

A G E N D A
GRANT COUNTY PUBLIC UTILITY DISTRICT
30 C Street SW – Commission Meeting Room
Ephrata, Washington
COMMISSION MEETING
Tuesday, March 11, 2025

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
Calendar Review
- 9:30 a.m.** Reports from staff
- 12:00 Noon** Lunch
- 1:00 p.m.** Safety Briefing
Pledge of Allegiance
Attendance
Public requests to discuss agenda items/non-agenda items
Correspondence – *(Does not include anonymous letters)*
Business Meeting

1. Consent Agenda

Approval of Vouchers

Meeting minutes of February 25, 2025.

2. Regular Agenda

9083 – Resolution of the Commission of Public Utility District No. 2 of Grant County, Washington, Amending Resolution No. 9046 of the District (Establishing a Letter of Credit and Line of Credit Facility and Providing for the Issuance and Sale of the District’s Electric System Revenue Notes, Series 2024-W (Revolving Line of Credit)); Authorizing a First Amendment to Credit Agreement; and Authorizing other Matters Related Thereto.

Motion authorizing the General Manager/CEO to execute Change Order No. 6 to Contract 430-09222 with UKG Inc., increasing the not-to-exceed contract amount by \$150,826.56 through November 20, 2026 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. 6. (3512)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute new Contract Agreement 430-HFA 602-83H with Methow Salmon Recovery Foundation in the amount not to exceed \$1,250,200.00 for purchase of 7.86 acres of land adjacent to the Twisp River for habitat conservation purposes. (3513)

3. Review Items For Next Business Meeting

XXXX - Resolution Accepting a Bid and Awarding Contract 170-12475, for Furnishing Steel Structures for the Quincy Transmission Expansion Project.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute new Contract Agreement 430-12302R-A HDR Engineering, Inc. in the amount not to exceed \$600,000 for services to support Energy Supply Management (ESM) Research Department. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute new Contract Agreement 430-12302R-B with Stantec Consulting Services, Inc. in the amount not to exceed \$600,000 for services to support Energy Supply Management (ESM) Research Department. (xxxx)

4. Reports from Staff (if applicable)

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

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

February 25, 2025

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:00 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: 614 157 417# with the following Commissioners present: Terry Pyle, President; Larry Schaapman, Vice-President; Judy Wilson, Secretary; Nelson Cox, Commissioner and Tom Flint, Commissioner.

An executive session was announced at 8:00 a.m. to last until 8:55 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 8:55 a.m. and the regular session resumed.

The Commission convened to review vouchers. The Commission calendar was reviewed.

An executive session was announced at 9:14 a.m. to last until 9:25 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g) and to discuss pending litigation pursuant to RCW 42.30.110(1)(i). The executive session concluded at 9:25 a.m. and the regular session resumed.

The Commission recessed at 9:25 a.m.

The Commission resumed at 9:34 a.m.

Trade association and committee reports were reviewed.

A round table discussion was held regarding the following topics: CIP Senior Manager assignment to Jeff Grizzel, congratulations to Ty Ehrman and Cary West related to low write off recovery costs, WPUA update, BPA transition, PPC/PNUC/NWRP monthly meetings, legislative follow-up, and customer call.

Aaron Kuntz, Senior Manager EPMO, provided the EPMO Business Report.

The Commission recessed at 10:32 a.m.

The Commission resumed at 10:36 a.m.

Chris Roseburg, Senior Manager Operational Excellence, gave the Operational Excellence Business Report.

Eric Johnson, Senior Safety Coordinator, provided the Monthly Safety Business Report.

The Commission recessed at 11:23 a.m.

The Commission resumed at 11:30 a.m.

An executive session was announced at 11:30 a.m. to last until 12:00 p.m. 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 pursuant to RCW 42.30.110(1)(b). The executive session concluded at 12:00 p.m. and the regular session resumed.

The Commission attended a lunch meeting with Grant County Commissioners.

Consent agenda motion was made Commissioner Wilson and seconded by Commissioner Schaapman to approve the following consent agenda items:

| | | | | |
|------------------------------|-----------|---------|-----------|-----------------|
| Payment Number | 151893 | through | 152289 | \$44,481,959.08 |
| Payroll Direct Deposit | 6798 | through | 7645 | \$2,737,382.69 |
| Payroll Tax and Garnishments | 20250219A | through | 20250219B | \$1,274,085.12 |

Meeting minutes of February 11, 2025.

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

Resolution No. 9077 relative to pre-qualifying contractors to perform electrical work for Grant PUD was presented to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Flint to approve Resolution No. 9077. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9077

A RESOLUTION PRE-QUALIFYING CONTRACTORS TO PERFORM ELECTRICAL WORK FOR GRANT PUD

Recitals

1. RCW 54.04.085 requires that contractors be pre-qualified to do electrical work for Grant PUD, and pursuant thereto, contractors listed in Appendix A have filed applications for pre-qualification with Grant PUD;
2. Grant PUD’s staff have reviewed all applications and their recommendations with respect to the same are set forth in Appendix A attached hereto;
3. Grant PUD’s staff recommend rejection of certain contractor pre-qualification requests, and Grant PUD’s General Manager concurs with those recommendations; and

4. The Commission has reviewed and considered the recommendations of Grant PUD's staff.

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

Section 1. The various contractor requests received by Grant PUD for pre-qualification are hereby approved and rejected as set forth in Appendix A attached hereto.

Section 2. For these contractors who are pre-qualified as set forth in Appendix A, they shall each designate their employees, and/or subcontractors with electrical contract licenses prior to performing any electrical work for Grant PUD requiring the same.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of February, 2025.

Resolution No. 9078 relative to authorizing Grant PUD's General Manager/CEO to act on behalf of Grant PUD in emergency situations and exigent circumstances was presented to the Commission. Motion was made by Commissioner Schapman and seconded by Commissioner Cox to approve Resolution No. 9078. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9078

A RESOLUTION SUPERSEDING RESOLUTION NO. 6425 AND AUTHORIZING GRANT PUD'S GENERAL MANAGER/CEO TO ACT ON BEHALF OF GRANT PUD IN EMERGENCY SITUATIONS AND EXIGENT CIRCUMSTANCES

Recitals

1. Pursuant to Resolution No. 6425 adopted July 29, 1991, the General Manager/CEO is authorized to act on behalf of Grant PUD in Emergency Situations;
2. Grant PUD is generally required to follow competitive procurement requirements for the award of contracts in accordance with RCW 54.04.070 and 2 CFR 200.320;
3. RCW 54.04.070 provides that public utility districts may award contracts in emergency situations without first advertising for competitive bids;
4. Contracts funded, in whole or in part, by federal funds, are subject to 2 CFR 200.320, which states noncompetitive procurements may be used when the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
5. "Emergency Situations" and "Public Emergency" for purposes of this resolution will mean sudden, unexpected, and unusually dangerous situations requiring immediate action or an urgent need for assistance or relief when the public interest or Grant PUD property would suffer material injury or damage by delay associated with using competitive procurement procedures;
6. "Exigent Circumstances" and "Public Exigency" is applicable to procurements funded, in whole or in part, by federal funds and for purposes of this resolution will mean an urgent

need to avoid, prevent, or alleviate serious harm or injury, financial or otherwise when the public interest or Grant PUD property would suffer material injury or damage by delay associated with using competitive procurement procedures; and

7. Grant PUD's Board of Commissioners desires to delegate to Grant PUD's General Manager/CEO the authority to proclaim the existence of Emergency Situations and Exigent Circumstances under appropriate circumstances, and waive the competitive procurement requirements of RCW 54.04.070 and 2 CFR 200.320.

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

Section 1. Grant PUD's General Manager/CEO is hereby authorized to proclaim for and on behalf of Grant PUD's Board of Commissioners the existence of Emergency Situations and Exigent Circumstances in appropriate conditions as defined above.

Section 2. The proclamation declaring an Emergency Situation and Exigent Circumstances, and the facts constituting the same shall be documented in writing by the General Manager/CEO and made available to the Board of Commissioners as soon as possible after the event or occurrence giving rise to the Emergency Situation or Exigent Circumstances.

Section 3. The competitive procurement requirements of RCW 54.04.070 and 2 CFR 200.320 may be waived by the General Manager/CEO for and on behalf of the Board of Commissioners after the General Manager/CEO has ensured and documented that precautions have been taken to secure the lowest price practicable under the circumstances.

Section 4. Resolution 6425 and all prior resolutions and motions to the extent that they conflict with this resolution are hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of February, 2025.

Resolution No. 9079 relative to establishing delegated purchasing authority limits was presented to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Flint to approve Resolution No. 9079. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9079

A RESOLUTION SUPERSEDING RESOLUTION NO. 8608 AND
ESTABLISHING DELEGATED PURCHASING AUTHORITY LIMITS

Recitals

Grant PUD's Commission has determined that it is desirable and in the best interest of Grant PUD to make changes to the levels of purchasing authority delegated to Grant PUD's management.

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

Section 1. Grant PUD's General Manager/CEO or their delegate is hereby delegated authority to enter into contracts, except for the purchase of real property, for and on behalf of Grant PUD which do not exceed the sum of \$1,000,000. The General Manager/CEO or their delegate may, in their discretion, refer any purchase of any amount to the Commission for approval.

