommended transfer is approved, the balance in the R&C Fund would be \$145 million (current approved target being \$100 million). Additionally, the transfer would leave the Electric System Revenue Fund with an estimated remaining balance of \$148 million, allowing for a JLB issuance in January 2024 of \$85 million.

**Recommendation:** To seek authorization from the Commission to transfer \$45 million from the Electric Revenue Fund into the Rate Stabilization portion of the Electric System R&C Fund effective December 31, 2023.

**Legal Review:** Please see attached email.

# **For Commission Review – 11/28/2023**

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing Interlocal Agreement 230-12115 with Grant County Fire District 8 and Interlocal Agreement 430-12116 with all Grant County Fire Districts for fire protection and emergency medical services.

Grant Co Fire Interlocal Agreement

MEMORANDUM

November 28, 2023

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Fallon Long, Managing Director Integrated Operational Services

FROM: Dave Ponozzo, Manager Emergency Preparedness

SUBJECT: Fire Protection Agreements with Grant County Fire Districts

**Purpose:** To request Commission approval of Interlocal Agreement 230-12115 with Grant County Fire District 8 and Interlocal Agreement 430-12116 with all Grant County Fire Districts for fire protection and emergency medical services.

**Discussion:** Grant PUD and the Grant County Fire Districts entered into agreements in 1980 and 1992 for fire protection services. We are recommending new agreements to add clarity where needed and ensure the language and contacts are current.

- 230-12115 with Grant County Fire District 8

The scope of this agreement is fire protection and emergency medical services for Wanapum Indian Village, located in Yakima County. Yakima County fire officials recognize their nearest facilities are too distant to respond within a reasonable time and agree with Grant County Fire District 8 providing these services. The original agreement, 230-031, was entered into in June 1980 (a copy is attached). This new agreement will replace the 1980 contract.

- 430-12116 with all Grant County Fire Districts (3, 4, 5, 6, 7, 8, 10, 12, 13, 14, and 15)

The scope of this agreement is fire protection and emergency medical services for all Grant PUD personnel and the property, buildings, and equipment owned or operated by Grant PUD within Grant County located within or adjacent to each of the fire districts. The original agreement, 430-472, was entered into in April 1992 (a copy is attached). This new agreement will replace the 1992 contract. Please note the original agreement included Fire District 11; however, they have since merged with Fire District 10 so they are no longer a separate party to the agreement.

The fire districts have all reviewed the new agreements and approve proceeding.

**Recommendation:** Commission approval of Interlocal Agreement 230-12115 with Grant County Fire District 8 and Interlocal Agreement 430-12116 with all Grant County Fire Districts for fire protection and emergency medical services.

**Legal Review:** See attached email.

**Interlocal Agreement for Fire Protection and Emergency Medical Services  
for Wanapum Indian Village**

This Interlocal Agreement (“Agreement”), effective January 1, 2024 (“Effective Date”), is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”) and Grant County Fire District No. 8 (“Fire District”). Grant PUD and Fire District may be referred to herein individually as a “Party” and collectively as “Parties”.

RECITALS

Whereas, Grant PUD is a municipal corporation in the State of Washington and is the owner of real and personal property located in Yakima County and within the boundaries of the Fire District. Such property is commonly known as the Wanapum Indian Village; and

Whereas, the Fire District is a municipal corporation in the State of Washington and is organized and equipped to give fire protection and emergency medical services within its boundaries. It is desirable and of benefit to Grant PUD that the Fire District provide such services for the Wanapum Indian Village; and

Whereas, the Parties are authorized to enter into a contract for fire protection services pursuant to RCW 52.30.020 and RCW Chapter 39.34; and

Whereas, it is the intent of the Parties that this Agreement supersede and replace Fire Protection Agreement 230-031, which was entered into by the Parties on June 18, 1980.

NOW, THEREFORE, in consideration of the mutual covenants herein, the Parties agree as follows:

1. Services

The Fire District shall provide fire protection and emergency medical services (“Services”) necessary for the protection and safety of the property, buildings, and equipment owned or operated by Grant PUD within the area shown in Appendix A, located in Yakima County and commonly called Wanapum Indian Village. The duties and responsibilities of the Fire District under this Agreement shall be the same as those owed to the general public and other property owners.

2. Payment

Grant PUD shall pay the Fire District annually for the Services described in Section 1. On or before March 31<sup>st</sup> of each year, the Fire District shall submit an invoice to Grant PUD using the following formula:

Current assessed valuation of the parcels specified in Appendix A as set by the Yakima County Assessor multiplied by the most current Grant County general and EMS levy rates for Fire District #8 per \$1,000 of valuation:

$$\begin{aligned} & (\text{Assessed valuation of the parcel} / 1,000) \times \text{Fire \#8 general levy rate} \\ + & (\text{Assessed valuation of the parcel} / 1,000) \times \text{Fire \#8 EMS levy rate} \\ = & \text{Payment due to Fire District} \end{aligned}$$

The Fire District shall submit invoices to [AccountsPayable@gcpud.org](mailto:AccountsPayable@gcpud.org). Grant PUD shall pay the Fire District within 30 days following receipt of the invoice.

3. Term and Termination

This Agreement shall be effective January 1, 2024, and shall extend for an indefinite period, calendar year to calendar year, unless terminated in accordance with this section. Either Party may terminate this Agreement by giving written notice to the other Party by October 1<sup>st</sup> of any year, thereby terminating the Agreement as of December 31<sup>st</sup> of the year in which notice is given.

4. Effect on Other Agreements

This Agreement shall supersede and replace Fire Protection Agreement 230-031, which was entered into by the Parties on June 18, 1980.

Nothing in this Agreement shall modify or alter the rights and responsibilities of the Parties arising under Contract No. 430-12116, Interlocal Agreement for Fire Protection and Emergency Medical Services.

5. Notifications

Any notice or other communication under this Agreement given by either Party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be deemed served when received and not mailed. Either Party may from time to time change such address by giving the other Party notice of such change.

Grant PUD	Fire District
Public Utility District No. 2 of Grant County, Washington Attn: Manager, Emergency Preparedness PO Box 878 Ephrata, WA 98823 dponozzo@gcpud.org With a copy to Legal@gcpud.org	Grant County Fire District No. 8 Attn: Fire Chief 20643 Rd 22.5 SW Mattawa, WA 99349 matth@gcfd8.net

6. Applicable Law

The Parties agree this Agreement shall be governed by the laws of the State of Washington, and that in the event legal action becomes necessary to enforce any provisions of this Agreement, venue shall be in the Superior Court of Grant County Washington or the U.S. District Court for the Eastern District of Washington. In the event either Party institutes a suit against the other to enforce any provisions of this Agreement, the substantially prevailing Party shall be entitled to reasonable attorneys' fees and reasonable costs of the suit in addition to any other relief allowed.

7. Amendments

Any modification of this Agreement or additional obligations assumed by either Party in connection with this Agreement shall be binding only if evidenced in writing and signed by each Party.

8. Assignment

Neither Party shall assign this Agreement or any of its rights hereunder without the other Party’s prior written consent, which shall not be unreasonably withheld. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.

9. Non-Waiver

No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

10. Counterparts and Electronic Signatures

The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

11. Filing

The Parties shall, in compliance with RCW 39.34, upon execution of this Agreement, file copies of the Agreement with their respective county auditors or, alternatively, post an electronic copy of the Agreement on the Parties’ websites.

12. Authority/Warranties and Representations

Each Party represents that they have been duly authorized to execute this Agreement on behalf of the Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives on the date written below.