Section 2. All contracts shall be in strict compliance with all laws and Grant PUD policies. Grant PUD's General Counsel shall approve all policies and forms to be used for procurement. Any contract which is not on an approved Grant PUD boilerplate form shall first be submitted for review by Grant PUD's General Counsel.

Section 3.

- A. Contracts for lease of real property exceeding \$5,000.00 per year shall be reported in writing to the Commission as soon as practical following execution.
- B. Purchases of goods or services shall not be split for purposes of avoiding the limitations contained herein.
- C. Any purchase of goods or services approved by management pursuant to this resolution must be included in Grant PUD's current approved budget.
- D. Emergency purchases shall continue to be governed by Grant PUD Resolution No. 9078 or its successors (no dollar limit on General Manager's/CEO's authority).
- E. Wholesale electric power purchases shall continue to be governed by Grant PUD Resolution No. 7650 or its successors.

Section 4. Except as otherwise provided herein, all purchases of goods or services shall require prior Commission approval by motion or resolution.

Section 5. The authority of the General Manager/CEO as specified in Section 1 shall be reviewed by the Commission in February 2026 and every subsequent February occurring in even numbered years.

Section 6. This resolution shall supersede and amend all prior Grant PUD resolutions, including Resolution No. 8608, to the extent that they conflict with the delegation limits set forth in this resolution.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of February, 2025.

Resolution No. 9080 relative to establishing change order approval limits was presented to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Schaapman to approve Resolution No. 9080. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9080

A RESOLUTION SUPERSEDING RESOLUTION NO. 8609 AND
ESTABLISHING CHANGE ORDER APPROVAL LIMITS

Recitals

Grant PUD's Commission has determined that it is desirable and in the best interest of Grant PUD to make changes to the levels of change order approval authority delegated to Grant PUD's management.

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

Section 1. All change orders shall require prior approval by Commission motion except as provided below.

Section 2. The General Manager/CEO or their delegate is hereby delegated the authority to execute one or more change orders to any existing contract, provided the cumulative dollar amount of the particular contract, including all prior change orders and the new change order(s), does not exceed the Commission delegated contract authority limits under Resolution No. 9079 or its successors.

Section 3. For contracts which have received prior Commission approval by motion or resolution, the General Manager/CEO or their delegate may execute one or more change orders, provided the dollar amount of the new change order(s), on a cumulative basis, does not exceed \$500,000.00.

Section 4. A report of all change orders shall be provided to the Commission monthly.

Section 5. All change orders shall be in strict compliance with all laws and Grant PUD policies. Grant PUD's General Counsel shall approve all policies and forms to be used for procurement.

Section 6. The authority of the General Manager/CEO to approve change orders as specified in Section 3 shall be reviewed by the Commission in February 2026 and every subsequent February occurring in even numbered years.

Section 7. This resolution shall supersede and amend all prior resolutions, including Resolution No. 8609 to the extent that they conflict with the delegation limits set forth in this resolution.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of February, 2025.

Resolution No. 9081 relative to delegating the process for disposition of surplus personal property to the General Manager/CEO was presented to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Flint to approve Resolution No. 9081. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9081

A RESOLUTION SUPERSEDING RESOLUTION NO. 8643 AND DELEGATING THE PROCESS FOR DISPOSITION OF SURPLUS PERSONAL PROPERTY TO THE GENERAL MANAGER/CEO

Recitals

1. Pursuant to Resolution No. 8643 adopted October 8, 2012, authority for the disposition of Grant PUD personal property was delegated to the General Manager/CEO;
2. RCW 54.16.180 authorizes Grant PUD to sell, convey, lease, or otherwise dispose of all or any part of Grant PUD property which has become unserviceable, inadequate, obsolete, worn out or unfit for Grant PUD operations and which is no longer necessary, material to, and useful in such operations;
3. Certain provisions of 2 CFR 200, including but not limited to 200.311 thru 200.315, guide the disposition of property acquired or improved with federal funds;
4. From time to time, Grant PUD has miscellaneous surplus personal property of nominal value for which it has a need to dispose of in a timely and cost-effective manner;
5. Grant PUD's Commission has delegated the authority to the General Manager/CEO the sale of any personal property which has become unserviceable, inadequate, obsolete, worn out, and/or unfit to be used in Grant PUD operations, provided such sale is consistent with prudent utility practices and is done pursuant to RCW 54.16.180 and/or 39.33.010 and the disposition provisions of 2 CFR 200, when applicable;
6. The proceeds of any sale shall be paid to Grant PUD except for those associated with the disposition of property acquired or improved with federal funds, where the applicable

federal agency may be entitled to an amount of the proceeds in accordance with 2 CFR 200; and

7. A report of all dispositions of surplus personal property with an estimated fair market value over \$10,000 shall be provided to the Commission.

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

Section 1. The General Manager/CEO has the authority to sell, convey, lease, or otherwise dispose of all or any part of Grant PUD personal property consistent with prudent utility practices and pursuant to RCW 54.16.180 and/or 39.33.010 and the disposition provisions of 2 CFR 200, when applicable.

Section 2. Resolution 8643 and all prior resolutions and motions to the extent that they conflict with this resolution are hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of February, 2025.

Resolution No. 9082 relative to implementing Senate Bill 5418 was presented to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Flint to approve Resolution No. 9082. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9082

A RESOLUTION SUPERSEDING RESOLUTION NO. 8921 IMPLEMENTING SENATE BILL 5418

Recitals

1. Resolution 8921, dated August 13, 2019, implemented Engrossed Substitute Senate Bill 5418, which revised RCW 54.04.082 to read as follows:

“For the awarding of a contract to purchase any item, or items of the same kind of materials, equipment, or supplies in an amount exceeding thirty thousand dollars per calendar month, but less than one hundred twenty thousand dollars per calendar month, exclusive of sales tax, the commission may, in lieu of the procedure described in RCW 54.04.070 and 54.04.080 requiring public notice to invite sealed proposals for such materials, equipment, or supplies, pursuant to commission resolution use the process provided in RCW 39.04.190. Waiver of the deposit or bid bond required under RCW 54.04.080 may be authorized by the commission in securing such bid quotations.”
2. Management desires to incorporate the procurement standards of 2 CFR 200 for the purchase of any item or items of the same kind of materials, equipment or supplies which may be funded, in whole or in part, by federal funds. Where state and federal requirements differ, the more stringent requirements shall apply.

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

Section 1: Purchases of any item or items of the same kind of materials, equipment or supplies in an amount of \$30,000 or less shall not require competitive bidding but shall require prior approval of the General Manager/CEO or their delegate; and

Section 2: Purchases of any item or items of the same kind of materials, equipment or supplies in an amount exceeding \$30,000 but less than \$120,000 per calendar month may be made in accordance with the provisions of Section 3 below and shall require the prior approval of the General Manager/CEO or their delegate; and

Section 3: Purchases of any item or items of the same kind of materials, equipment or supplies in an amount exceeding \$30,000 but less than \$120,000 per calendar month may be made in accordance with RCW 39.04.190 and the following procedures:

- A. Grant PUD's Procurement staff, pursuant to RCW 39.04.190, shall secure and document telephone and/or written quotations from at least three different vendors or Grant PUD's vendor list to assure that a competitive price is established and for awarding of any such contract; and
- B. No bid deposit or bid bond shall be required; and
- C. The contract award shall be made to the lowest responsible bidder; and
- D. Immediately after the contract is made, all bid quotations shall be recorded, open to public inspection, and shall be available by inquiry; and
- E. All contracts shall be on Grant PUD's standard contract or purchase order form and terms and conditions unless otherwise approved in advance by Grant PUD's General Counsel.

Section 4: For purposes of RCW 54.04.070 and 54.04.080, the term "same kind of materials, equipment and supplies" shall mean items which are not different in essential elements and, under the particular circumstances calling for the usage or application, would be interchangeable one with the other and fulfill all purposes and requirements for which the items were being purchased or acquired.

Section 5: If a purchase of any item or items of the same kind of materials, equipment or supplies may be funded, in whole or in part, by federal funds, the procurement standards of 2 CFR 200 shall apply unless the state requirements above are more stringent.

Section 6: This Resolution shall rescind and supersede Resolution No. 8921 and any other prior related resolutions, to the extent that they conflict with this resolution.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of February, 2025.

Motion was made by Commissioner Cox and seconded by Commissioner Schaapman authorizing the General Manager/CEO to execute Change Order No. 26 to Contract 230-4249 with Andritz Hydro Corp increasing the not-to-exceed contract amount by \$788,776.00 plus applicable sales tax for a new contract total of \$3,545,746.57 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. 26.

Motion was made by Commissioner Cox and seconded by Commissioner Flint authorizing the General Manager/CEO to execute Amendment 3 to Contract 430-HFA 601-41H with Real Time Research Inc increasing the not-to-exceed contract amount by \$358,401.00 for a new contract total of \$978,845.00 and extending the completion date to March 31, 2026 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 Amendment 3.

Motion was made by Commissioner Cox and seconded by Commissioner Flint authorizing the General Manager/CEO to execute Change Order No. 13 to Contract 130-09724 with Quanta Infrastructure Solutions Group, LLC, increasing the not-to-exceed contract amount by \$5,706,552.10 for a new contract total of \$110,316,381.25 with an extension of completion to January 31, 2026 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. 13.