Public Utility District No. 2  
of Grant County, Washington

Grant County Fire District No. 8

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

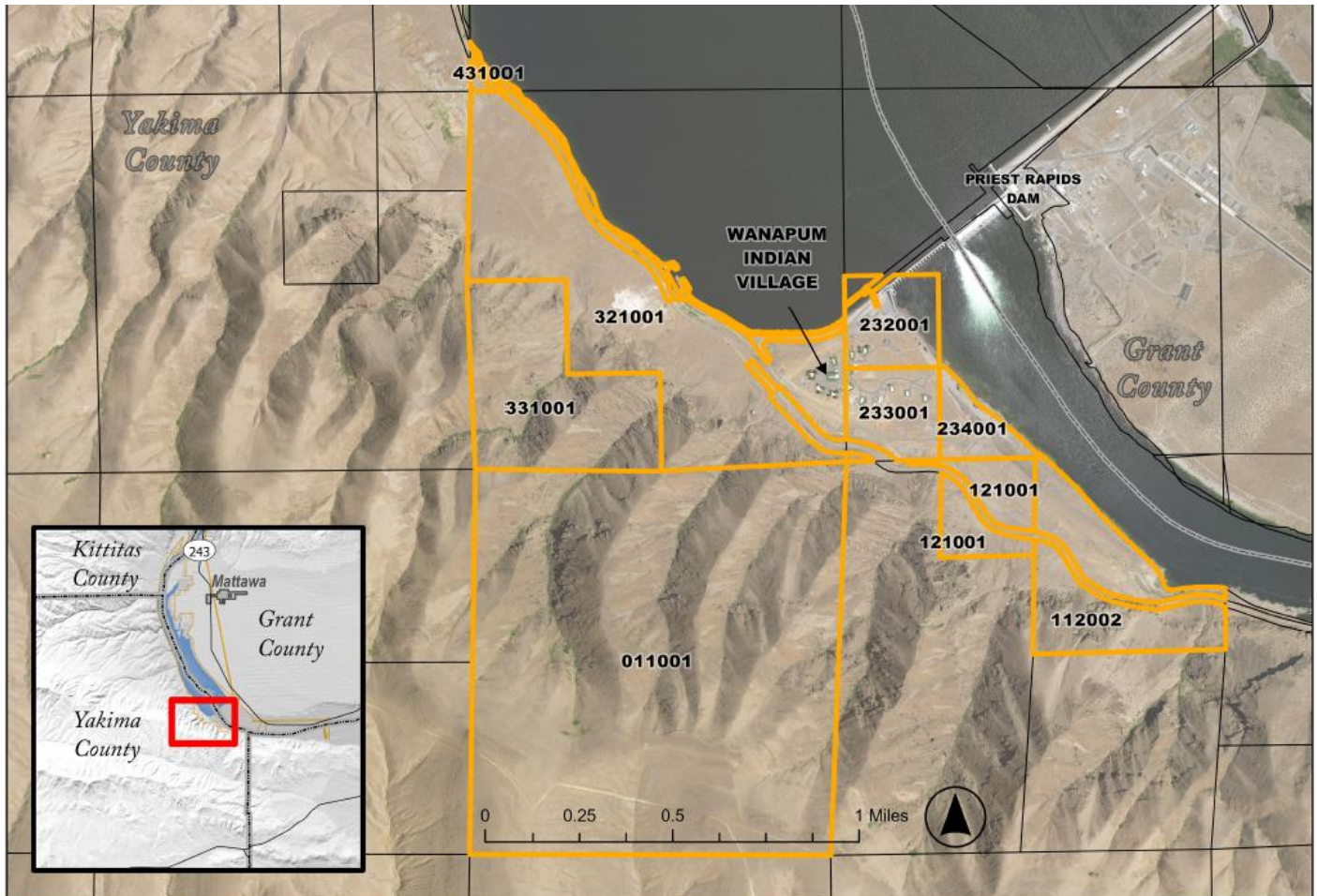
### APPENDIX A – SERVICE AREA

**Parcel Numbers:**

23130232001  
23130233001  
23130234001

23130321001  
23130331001  
23131011001

23131112002  
23131121001  
23143431001



### WANAPUM INDIAN VILLAGE - PARCELS

This map/data was created for informational, planning, reference and guidance purposes only. Grant PUD makes no warranty, expressed or implied related to the accuracy or content of these materials. NR GIS - 2023



FIRE PROTECTION AGREEMENT FOR WANAPUM INDIAN HOUSING

THIS AGREEMENT between Public Utility District No. 2 of Grant County and Fire Protection District No. 8 of Grant County is entered into for the protection of the Wanapum Indian Housing located near Priest Rapids Dam in Yakima County, State of Washington.

Recital:

The Wanapum Indian Housing is located in Yakima County, State of Washington. The nearest fire protection available in Yakima County is not effective as it is too distant to respond within a reasonable time. Yakima County fire officials recognize the problem and do not object to Grant County Fire Protection District No. 8 providing this protection.

NOW, THEREFORE, IT IS AGREED by the parties hereto as follows:

I

The Fire Protection District shall provide fire protection services necessary for the protection and safety of the buildings and equipment located within an area in Yakima County, commonly called Wanapum Indian Housing.

II

Operating procedures governing notification of fire emergencies, the response thereto, and the mutual assistance to be available from each party hereto, shall be developed and placed in effect by the manager of the Fire Protection District and the Hydro Project Engineer.

III

For said fire protection services, the Public Utility District shall, on or before June 30 of each year, pay the Fire Protection District No. 8 a sum as computed by the formula hereinafter set forth.

FORMULA:

Valuation as set by the Yakima County Assessor times \$1.00 per \$1,000 of valuation.

1980 Valuation as established by Yakima County Assessor \$118,000



This contract may be terminated on thirty (30) days written notice by either party to the other, but if not so terminated, this contract shall continue upon a year to year basis thereafter until termination by thirty (30) days written notice from one party to the other, and annual payments will be made to the Fire Protection District by the Public Utility District computed according to the formula set forth above.

DATED this 16<sup>th</sup> day of June, 1980.

PUBLIC UTILITY DISTRICT NO. 2  
OF GRANT COUNTY

By *E. H. Mumby*  
President

ATTEST:

By *E. W. Peterson*  
Secretary

FIRE PROTECTION DISTRICT NO. 8  
OF GRANT COUNTY

By *Paul D. Parker* CHAIRMAN  
(Title)

ATTEST:

*Fred D. Arnold* - Secretary  
(Title)

*G. G. Campbell* Comm.  
*Dwight Best* Commissioner

**Interlocal Agreement for Fire Protection and Emergency Medical Services  
for Grant PUD Facilities**

This Interlocal Agreement (“Agreement”), effective January 1, 2024 (“Effective Date”), is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”) and Grant County Fire District Nos. 3, 4, 5, 6, 7, 8, 10, 12, 13, 14, and 15 (“Fire Districts”). Grant PUD and Fire Districts may be referred to herein individually as a “Party” and collectively as “Parties”.

**RECITALS**

Whereas, Grant PUD is a municipal corporation in the State of Washington and is the owner of real and personal property located in Grant County and within the boundaries of the Fire Districts; and

Whereas, each Fire District is a municipal corporation in the State of Washington and is organized and equipped to give fire protection and emergency medical services within its boundaries, and Grant PUD desires that each Fire District provide such services for Grant PUD property and all persons on such property within the boundaries of each Fire District; and

Whereas, the Parties are authorized to enter into a contract for fire protection services pursuant to RCW 52.30.020 and RCW Chapter 39.34; and

Whereas, it is the intent of the Parties that this Agreement supersede and replace Cooperative Fire Protection Agreement 430-472, which was entered into by the Parties in April 1992.

NOW, THEREFORE, in consideration of the mutual covenants herein, the Parties agree as follows:

1. Services

1.1. Each Fire District shall provide fire protection and emergency medical services necessary for the protection and safety of Grant PUD personnel and the property, buildings, and equipment owned or operated by Grant PUD located within or adjacent to such Fire District (see Appendix A, Service Areas). Each Fire District shall make reasonable efforts to protect Grant PUD poles located within such Fire District’s boundaries where burnout operations are being used unless firefighter and/or public safety are at risk. Each Fire District shall take measures to prevent fires outside a substation from entering the substation commensurate with measures the Fire District would take to protect a residential structure.

The duties and responsibilities of the Fire District under this Agreement shall be the same as those owed to the general public and other property owners.

1.2. Grant PUD and Fire Districts 8 and 10 shall coordinate annually to review the fire response plans for Wanapum Dam and Priest Rapids Dam and tour the facilities.