Charles Meyer, Chief Technology Officer, presented the Enterprise Technology Business Report.

The Commission recessed at 2:25 p.m.

The Commission resumed at 2:35 p.m.

An executive session was announced at 2:35 p.m. to last until 4:00 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 pursuant to RCW 42.30.110(1)(b). The executive session concluded at 5:30 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 5:30 p.m. on February 25 and reconvened on Thursday, February 27 at 10:00 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington for the purpose of holding a Commission Working Day and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, Judy Wilson, and Nelson Cox. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the February 25, 2025 meeting officially adjourned at 5:25 p.m. on February 27, 2025.

Terry Pyle, President

ATTEST:

Judy Wilson, Secretary

Larry Schaapman, Vice President

Nelson Cox, Commissioner

Tom Flint, Commissioner

REGULAR AGENDA

*Amending Resolution
Relating to Electric System Revenue Notes, Series 2024-W (Revolving Line of Credit)*

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY, WASHINGTON
RESOLUTION NO. 9083

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, AMENDING RESOLUTION NO. 9046 OF THE DISTRICT (ESTABLISHING A LETTER OF CREDIT AND LINE OF CREDIT FACILITY AND PROVIDING FOR THE ISSUANCE AND SALE OF THE DISTRICT'S ELECTRIC SYSTEM REVENUE NOTES, SERIES 2024-W (REVOLVING LINE OF CREDIT)); AUTHORIZING A FIRST AMENDMENT TO CREDIT AGREEMENT; AND AUTHORIZING OTHER MATTERS RELATED THERETO.

PASSED March 11, 2025

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

RESOLUTION NO. 9083

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, AMENDING RESOLUTION NO. 9046 OF THE DISTRICT (ESTABLISHING A LETTER OF CREDIT AND LINE OF CREDIT FACILITY AND PROVIDING FOR THE ISSUANCE AND SALE OF THE DISTRICT'S ELECTRIC SYSTEM REVENUE NOTES, SERIES 2024-W (REVOLVING LINE OF CREDIT)); AUTHORIZING A FIRST AMENDMENT TO CREDIT AGREEMENT; AND AUTHORIZING OTHER MATTERS RELATED THERETO.

WHEREAS, Public Utility District No. 2 of Grant County, Washington (the "District") owns and operates an electric utility system (as further defined herein, the "Electric System") for the transmission and distribution of electric energy; and

WHEREAS, RCW 54.16.070 provides that a public utility district may contract indebtedness or borrow money for any corporate purpose on its credit or on the revenues of its public utilities; and

WHEREAS, pursuant to Resolution No. 9046 adopted by the Commission of the District (the "Commission") on March 12, 2024 (the "Original Resolution"), and a Credit Agreement dated March 27, 2024, between the District and JPMorgan Chase Bank, National Association (the "Bank"), as it may be amended from time to time (the "Original Credit Agreement"), the District established a revolving line of credit for the purposes set forth therein; and

WHEREAS, the District's obligations under the Original Credit Agreement and the associated revolving line of credit are evidenced by the District's Electric System Revenue Notes, Series 2024-W (Revolving Line of Credit) (the "Notes"), issued on March 27, 2024, in the principal amount of not to exceed \$20,000,000 (which may be increased to \$50,000,000 pursuant to the terms of the Original Resolution and the Original Credit Agreement); and

WHEREAS, the Commission has determined that it is in the best interest of the District that it enter into an agreement with Southwest Power Pool, Inc., an Arkansas nonprofit corporation ("SPP"), and other participating entities, in order to develop and implement Phase 2 of Markets+, a centralized day-ahead and real-time marketplace; and

WHEREAS, once established, Markets+ is expected to enhance reliability, increase value, allow for more efficient use of the existing grid (transmission) resulting in lower overall prices for participants, and provide a lower cost, liquid, and transparent market for energy, capacity and ancillary activities, among other benefits to the District; and

WHEREAS, in order to participate in Phase II of the development and implementation of Markets+, the District and other participants are required to provide collateral in the form of a letter of credit or available funds; and

WHEREAS, the District now desires to amend the Original Resolution and the Original Credit Agreement to allow letters of credit for the purpose of satisfying its obligations under the agreement with SPP, among other purposes, as provided herein;

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

Section 1. **Definitions.** Unless otherwise defined in the recitals and elsewhere in this resolution, capitalized terms used herein shall have the meanings set forth in the Original Resolution.

Section 2. **Amendments to Original Resolution.** The following sections of the Original Resolution are hereby amended as follows (deletions are ~~stricken~~ and additions are double underlined):

Section 2. Findings

(a) *Gross Revenue Sufficient.* The Commission hereby finds that the Gross Revenue to be derived by the District from the operation of the Electric System at the rates to be charged for the electricity furnished thereby will be sufficient in the judgment of the Commission to meet all expenses of operation and maintenance, and to make all necessary repairs, replacements and renewals thereof, and to permit the setting aside out of such Gross Revenue and money in the Revenue Fund into the bond funds for the Subordinate Lien Bonds and Parity Bonds of such amounts as may be required to pay the principal of and interest on the Subordinate Lien Bonds and Parity Bonds as the same become due and payable.

(b) *Due Regard.* The Commission hereby finds that due regard has been given to the cost of the operation and maintenance of the Electric System and that it has not obligated the District to set aside into the bond funds for the account of the Parity Bonds and the Subordinate Lien Bonds a greater amount of the revenues and proceeds of the Electric System than in its judgment will be available over and above such cost of operation and maintenance.

(c) *Best Interests of the District.* The Commission hereby finds and determines that it is in the best interests of the District that the District issue the Notes authorized herein for the purpose of establishing a line of credit to (1) obtain the delivery of letters of credit to satisfy the District's collateral obligations under power purchase contracts, energy hedge agreements and other contracts

of the District in connection with its operations, including but not limited to, the purchase and sale of electric energy, and the development, implementation, and participation in the market design, distribution, and transmission of electric energy, and (2) to be available to provide loans to the District.

Section 3. Authorization of Notes; Request for Draw or Request for Letter of Credit; Payment, Registration and Transfer.

(a) *Issuance of Notes.* For the purpose of (1) providing liquidity for District purposes, and (2) providing support for Letters of Credit to be issued by the Bank in support of power purchase contracts, energy hedge agreements and other contracts of the District ~~within the District's primary business of~~ in connection with its operations, including but not limited to the purchase, generation, transmission, distribution and sale of electric energy, the District hereby establishes a revolving credit facility. To evidence such revolving credit facility, the District authorizes the issuance of one or more series of its subordinate lien electric system revenue notes as described herein (the "Notes").

The Notes shall be issued in one or more series in the aggregate principal amount of not to exceed \$20,000,000 outstanding at any time to evidence the District's obligations under this resolution and the Credit Agreement; provided, however, the aggregate principal amount of the Notes may be increased to an amount not to exceed \$50,000,000 outstanding at any time upon agreement by the District and the Bank, and upon satisfaction of the terms and conditions set forth in the Credit Agreement. The Commission authorizes each Designated Representative to increase the available aggregate principal amount of the Notes to an amount not to exceed \$50,000,000. Such increase shall not require additional Commission approval so long as it is consistent with the terms of this resolution and the Credit Agreement.

Except as otherwise provided herein and in the Credit Agreement, the amount available for loans outstanding at any time under the Line of Credit and the Letter of Credit Amounts is \$20,000,000. Interest on a particular principal amount so advanced shall be determined from the date of the advance of Note proceeds pursuant to a Request for Draw by the District, or from the date of any advance on a Letter of Credit.

The Notes shall be designated as "Public Utility District No. 2 of Grant County, Washington, Electric System Revenue Notes, Series 2024-W (Revolving Line of Credit)," with additional series or other description as determined by a Designated

Representative, shall be dated as of the date of delivery thereof to the Bank, and shall mature on the Maturity Date (as defined in the Credit Agreement), subject to the terms and conditions of the Credit Agreement. The maturity date of the Notes may be extended upon agreement by the District and the Bank, and upon satisfaction of the terms and conditions set forth in the Credit Agreement. The Commission authorizes each Designated Representative to extend the maturity date for the Notes as provided in the Credit Agreement. Such extension shall not require additional Commission approval so long as it is consistent with the terms of this resolution and the Credit Agreement.

A Note of a series or a draw on a Note may be issued as a Taxable Note if determined to be issued or drawn, as applicable, on a taxable basis. A Note of a series or a draw on a Note may be issued as a Tax-Exempt Note if determined to be issued or drawn, as applicable, on a tax-exempt basis under the Code. Any such determination shall be set forth in the Note certificate or in the Request for Draw, as applicable.

Each draw pursuant to a Request for Draw shall bear interest at the applicable rates set forth in the Credit Agreement, subject to the Default Rate upon the occurrence and during the continuation of an Event of Default until the date on which such Event of Default is cured or otherwise waived by the Registered Owner. Interest on the Notes shall accrue from the date money is drawn, pursuant to the applicable Request for Draw, until paid and shall be computed on the principal amount outstanding on the basis of a 360-day year and the actual days elapsed (or such other basis as set forth in the Credit Agreement). The principal amount of each loan pursuant to a Request for Draw, and interest thereon, shall be paid as provided in the Credit Agreement.