2. Term and Termination

2.1 This Agreement shall be effective January 1, 2024, and shall extend for an indefinite period, calendar year to calendar year, unless terminated in accordance with this section.

2.2 This Agreement may be terminated by mutual written agreement of all Parties by October 1<sup>st</sup> of any year, thereby terminating the Agreement as of December 31<sup>st</sup> of the year in which notice is given.

2.3 A Fire District may withdraw from this Agreement by giving written notice to the other Parties by October 1<sup>st</sup> of any year, thereby terminating the withdrawing Party's rights and obligations under the Agreement as of December 31<sup>st</sup> of the year in which notice is given. The Agreement shall continue between the remaining Parties.

3. Payment

3.1. Grant PUD shall pay the Fire Districts annually for services described in Section 1. The annual payment amount will be calculated in accordance with Section 3.2 below. The Fire Districts are responsible for determining the distribution of each payment. On or before January 1<sup>st</sup> of each year, the Fire Districts shall provide written notice to Grant PUD at the address specified in Appendix B, directing the appropriate distribution of the payment amongst the Fire Districts for that particular year. Grant PUD shall make the payment accordingly by January 31<sup>st</sup> or 30 days following receipt of the notification, whichever is later.

3.2. For all services to be provided in 2024 and subsequent years, Grant PUD shall pay the Fire Districts a sum as computed by the following formula:

Formula:  $((A - B) \times C) - D = E$

A = Grant County's portion of the PUD Privilege Tax in the preceding calendar year per Grant County Board of Commissioners resolution and the provisions of Chapter 54.28 RCW.

B = Grant County's portion of the PUD Privilege Tax in the preceding calendar year distributed to cities and towns of Grant County per Grant County Board of Commissioners resolution and the provisions of Chapter 54.28 RCW.

C = A constant factor of 0.10

D = Grant County's portion of the PUD Privilege Tax in the preceding calendar year distributed directly to Fire Districts per Grant County Board of Commissioners resolution and the provisions of Chapter 54.28 RCW.

E = Payment due to Fire Districts

4. Effect on Other Agreements

This Agreement shall supersede and replace Fire Protection Agreement 430-472, which was entered into by the Parties in April 1992.

Nothing in this Agreement shall modify or alter the rights and responsibilities of Grant PUD and Grant County Fire District No. 8 arising under Contract No. 230-12115, Interlocal Agreement for Fire Protection and Emergency Medical Services for Wanapum Village.

5. Notifications

Any notice or other communication under this Agreement given by either Party shall be sent via email or mailed, properly addressed, and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified in Appendix B and shall be deemed served when received and not mailed. Either Party may from time to time change such address by giving the other Party notice of such change.

6. Applicable Law

The Parties agree this Agreement shall be governed by the laws of the State of Washington, and that in the event legal action becomes necessary to enforce any provisions of this Agreement, venue shall be in the Superior Court of Grant County Washington or the U.S. District Court for the Eastern District of Washington. In the event either Party institutes a suit against the other to enforce any provisions of this Agreement, the substantially prevailing Party shall be entitled to reasonable attorneys' fees and reasonable costs of the suit in addition to any other relief allowed.

7. Amendments

Any modification of this Agreement or additional obligations assumed by either Party in connection with this Agreement shall be binding only if evidenced in writing and signed by each Party.

8. Assignment

Neither Party shall assign this Agreement or any of its rights hereunder without the other Party's prior written consent, which shall not be unreasonably withheld. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.

9. Non-Waiver

No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

10. Counterparts and Electronic Signatures

The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

11. Filing

The Parties shall, in compliance with RCW 39.34, upon execution of this Agreement, file copies of the Agreement with their respective county auditors or, alternatively, post an electronic copy of the Agreement on the Parties' websites.

12. Authority/Warranties and Representations

Each Party represents that they have been duly authorized to execute this Agreement on behalf of the Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives on the date written below.

Public Utility District No. 2  
of Grant County, Washington

Grant County Fire District No. 3

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Grant County Fire District No. 4

Grant County Fire District No. 5

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Grant County Fire District No. 6

Grant County Fire District No. 7

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Grant County Fire District No. 8

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Grant County Fire District No. 10

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Grant County Fire District No. 12

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Grant County Fire District No. 13

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Grant County Fire District No. 14

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Grant County Fire District No. 15

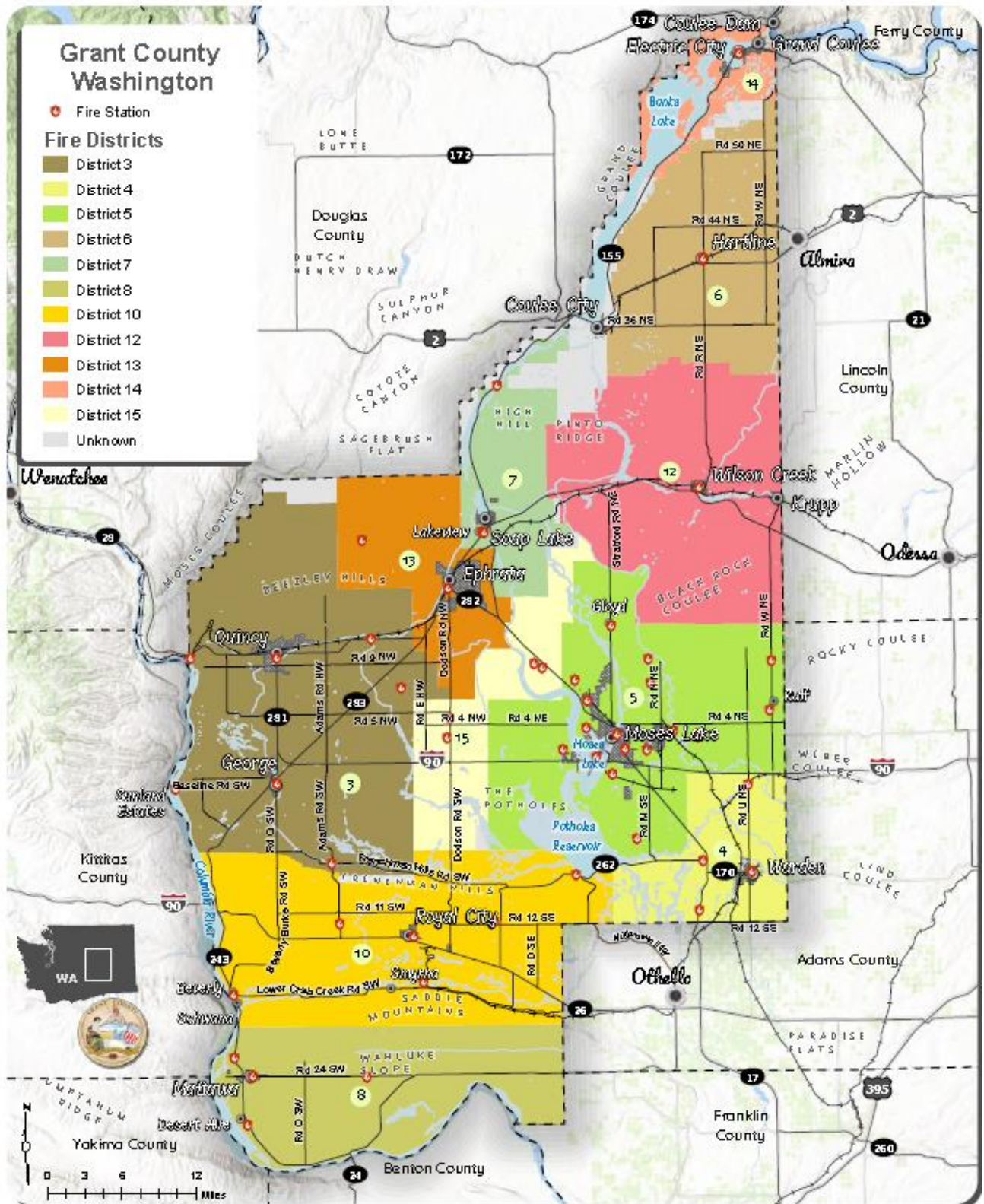
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPENDIX A – SERVICE AREAS