(b) *Procedures for Request for Draw or Request for Letter of Credit.* A Request for Draw or a Request for Letter of Credit may be made by a Designated Representative in writing as provided in the Credit Agreement. The District hereby delegates to each Designated Representative the authority to make a written Request for Draw or Request for Letter of Credit in accordance with the terms and provisions of this resolution and the Credit Agreement in the amounts, in the interest rate modes, and at the times as such Designated Representative may determine. Proceeds of draws on the Notes shall be deposited into the appropriate District account determined by a Designated Representative and used for lawful District purposes.

(d) *Registration.* The Notes shall be issued in fully registered form. Both the principal of and interest on the Notes shall be payable in immediately available lawful money of the United States of America by wire transfer or automatic clearinghouse funds or such other manner, in each case, as set forth in the Credit Agreement. The Treasurer or the fiscal agent for the State of Washington, as determined by the District, shall act as Registrar.

(e) *Assignment.* The Notes may only be assigned or transferred by the Bank as provided in the Credit Agreement.

Section 3. Execution of Amendment to Original Credit Agreement. Each Designated Representative is hereby authorized to approve the terms of an amendment to the Original Credit Agreement (an “Amendment to Credit Agreement”) in order to incorporate therein the terms of this resolution, and to execute and implement the Amendment to Credit Agreement (including the payment of any financing costs associated with the delivery of the Amendment to Credit Agreement) and any other certificates or other documents in connection therewith.

Section 4. Amendment to Notes. The amendments contained in Section 2 of this resolution to the allowable purpose of the Notes are hereby incorporated into the Notes as if fully set forth therein.

Section 5. Ratification of Prior Acts. Any action taken consistent with the authority and prior to the effective date of this resolution is ratified, approved, and confirmed.

Section 6 Effective Date of Resolution. This resolution shall be in effect from and after its adoption in accordance with law.

ADOPTED by the Commission of Public Utility District No. 2 of Grant County, Washington, at a regular meeting thereof this 11th day of March, 2025.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

By: _____
President and Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Title: _____

CERTIFICATION

I, the undersigned, Secretary of the Commission of Public Utility District No. 2 of Grant County, Washington (the "District"), and keeper of the records of the Commission (the "Commission") DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Resolution No. 9083 (the "Resolution") of the Commission, duly adopted at a regular meeting thereof held on the 11th day of March, 2025.

2. That said meeting was duly convened and held in all respects in accordance with law, and due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

Dated this 11th day of March, 2025.

Secretary of the Commission of
Public Utility District No. 2 of
Grant County, Washington

MEMORANDUM

January 30, 2025

TO: Richard Wallen, General Manager/Chief Executive Officer

VIA: Bonnie Overfield, Chief Financial Officer *Bonnie Overfield*
John Mertlich, Chief Commercial Officer *John Mertlich*
Angelina Johnson, Senior Manager of Treasury/Financial Planning *Angelina Johnson*

1/30/25

01/30/25

FROM: Amy Thompson, Senior Financial Analyst
Cesar Castro Leon, Financial Analyst

SUBJECT: Amend Resolution 9046 Hybrid Credit Facility (Letters of Credit and Optional Line of Credit)

Purpose: To request Commission approval to amend Resolution 9046 establishing the Electric System Revenue Notes, Series 2024-W (revolving credit facility). Commission approval is required to enter into any debt-related agreements.

Discussion: In support of the Energy Supply Management's (ESM) pursuit of contracting with Southwest Power Pool's (SPP) Markets+ implementation (and possible other market ventures), the District would be required to post collateral either in the form of cash or a Letter of Credit. Due to Washington State's constitution, Washington State Public Utility Districts cannot post cash collateral.

- A Letter of Credit may be used to cover the collateral required for the terms of the SPP contract.
- The District is unable to collateralize exposure with cash due to bond covenants.

Justification:

The current LOC is available to collateralize power purchase contracts, energy hedge agreements, and other contracts of the District in connection with the purchase and sale of electric energy.

A portion of the current wording (additions are underlined) of Resolution 9046: (c) *Best Interests of the District*. The Commission hereby finds and determines that it is in the best interests of the District that the District issues the Notes authorized herein for the purpose of establishing a line of credit to (1) obtain the delivery of letters of credit to satisfy the District's collateral obligations under power purchase contracts, energy hedge agreements and other contracts of the District in connection with its operations, including but not limited to, the purchase and sale of electric energy, and the development, implementation, and participation in the market design, distribution, and transmission of electric energy, and (2) to be available to provide loans to the District.

Recommendation: Commission approval to amend Resolution 9046 (new Resolution number) to add verbiage to providing support for Letters of Credit to be issued by the Bank in support of power purchase contracts, energy hedge agreements and other contracts of the District in connection with its operations, including but not limited to the purchase, generation, transmission, distribution and sale of electric energy.

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

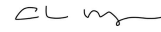
Motion authorizing the General Manager/CEO to execute Change Order No. 6 to Contract 430-09222 with UKG Inc., increasing the not-to-exceed contract amount by \$150,826.56 through November 20, 2026 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 6.

MEMORANDUM

Date: February 7, 2025

TO: Rich Wallen, General Manager/Chief Executive Officer

FROM: Charles Meyer, Chief Technology Officer



SUBJECT: Contract 430-09222, Change Order No. 6

02/11/25

Purpose: To request Commission approval of Change Order No. 6 to Contract 430-09222 to add \$150,826.56 to the contract for estimated incremental fees through November 30, 2026.

Discussion:

The original contract with UKG was awarded on June 25, 2019. The purpose of the contract is to provide a Human Resource Information System (HRIS) for the District. This Change Order is required to add additional funds to cover estimated incremental fees through the end of the current contract term of November 30, 2026. There are no known legal risks to approving the Change Order.

Justification:

The District utilizes the UKG Human Resource Information System for time keeping, payroll, and other HR services. Without this software we would not be able to process payroll or track time and costs for our employees. Because of our headcount growth, we have outgrown our existing licensing structure. If this Change Order is not approved, there will be insufficient funds to cover the monthly incremental costs incurred by the District for payroll costs associated with the number of employees over 650, which is the minimum subscription amount paid by the District on a quarterly basis. The District will begin receiving invoices for January 2025 incremental charges around the end of February. Payment terms under the contract are Net 30. This request is considered high urgency.

Financial Considerations:

The costs for this Change Order are budgeted for the years 2025 and 2026 as an O&M expense and are budgeted in cost center FE8000. The change order is based on an estimate, calculated by multiplying the quoted unit price by an estimated # of employees, in excess of 650, for each year (See table below). The employee estimate is based on the average # of employees billed in the prior 12 months, increased to accommodate a slight uptick in headcount for each year. This charge is variable and will flex monthly based on the monthly employee count identified by UKG.

| Year 1 Employee Estimate | SBITA | | | O&M Expense | | |
|---|--|------------------|------------|------------------------------------|-----------|-----------|
| | Year 1 Minimum | Subscription Fee | | Year 1 Incremental | Estimate | |
| 850 | Qty | \$/unit | \$/mth | Qty | \$/unit | \$/mth |
| UKG PRO Global Employees (UltiPro Learning) | 650 | 4.24 | 2,756.00 | 200 | 4.24 | 848.00 |
| UKG PRO TALENT - COMPENSATED EMPLOYEES (Talent Management) | 650 | 3.18 | 2,067.00 | 200 | 3.18 | 636.00 |
| UKG PRO HCM NPRD-COMPENSATED EMPLOYEES (Testing Services) | 650 | 1.40 | 910.00 | 200 | 1.40 | 280.00 |
| UKG PRO COMPENSATION - COMPENSATED EMPLOYEES (Compensation Mgmt) | 650 | 2.12 | 1,378.00 | 200 | 2.12 | 424.00 |
| UKG PRO BENEFITS (UltiPro Core HR/PR) | 650 | 18.55 | 12,057.50 | 200 | 18.55 | 3,710.00 |
| UKG PRO HCM NPRD (Testing Svc - HR Only) | 0 | - | - | 20 | 0.21 | 4.20 |
| UKG PRO GLOBAL EMPLOYEES / HR ONLY (HR Only Emp) | 0 | - | - | 20 | 4.24 | 84.80 |
| UKG PRO LIMITED ACCESS (Term Web Emp) | 0 | - | - | 138 | 1.06 | 146.28 |
| | | Mthly Ttl | 19,168.50 | | Mthly Ttl | 6,133.28 |
| | Term Ttl | 12 | 230,022.00 | 24 Inc. Tt | 12 | 73,599.36 |
| Year 2 Employee Estimate | Year 2 Minimum Subscription Fee | | | Year 2 Incremental Estimate | | |
| 860 | Qty | \$/unit | \$/mth | Qty | \$/unit | \$/mth |
| UKG PRO Global Employees (UltiPro Learning) | 650 | 4.24 | 2,756.00 | 210 | 4.24 | 890.40 |
| UKG PRO TALENT - COMPENSATED EMPLOYEES (Talent Management) | 650 | 3.18 | 2,067.00 | 210 | 3.18 | 667.80 |
| UKG PRO HCM NPRD-COMPENSATED EMPLOYEES (Testing Services) | 650 | 1.40 | 910.00 | 210 | 1.40 | 294.00 |
| UKG PRO COMPENSATION - COMPENSATED EMPLOYEES (Compensation Mgmt) | 650 | 2.12 | 1,378.00 | 210 | 2.12 | 445.20 |
| UKG PRO BENEFITS (UltiPro Core HR/PR) | 650 | 18.55 | 12,057.50 | 210 | 18.55 | 3,895.50 |
| UKG PRO HCM NPRD (Testing Svc - HR Only) | 0 | - | - | 20 | 0.21 | 4.20 |
| UKG PRO GLOBAL EMPLOYEES / HR ONLY (HR Only Emp) | 0 | - | - | 20 | 4.24 | 84.80 |
| UKG PRO LIMITED ACCESS (Term Web Emp) | 0 | - | - | 145 | 1.06 | 153.70 |
| | | Mthly Ttl | 19,168.50 | | Mthly Ttl | 6,435.60 |
| | Term Ttl | 12 | 230,022.00 | 25 Inc. Tt | 12 | 77,227.20 |

Change Order History: See attached change order table.

Legal Review: Legal review e-mail from attorney included as well as finalized Memo to the General Manager signed/initialed by responsible Senior Manager or above.

Recommendation: Commission approval of Change Order No. 6 to Contract 430-09222 to add \$150,826.56 to the contract for estimated incremental fees through November 30, 2026.






MEMORANDUM

Final Audit Report

2025-02-11

| | |
|-----------------|--|
| Created: | 2025-02-11 |
| By: | Michele Mesaros (mmesaros@gcpud.org) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAA3WNwObCihHjFsz_SVYN_ixo56ncp8_Ly |

"MEMORANDUM" History

-  Document created by Michele Mesaros (mmesaros@gcpud.org)
2025-02-11 - 6:37:06 PM GMT
-  Document emailed to Charles Meyer (cmeyer@gcpud.org) for signature
2025-02-11 - 6:37:10 PM GMT
-  Email viewed by Charles Meyer (cmeyer@gcpud.org)
2025-02-11 - 6:38:47 PM GMT
-  Document e-signed by Charles Meyer (cmeyer@gcpud.org)
Signature Date: 2025-02-11 - 6:39:04 PM GMT - Time Source: server
-  Agreement completed.
2025-02-11 - 6:39:04 PM GMT

CHANGE ORDER
NO. 6

To the Ultimate Software Group, Inc. SaaS Agreement between the Public Utility District No. 2 of Grant County, Washington and the Ultimate Software Group, Inc.

Pursuant to Section 18 of Exhibit C, the following changes are hereby incorporated into this Contract:

- A. Description of Change: Increase the Contract Price.
- B. Time of Completion: The completion date shall remain November 30, 2026.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$150,826.56 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 \$2,023,898.36, 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

UKG Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



PUD No. 2 of Grant County, WA
PO Box 878
30 C ST SW
Ephrata WA 98823

Vendor: ULSG00

UKG INC
 PO BOX 930953
 ATLANTA GA 31193-0953

Tax Reg. Number

Contract / Quote No. Q-284524 *Change Order 6

^ Changed Since the Previous Revision

| | |
|---------------------------|-------------------------|
| Purchase Order | **CHANGE ORDER** |
| Purchase Order No. | PO430-09222 |
| Date | 12/24/2024 |
| Revision Number | 1 |

Ship To:

154 A ST SE, Bldg. E
 EPHRATA WA 98823

Please submit Invoices to AccountsPayable@gcpud.org and reference the Purchase Order number.

| | | Payment Terms | | Confirm With | | | Page | |
|------------------|--|------------------|------------|--------------|------------|------------|-------------------------------|--|
| | | NET30 | | | | | 1 | |
| L/N | Item Number | Bin | Req. Date | U/M | Ordered | Unit Price | Ext. Price | |
| Item Description | | | | | | | Requested by | |
| Shipping Method | | Reference Number | | | | | | |
| 1 | MINIMUM SUBSCRIPTION FEE Year 1 - Term 12/1/24 - 11/30/25 NO FREIGHT | | 11/30/2026 | Each | 230,081.90 | \$1.00 | \$230,081.90 Charles Meyer | |
| 2 | MINIMUM SUBSCRIPTION FEE Year 2 - Term 12/1/25 - 11/30/26 NO FREIGHT | | 11/30/2026 | Each | 230,081.90 | \$1.00 | \$230,081.90 Charles Meyer | |
| ^3 | INCREMENTAL CHARGES Year 1 - Term 12/1/24 - 11/30/25 NO FREIGHT | | 11/30/2025 | Each | 73,599.36 | \$1.00 | \$73,599.36 Charles Meyer | |
| ^4 | INCREMENTAL CHARGES Year 2 - Term 12/1/25 - 11/30/26 NO FREIGHT | | 11/30/2026 | Each | 77,227.20 | \$1.00 | \$77,227.20 Charles Meyer | |

All applicable taxes to be applied.

| | |
|--------------------|--------------|
| Subtotal | \$610,990.36 |
| | |
| | |
| ^Tax | \$51,323.19 |
| Order Total | \$662,313.55 |

Zachery Cooper 509-760-7617

Authorized

All shipments, shipping papers, invoices and correspondence must be identified with our Purchase Order Number. Overshipments will not be accepted unless authorized by Buyer prior to shipment. This Purchase Order is subject to Grant PUD's Terms and Conditions.

By fulfilling this order, Seller is agreeing to Grant PUD's Terms and Conditions.

Warehouse Receiving Hours: Monday - Thursday, 6:30 AM - 12:00 PM & 12:30 PM - 3:30 PM.



Change Order Table

Contract Title: Human Capital Management System

| | | | |
|---|---------------|-------------------------------|----------------|
| Contract No. | 430-09222 | Award Date: | 6/25/2019 |
| Project Manager: | Darla Stevens | Original Contract Amount: | \$1,394,908.00 |
| District Representative (If Different): | Derin Bluhm | Original Contract completion: | 6/30/2024 |
| Contractor: | UKG, Inc. | Total CO Cost Change Amt | \$628,990.36 |

| CO# | Change Description | Approved by | Executed Date | Revised Completion Date | Cost Change Amount | Revised Contract Amount | Authority Level Tracking |
|---------------------------------------|--|------------------|---------------|-------------------------|--------------------|-------------------------|--------------------------|
| 1 | Increase the Contract Price | Senior/Plant Mgr | 12/25/19 | N/A | \$18,000.00 | \$1,412,908.00 | \$18,000.00 |
| 2 | Replace Section 1 of Exhibit B, Pricing and Payment Terms | Senior/Plant Mgr | 04/03/20 | N/A | \$0.00 | \$1,412,908.00 | \$18,000.00 |
| 3 | Revise the Commencement Dates as set forth in Section 1, Definitions, of Exhibit C, Terms & Conditions | Senior/Plant Mgr | 02/23/21 | N/A | \$0.00 | \$1,412,908.00 | \$18,000.00 |
| 4 | Replace Section 3, Cash Management, Funds Collection and Section 7.A, Services, General, of Exhibit D, U.S. Payment Services | Senior/Plant Mgr | 10/29/21 | N/A | \$0.00 | \$1,412,908.00 | \$18,000.00 |
| 5 | Increase the contract price and extend contract completion date. | AuthDR | 12/04/24 | 11/30/26 | \$460,163.80 | \$1,873,071.80 | \$478,163.80 |
| 6 | Increase the contract price | Comm | | N/A | \$150,826.56 | \$2,023,898.36 | \$628,990.36 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Total Change Order Cost Change Amount | | | | | 628,990.36 | | |

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute new Contract Agreement 430-HFA 602-83H with Methow Salmon Recovery Foundation in the amount not to exceed \$1,250,200.00 for purchase of 7.86 acres of land adjacent to the Twisp River for habitat conservation purposes.

MEMORANDUM

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Chief Operating Officer JG
Ross Hendrick, Senior Manager of Environmental Affairs RH

FROM: Tom Dresser, Fish, Wildlife, and Water Quality Manager TD
Deanne Pavlik-Kunkel, Fish and Wildlife Program Supervisor DP

DATE: February 11, 2025

SUBJECT: New Contract – Bartsch Land Acquisition-Lower Twisp River

Purpose: To request Commission approval of a new habitat project in the amount of \$1,250,200.00 to procure services from the Methow Salmon Recovery Foundation (MSRF) to purchase a 7.86 acre parcel adjacent to the Twisp River, tributary to the Methow River in Okanogan County, for the purpose of habitat restoration benefiting salmon and steelhead, by way of floodplain connectivity, channel migration, and improved land management.

Background: The Public Utility District No. 2 of Grant County, Washington (District) has been working on meeting mitigation requirements as contained in the Priest Rapids Salmon and Settlement Agreement (SSSA) and includes specific measures to protect, mitigate, and enhance populations of non-ESA listed salmon species that migrate through the Priest Rapids Project (coho, sockeye, fall and summer Chinook). The SSSA was adopted into the District's Federal Energy Regulatory Commission (FERC) License Order in April 2008.

To meet these requirements, District staff have worked with MSRF for two decades on habitat restoration in the Methow watershed to improve habitat conditions for anadromous fish that migrate through the Priest Rapids Project twice, once as juveniles on their way to the ocean and returning as adults, making their way to the spawning grounds. This property is especially important because of access to side channel habitat within Reach 2, designated as "high priority" by the Yakama Nation, and includes rearing ponds for juvenile fish. This project is also linked to other nearby habitat restoration projects funded by Bonneville Power Administration (BPA) and the Recreation and Conservation Office of Washington State.