**APPENDIX B – ADDRESSES FOR NOTICES**

**Grant PUD**

Public Utility District No. 2 of Grant County, Washington  
Attn: Manager, Emergency Preparedness  
PO Box 878  
Ephrata, WA 98823  
dponozzo@gcpud.org  
With a copy to Legal@gcpud.org

**Fire Districts – Administrator for Annual Payment Allocation**

Grant County Fire District No. 8  
Barb Davis  
barb@gcfd8.net

**Fire Districts – Legal Notices**

Grant County Fire District No. 3  
Attn: Fire Chief  
1201 Central Ave South  
Quincy, WA 98848  
aleibelt@gcfd3.net

Grant County Fire District No. 4  
Attn: Fire Chief  
PO Box 368  
Warden, WA 98857  
Gcfd401@outlook.com

Grant County Fire District No. 5  
Attn: Fire Chief  
11058 Nelson Rd NE  
Moses Lake, WA 98837  
dsmith@gcfd5.org

Grant County Fire District No. 6  
Attn: Fire Chief  
935 Willard Street  
Hartline, WA 99135  
Grantfire6@gmail.com

Grant County Fire District No. 7  
Attn: Fire Chief  
PO Box 1449  
Soap Lake, WA 98851  
firechief@gcfd7.org

Grant County Fire District No. 8  
Attn: Fire Chief  
20643 Rd 22.5 SW  
Mattawa, WA 99349  
matth@gcfd8.net

Grant County Fire District No. 10  
Attn: Fire Chief  
PO Box 220  
Royal City, WA 99357  
chief@grantfire10.com

Grant County Fire District No. 12  
Attn: Fire Chief  
PO Box 73  
Wilson Creek, WA 98860  
scottmortimer59@gmail.com

Grant County Fire District No. 13  
Attn: Fire Chief  
PO Box 812  
Ephrata, WA 98823  
chiefstucky@grant13firerescue.org

Grant County Fire District No. 14  
Attn: Fire Chief  
PO Box 282  
Electric City, WA 99123  
Marjorie618@gmail.com

Grant County Fire District No. 15  
Attn: Fire Chief  
11058 Nelson Rd NE  
Moses Lake, WA 98837  
dsmith@gcfd5.org



**COOPERATIVE FIRE PROTECTION AGREEMENT**

THIS AGREEMENT between Public Utility District No. 2 of Grant County, Washington (District) and each of the existing Grant County, Washington Fire Protection Districts (Fire Protection Districts), is entered into pursuant to RCW 52.30.020 and RCW Chapter 39.34.

**RECITALS:**

Public Utility Districts are authorized to enter into contracts for fire protection services with Fire Protection Districts pursuant to RCW 52.30.020 and RCW Chapter 39.34.

The Fire Protection Districts are willing to provide the District fire protection services on the terms and conditions herein.

NOW, THEREFORE, IT IS AGREED by the parties hereto as follows:

1. Fire Protection Services. Each Fire Protection District shall provide fire protection services necessary for the protection and safety of the buildings, equipment and other property owned or operated by the District, located within or adjacent to such Fire Protection District, and for the protection and safety of District personnel, excluding however, properties located within the city limits of municipal fire departments and such fire protection services as the District's Manager specifies in writing will be performed by the District's staff and equipment. Should any specialized fire fighting equipment be required for the protection of District property and personnel, the District may purchase the same and make it available to the Fire Protection Districts at a location to be determined by the District. The duties and responsibilities of the Fire Protection Districts under this Agreement shall be the same as those owed to the general public and other property owners within the boundaries of the particular Fire Protection District. Nothing in this agreement shall modify or alter the rights and responsibilities of the District or Fire Protection District No. 8 arising under Contract No. 230-031, dated June 16, 1980.

2. Operating Procedures. Any specific operating procedures governing notification of District fire emergencies, the response thereto, or the mutual assistance to be available from each party hereto for protection of District property will be jointly developed by the District and the individual Fire Protection Districts.