Several other habitat projects have been completed under the Habitat Program (Section 14.4 Habitat Plan) in the Twisp/Methow River area (430-HFA 602-64H, 430-HFA 602-69H, 430-HFA 602-79H). Restoration projects previously funded through the District's Habitat Program and numerous other funding sources (e.g., BPA) have helped achieve a holistic approach to habitat restoration in the Methow basin, improving rearing and spawning conditions for fish.

Justification: This contract would help meet the District's requirement of adhering to Part XIV Habitat Program, as contained in the SSSA, Section 14.4 "Habitat Plan" by constructing a habitat project approved by the Priest Rapids Coordinating Committee Habitat Subcommittee (PRCC HSC) utilizing "a process by which habitat projects may be identified and implemented". The consequence of not implementing this Contract would be going against a decision by the PRCC HSC and potentially being non-compliant with obligations under the SSSA and FERC License order for the Priest Rapids Project.

Financial Considerations: On September 30th, 2024, the Habitat Supplemental Fund 602 held \$10,122,341.00 of unencumbered funds (per the 2024 Q3 Habitat Fund 602 financial report), which are held in trust by the District for committee-approved habitat projects. More than sufficient funding is

available, and a project of this type is an excellent example of what the Habitat Program was originally designed to accomplish.

If approved by the Commission, the new contract would have a NTE amount of \$1,250,200.00. This item has available funding under Habitat Supplemental Fund 602, under Cost Center EB4220, and Initiative 602-83 Bartsch Acquisition. David Duvall is the District Representative.

Change Order History: Not Applicable.

Legal Review: See attached email.

Recommendation: Commission approval of a new \$1,250,200.00 Contract to procure services from the Methow Salmon Recovery Foundation to purchase 7.86 acres of land adjacent to the Twisp River for habitat conservation purposes.

Signature: *Tom Dresser*

Email: tdresse@gcpud.org

Signature: *Ross Hendrick*

Email: rhendr1@gcpud.org

Signature: *Jeff Grizzel*
Jeff Grizzel - Email: 2/25/15 10:29 PST

Email: jgrizzel@gcpud.org

Priest Rapids Habitat Conservation Supplemental Funding Agreement No. 430-HFA 602-83H

This Agreement upon full execution is by and between Public Utility District No. 2 of Grant County, Washington (“Grant”) for and on behalf of the Priest Rapids Coordinating Committee Habitat Subcommittee (“PRCCHSC”) and Methow Salmon Recovery Foundation, (“Contractor” or “MSRF”), a non-profit corporation organized and existing under the laws of the State of Washington referred to as “Party” or collectively the “Parties”.

WHEREAS, Grant as part of its Priest Rapids Project Salmon and Steelhead Settlement Agreement has established the Priest Rapids Habitat Conservation Fund (“Habitat Supplemental Fund 602”) to mitigate for Priest Rapids Project effects on anadromous salmonid populations;

WHEREAS, The PRCCHSC has determined that an expenditure should be made from the Habitat Supplemental Fund 602 for the project which is more fully described in Exhibit “A” attached hereto, hereinafter referred to as the (“Project”); and

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Completion of Project. Contractor shall undertake and complete the Project as described in Exhibit “A”. Contractor warrants and represents that all work will be performed in accordance with all applicable federal, state and local laws and regulations.

2. Term Schedule. This Agreement shall be effective upon full execution and shall remain in full force and effect until **June 30, 2026** or until terminated pursuant to Section 7.

3. Payment by Grant. Compensation for services rendered shall be based on the actual costs incurred by the Contractor on this project. Grant shall pay the Contractor or at Grant’s option, the escrow company, after receipt of an invoice and/or an escrow agreement for the land purchase in a form acceptable to Grant and approval of that documentation by the PRCCHSC. Grant will pay on the Contractor’s behalf or reimburse the Contractor, from the Habitat Fund, the sum of up to **\$1,250,200.00** for the land purchase and services related to land procurement detailed in Exhibit “A”. In no event however, shall the total amount paid to the Contractor for services and all reimbursable costs exceed the sum of **\$1,250,200.00** (including all applicable taxes) unless an Amendment authorizing the same is issued in accordance with Section 13 below.

All invoices shall be sent to the attention of:

Public Utility District No. 2 of Grant County, WA

Attn: Accounts Payable

PO Box 878

Ephrata, WA 98823

OR

Email: Accountspayable@gcpud.org

Accounts Payable: (509)-793-1450

4. Administrator. **Dave Duvall** shall be the Administrator of this Agreement for Grant and the PRCCHSC and **Chris Johnson** shall be the Administrator of this Agreement for the Contractor.

5. Uncontrollable Forces. Neither Party shall be considered to be in default with any respect to any obligation hereunder, if prevented from fulfilling such obligation by reason of uncontrollable

forces. The term "uncontrollable forces", for the purpose of this Agreement, shall mean any cause beyond the reasonable control of the Party affected, including, but not limited to, destruction, failure or impairment of facilities resulting from accident, flood, earthquake, storm, lightening, fire, epidemic, war, riot, civil disturbance, strike, labor disturbance, sabotage, restraint by court or public authority, or act or failure to act by court or public authority, which by exercise of due diligence and foresight the Party could not reasonably have been expected to avoid.

6. Relationship of Parties. Nothing in this Agreement shall be construed to create an association, joint venture, trust, or partnership or impose a trust or partnership covenant, obligation, or liability on or with regard to any one or more of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. No Party shall have a right or power to bind the other Party without its express written consent.

7. Termination. Each Party retains the right to terminate this Agreement upon 30 days notice. No termination of this Agreement shall release the Parties from any liability or obligation with respect to any matter occurring prior to such termination.

8. Records. The Parties hereto shall each maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the terms described herein. Said records shall be subject to inspection, review or audit by personnel of both Parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents and other material relevant to this Agreement shall be retained for six years after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the Parties shall have full access and the right to examine any of these materials during this period.

9. Notice. 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.

Public Utility District No. 2 of Grant County, Washington
Attention: David Duvall
PO Box 878
Ephrata, WA 98823
(509) 754-5088, ext. 2669
Email: Dduvall@gcpud.org

Methow Salmon Recovery Foundation
Attention: Chris Johnson, Board President
PO Box 755
Twisp, WA 98856
(509) 429-1232
Email: Chrisj@methowsalmon.org

10. Jurisdiction. Any legal dispute between the parties to this Agreement shall be governed by the laws of the State of Washington with venue in the Grant County Washington Superior Court.

11. Limitation on Liability and Payments; Hold Harmless. Grant's liability for any breach under this Agreement is expressly limited to funds in the Habitat Supplemental Fund 602.

Each Party assumes all liability for injury or damage to persons or property arising from the act or negligence of its own employees, agents, members of governing bodies, or contractors. To the extent permitted by law, each Party shall indemnify and hold all other Parties harmless from any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due) including any liability for taxes, incidental and consequential damages and lost profits arising from such act or negligence to the extent caused by the indemnifying Party's act or negligence, hereinafter collectively referred to as ("Liability"). Any Party seeking indemnification (the "Indemnified Party") under this provision shall give reasonable notice to the Party from whom it seeks indemnification (the "Indemnifying Party") in writing of any such Liability, permit the Indemnifying Party to assume the defense and settlement of any such claim or threatened claim, and reasonably assist the Indemnifying Party, at the Indemnifying Party's cost and expense, in investigating and defending against the Liability. In the event of any claim against any Party by any employee of another Party, the indemnification and hold harmless obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Party employing the claimant under workers compensation acts, disability benefit acts, or other employee benefit acts; and the Party employing the claimant hereby specifically and expressly waives the immunity of the Party employing the claimant under such acts, and agrees that the foregoing waiver was mutually negotiated by the Parties; provided, however, that this waiver of immunity by the provisions of this section extends only to claims against a Party by or on behalf of the employee of another Party under or pursuant to this Agreement, and does not include, or extend to, any claims by the employees of any Party directly against that Party. In the case of joint or concurrent Liability, each Party shall be responsible for its share of the Liability.

12. 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.

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.

- 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 endorsement 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 .

13. Agreement Alterations and Amendments. This Agreement may be amended by mutual agreement of all Parties. Such amendments shall be executed using the Amendment form attached hereto as Exhibit "B" and shall not be binding unless they are in writing and signed by personnel authorized to bind each of the Parties. All terms and conditions contained in this Agreement shall be applicable to Amendment work.

14. No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties, their affiliates, employees, directors and officers, commissioners and members and their respective successors and permitted assigns.

15. No Assignment. Contractor may not assign the Agreement or any part of it without express written consent from Grant. Any assignment in violation of this provision shall be void.

16. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

17. Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire Agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

19. Expenses. Each party to this Agreement shall bear its own expenses in connection with the preparation of this Agreement and the performance of its obligations hereunder.

20. Project Updates. Contractor will provide project updates as needed to Grant's Administrator by written e-mail. At a minimum, project updates should occur once project initiation begins, at major milestones, when critical decisions that could potentially affect project outcome arise and after the project is completed.

21. Equipment and Material Purchases. Any equipment or excess material reimbursed with a value that exceeds \$300.00 before taxes shall be returned to Grant within fifteen (15) days of completion of the work (PRCC SOA 2013-04).