3. Compensation.

A. For fire protection services to be provided during the period of January 1, 1992 through December 31, 1992, the District shall make payment of Eighty-Five Thousand Dollars (\$85,000.00) to the Fire Protection Districts. The Fire Protection Districts shall agree on a distribution of the payment amongst

each of them and notify the District in writing of the same. The District shall make payment upon receipt of: (1) the notification; and (2) copies of this Agreement duly executed by each of the Fire Protection Districts.

B. For fire protection services to be provided for 1993 and subsequent years, the District shall on or before January 31st of each such year pay to the Fire Protection Districts, a sum as computed by the formula hereinafter set forth; provided however, that this sum shall be reduced by any amount which may be paid or provided to the Fire Protection Districts out of the privilege taxes paid by the District and distributed to the counties under the provision of RCW 54.28 et seq.

FORMULA: (A - B) x C = D

A - Amount of privilege tax paid in the preceding calendar year from the revenues of the District and returned to Grant County for distribution by the State of Washington.

B - Amount of privilege tax paid in the preceding calendar year to the cities and towns of Grant County.

C - A constant factor of .10.

D - Payment to the undersigned Fire Protection Districts for the calendar year.

Example: 943,020.05 - 76,810.16 = 866,219.89 x .10 = 86,621.99  
(A) (B) (C) (D)

4. Distribution of Payment. The annual payment as calculated pursuant to Section 3 shall be allocated to each Fire Protection District based on the distribution supplied to the District and unanimously agreed to by the Fire Protection Districts on or before December 31st of the preceding year. In the event the Fire Protection Districts do not provide the District with the payment distribution by December 31, the District will make payment into a separate account, within the District, to accrue interest earnings until distribution. Upon distribution, both interest earnings and principal will be remitted to the Fire Protection Districts. The District shall have no obligation to contract with or make any payment (except as otherwise required by RCW 4.24.314) to any Fire Protection District except as provided herein.

5. Term of Agreement. This Agreement is effective January 1, 1992 and shall continue in effect through December 31, 1992. Thereafter it shall be on a year to year basis unless terminated by the District or any Fire Protection District by giving written notice by October 1st of any year, thereby terminating the Agreement as of the following December 31st of the year in which notice is given.

6. Notices. All notices required or permitted hereunder shall be in writing and may be either delivered personally or mailed. All notices to the Fire Protection Districts shall be sent by mail or personally delivered to the chief of each Fire Protection District or such other individual as may be designated

in writing by the unanimous agreement of all Fire Protection Districts. All notices to the District shall be delivered to the District's Manager, whose mailing address is Post Office Box 878, Ephrata, Washington 98823.

7. Venue. In the event any suit or other legal proceeding is brought to enforce the terms of this Agreement, venue for said action shall be in the Superior Court of Grant County, Washington.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

9. Assignment. No assignment of any right or obligation of a party to this Agreement shall be made without the written consent of the District.

10. Entire Agreement. The foregoing constitutes the entire agreement between the parties and no modification of any of the provisions hereof shall be binding upon either party unless in writing, signed by the party against whom such modification is sought to be enforced.

11. Compliance with RCW Chapter 39.34. The District and each of the Fire Protection Districts shall fully comply with the requirements of RCW Chapter 39.34, including but not limited to approving this Agreement by resolution duly adopted by their respective governing bodies. This Agreement shall be filed with the Ephrata City Clerk, the Grant County Auditor and the Secretary of State as required by RCW 39.34.040.

12. Non-Waiver. The failure of any party to insist upon or enforce strict performance of the other party of any of the provisions of this Agreement or to exercise any rights under this Agreement, shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon such provisions or rights in any other instance.

13. Authority. Each party represents that he or she has been duly authorized to execute this Agreement on behalf of the parties.

14. Counterpart Originals. This Agreement may be executed in counterparts but shall not be effective until each of the Fire Protection Districts has properly executed and returned its signature page to the District. A copy with all original executed signature pages affixed shall constitute the original Agreement. The date of execution shall be the date of the final party's signature.