22. Habitat Restoration. Property acquisitions, which through applied restoration will substantially increase production of planned species, may have greater importance for purchase. The PRCCHSC shall approve and potentially direct any habitat restoration on any land acquired by this purchase in advance of the planning and/or design stage.

23. Reselling of Property. The PRCCHSC may specify additional protections that should be attached to the title. If Contractor intends to transfer the property to a third party, Contractor must obtain approval from the PRCCHSC who shall approve the transfer of the property in advance, which approval shall not be unreasonably withheld, and property cannot be sold until the specified protections are legally attached to the title. In the event that Contractor desires to sell all or any portion of the property for non-habitat use, Contractor must obtain approval from the PRCCHSC, and the parties will agree in advance on a formula for reimbursement to PRCCHSC of a proportionate share of its investment in the property.

24. Public Access. Public access shall be allowed on the property with certain conditions and/or restrictions, as approved by the PRCCHSC.

25. Appraisals. Contractor expressly agrees that the Project Sponsor (i.e., agency/party submitting the Project Specification Sheet to PRCCHSC) and associated staff will not communicate with the Appraiser and/or Landowner in any manner, whether it be in regard to the project or otherwise, without express permission from, or in the presence of the designated PRCCHSC liaison.

26. Deed of Right To Use Land for Conservation Purposes: Funding for this project is contingent upon the acceptance and approval by the Parties of the Entiat Mainstem Deed of Right to Use Land for Conservation Purposes, attached hereto as Exhibit "C".

Approved and agreed to by:

Public Utility District No. 2
of Grant County, Washington

Methow Salmon Recovery Foundation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**EXHIBIT “A”
PRCC Habitat Funds
PROJECT SPECIFICATION SHEET**

PRCC Habitat Funds Project Specifications Sheet

Date submitted:

June 04, 2024

Project Sponsor: (include name, title, mailing address, phone number and email).

Methow Salmon Recovery Foundation
PO Box 755
Twisp WA 98856
Chris Johnson, Executive Director, chrisj@methowsalmon.org (509) 429-1232
Tare Gregg, Project Manager, tara@methowsalmon.org (509) 429-5999

Project Liaison: (PRCC Habitat Subcommittee representative as an additional point of contact).

Kate Terrell

Project Title: (Sponsor to provide a project title. Grant PUD will add a special title for contract management purposes only).

Bartsch Acquisition – Lower Twisp River - Reach 2A

Project Type: (Should be classified as one of the following-Appraisal, Assessment, Channel Restoration, Conservation Easement, Design, Fish Passage, Instream Flow, Instream Structure, Land Acquisition, Predator Control, Project Development, Riparian Habitat.).

Appraisal and Land Acquisition

Location: (Give a description of the project location within the Upper Columbia including the lat. and long.).

Twisp River @ RM 1.5
RM 42 within the Lower Twisp Reach 2A assessment area (YN 2010)
Center of property at 48.3685N, 120.1403W

Requested funding amount from PRCC Habitat Subcommittee:

Total Request = \$1,250,200.00 (plus appraisal costs)

Short description: (Two to three sentences should suffice).

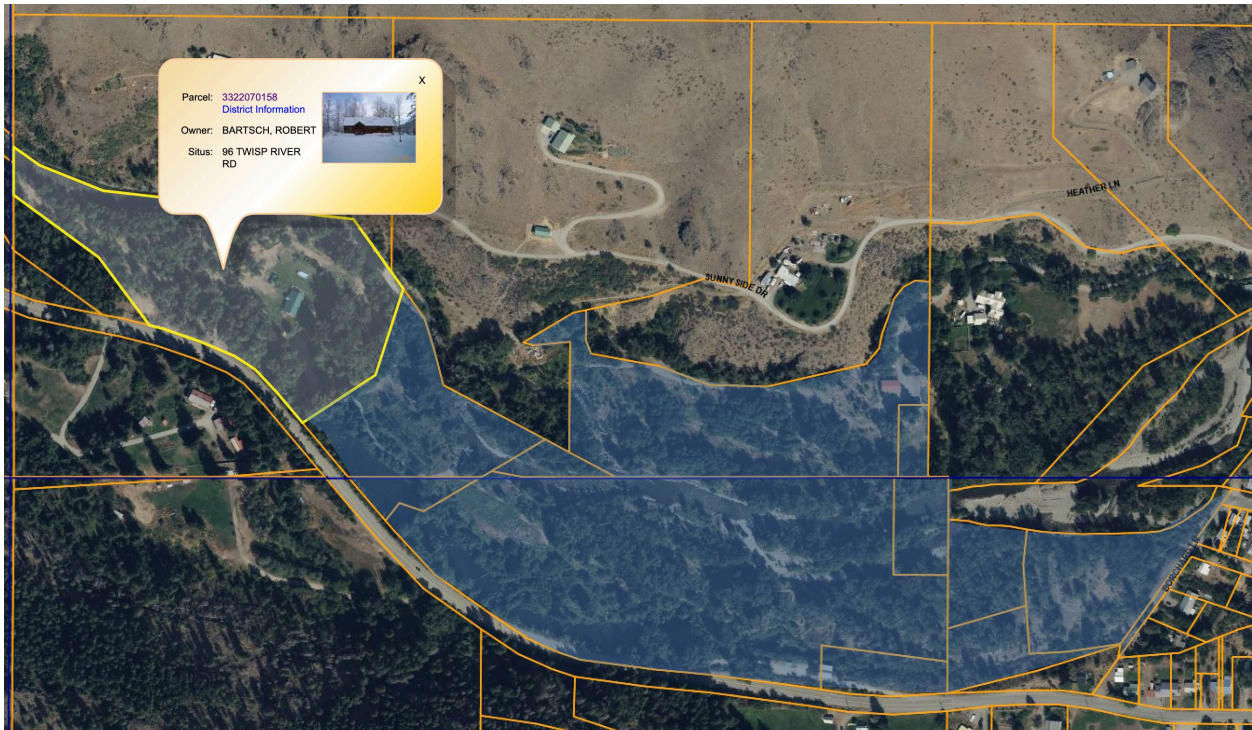
MSRF is seeking support from PRCC Habitat Committee to purchase a 7.86 acre residential zoned property with an existing 2500 square foot residential home. The property lies immediately upstream of the MSRF Ponds complex, which relies upon an existing surface diversion and canal built across the

property to maintain habitat conditions in the ponds. Acquisition would allow for removal of a 1,200 L.F. levee constructed following flooding in 1972.

Project description and justification: (Should be no more than 3 pages, not including photos or diagrams).

This request seeks funding support to acquire the final property needed to restore floodplain capacity and connectivity to remove artificial constraints on the surface water intake supporting restoration actions at the MSRF owned Twisp Ponds complex (Exhibit 1), enhance opportunities for channel migration, and improve connectivity between the Twisp River and the largely isolated floodplain.

The property (highlighted in yellow) was initially prioritized for acquisition by MSRF in 2000, when MSRF began efforts to acquire the larger group of properties that make up the Ponds Complex (highlighted in blue). While MSRF was not able to acquire the property during that period, we subsequently secured a first right of consideration for purchase from the current owners and have enjoyed a cooperative relationship for more than 20 years, that has allowed us continued access to the intake diversion and supply canal. Although MSRF does hold an easement across the property for the diversion and canal, the easement does not provide any opportunities for expanded habitat protection or improvements beyond the developed footprint. The current owner has participated in a number of habitat improvements over the past 2 decades, but future owners will not be under any obligation to maintain or expand on those actions.



This acquisition would allow MSRF several options to expand habitat actions that would increase resilience to the water supply for the Ponds Complex, restore floodplain processes and expand riparian buffers to both the river and adjacent wetland areas. The existing home could be removed from the property (re-sale or disposal), or retained on a smaller portion of the property to support resale to recover a portion of acquisition costs provided by the Committees. However, removal of the home would eliminate the need for the structural protection provided by the existing flood levee, providing the highest level of uplift and floodplain engagement.

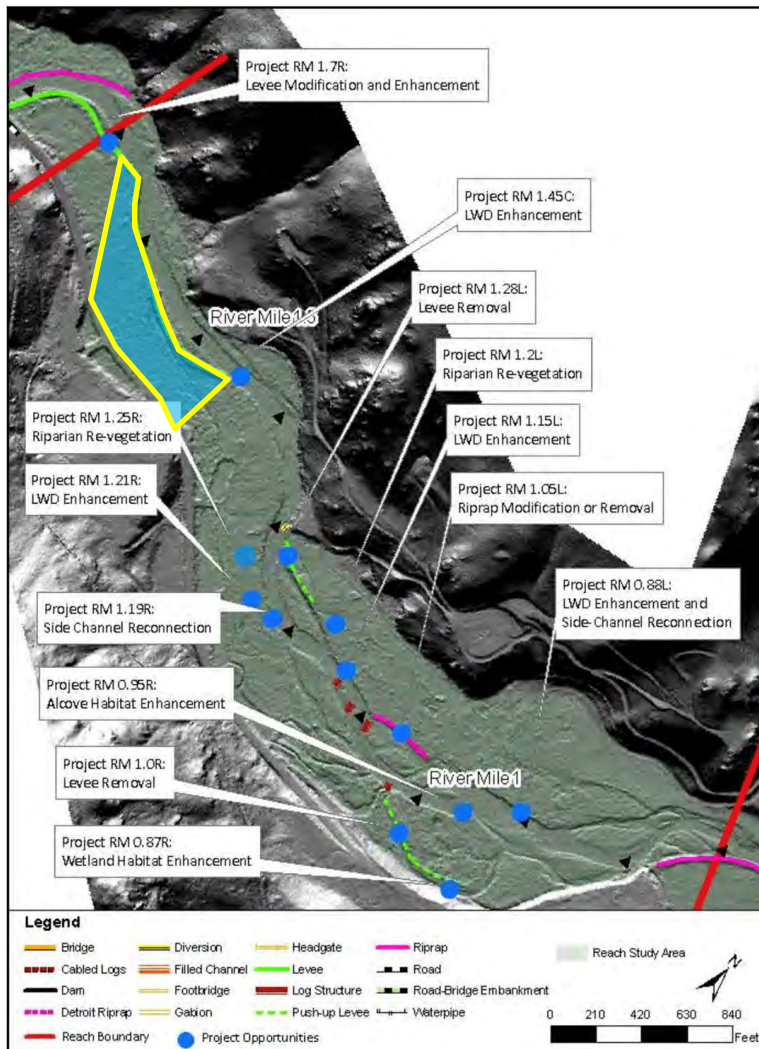
MSRF has been requested by the landowners to submit this funding request prior to listing their property on the MLS. We are proceeding in hopes that the committees will support appraisal and acquisition of the property in its entirety. MSRF is seeking to remove the potential for future development of the property that would limit the opportunity to improve surface connectivity between the Twisp surface intake and the MSRF Ponds Complex. We have confirmed that segregation of the property could be completed through a Boundary Line Adjustment process if the Committees desire resale of the existing home to recover a portion of the purchase cost. Through comparison of the 2022 Lidar mapping and FEMA flood maps, we have also confirmed that the existing residence is elevated above the mapped 100-year floodplain.

Acquisition of the property and removal of the existing home would address a primary reach scale objective of providing increased opportunities for side channel activation and flood plain inundation. Prior flood levee construction has been identified in the Lower Twisp RA as limiting the potential for reach-scale, process-focused approaches within the T2a reach.

The Twisp Ponds project was initiated in 2000 to expand opportunities for the Twisp River to access the formerly active river corridor by preventing construction of proposed housing and removing several existing residential properties. Unfortunately, MSRF was not able to secure funding quickly enough to acquire the Subject property, which sold less than 2 months before funding was secured. While MSRF succeeded in acquiring the remaining properties needed to re-establish a perennial surface connection through the Subject property, the intake diversion is controlled by a concrete headgate through the existing flood levee. Acquisition of this property, would allow modification of the flood levee without increase risk to any other privately held lands or infrastructure and would allow MSRF to reengage habitat-forming river processes on the site that would be more dynamic and self-sustaining.

MSRF is currently seeking grant support to expand riparian buffer protections and increase in channel complexity through the SRFB/ RCO grant process and to make improvements to conveyance channels on the Subject property. Committee support for this acquisition request would expand the desired benefits of the riparian complexity project and reduce constraints on conveyance channels (culverts and bridges for residential access), allowing funds to be focused entirely on habitat connection efforts.

Reach Assessment Identification:



The area shaded in blue highlights the acquisition property.
The RA identifies levee modification and Enhancement as desired actions.
Acquisition of this property would allow those actions to be initiated.

Project cost: (Provide an itemized budget for the funding requested from the PRCC Habitat Subcommittee and describe the reimbursement process and/or type of contract to be drafted. For example, do you prefer an actual cost reimbursement, fixed cost, monthly invoicing, etc.?).

| PROPOSED BUDGET | | | |
|---------------------------------|------------------|---------------------|------------------|
| BUDGET ITEM | PRCC-HSC REQUEST | OTHER CONTRIBUTIONS | TOTAL COST |
| Project Management and Admin | 5,000 | | 5,000 |
| Appraisal | In-Kind | | In-Kind |
| Land Acquisition (Estimate) | 1,230,000 | | 1,230,000 |
| Title Guarantee | 5,000 | | 5,000 |
| Fees, taxes and recording | 5,000 | | 5,000 |
| Boundary Adjustment with Survey | 4,000 | | 4,000 |
| Indirect* | 1,200 | | 1,200 |
| TOTAL | 1,250,200 | | 1,250,200 |

Estimated Timeline: (Populate the table so that the committee can foresee the projected timeline).

| | 2024 | | | | 2025 | | | | 2026 |
|-----------------------------------|--------|--------|------|--------|--------|--------|------|--------|-----------------------|
| | Spring | Summer | Fall | Winter | Spring | Summer | Fall | Winter | |
| Planning and Coordination | X | X | X | | | | | | |
| Appraisal and Purchase Agreements | | | X | X | | | | | |
| Acquisition and closing | | X | X | X | X | | | | |
| Deed Restrictions | | | | | X | | | | |
| Reporting | | | | | | X | | | |
| Optional Items for consideration | | | | | | | | | |
| BLA/Segregation Process * | | | | | | | | | Include in Request |
| Resale / Removal of residence** | | | | | | | | | Funding Dependent |
| Levee Modifications | | | | | | | | | Funding Dependent |
| Riparian restoration | | | | | | | | | RCO Funding Requested |

**** MSRF will work with the PRCC Habitat Subcommittee to identify appropriate timing and resources for completion of these actions.**

Final comments and instructions:

Provide contact information for the following if applicable: contracting, financial, legal, project manager, as well as the contract signatory (if different than the project sponsor).

Please include an electronic copy of this specification sheet in Word format to the PRCC Habitat Subcommittee Facilitator and PRCC Habitat Subcommittee Liaison Representative when submitting your proposal.

For appraisals associated with fee simple land acquisition, please provide the following:

Property Information

Owner Name: Robert Bartsch
Address: PO Box 12 Twisp WA 98856

General Directions: Property is located approximately 0.94 miles west of the intersection of Twisp River Road and Hwy 20

Parcel Number: Bartsch -3322070158

Inspection Contact & Phone: Rob Bartsch (206) 390-2081

Other Considerations:

Appraisal Type: Fee Acquisition

Intended Users: Methow Salmon Recovery Foundation, Tributary Committees

Reminder: When discussing potential appraisals, be sure to communicate with the Project Liaison in advance.

Disclaimer: Any habitat proposals presented to the PRCC Habitat Subcommittee for review should meet the terms and conditions outlined in the 2008 NMFS Biological Opinion, the Priest Rapids Salmon and Settlement Agreement, and the FERC-ordered Habitat Plan issued on 5 March 2010. For more information, please contact a member of the PRCC Habitat Subcommittee.

EXHIBIT "B"
AMENDMENT
NO.

Pursuant to Section 13, the following changes are hereby incorporated into this Agreement:

- A. Description of Change: Increase/decrease the Agreement Price and extend the Agreement completion date.
- B. Time of Completion: The revised completion date shall be _____.
OR
The completion date shall remain _____.
- C. Agreement Price Adjustment: As a result of this Amendment, the not to exceed Agreement Price shall remain unchanged be increased/decreased by the sum of _____ including all applicable taxes. This Amendment 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 Agreement Price is _____, including all applicable taxes and changes incorporated by this Amendment.
- D. Except as specifically provided herein, all other Agreement terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

Methow Salmon Recovery Foundation

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

**EXHIBIT “C”
DEED OF RIGHT TO USE LAND
FOR CONSERVATION PURPOSES**

GRANTOR: Methow Salmon Recovery Foundation (Grantor)
GRANTEE: PRCC Habitat Subcommittee (PRCC HabSC)

Legal Description (Abbreviated): See Attachment “A” for Legal Description of Grantor’s property (the “Property”).

Project Agreement

The Grantor, for and in consideration of monies coming in whole or in part from the Priest Rapids Habitat Conservation Fund (Habitat Supplemental Fund 602) and in fulfillment of terms of this Deed of Right To Use Land For Conservation Purposes (“Deed of Right”), conveys and grants to the Priest Rapids Coordinating Committee Habitat Subcommittee (PRCC HabSC), individually and as the representative of the PRCC HabSC, for the benefit of the of the PRCC HabSC and its individual members, the right to use the Property described in Attachment “A” forever for the conservation purposes identified in this Project Agreement and set forth below as the Restrictive Covenants.

The Grantor will not make or permit to be made any new use of the salmon habitat recovery area, as shown on Attachment “C”, Protected Property, or any part of it, which is inconsistent with the right to use for conservation purposes herein granted unless the PRCC HabSC or its successors, consent to the inconsistent use. Grantors and PRCC HabSC acknowledge that the property will remain burdened by any existing easements of record for utilities or other public services benefitting adjacent properties.

This deed shall in no way modify or extinguish the functions of the Grantor under the Project Agreement, including the Grantor's functions to conserve, enhance, operate, and maintain the land as set out in the Project Agreement.

RESTRICTIVE COVENANTS

Grantor is the owner of the property located in Okanogan County, Washington, more specifically described as follows:

See Attachment "A" Legal Descriptions

Grantor does hereby declare and establish the following covenants, conditions, and restrictions for said Property and further hereby declares and establishes that the Property is and shall be held and shall be conveyed at all times, in whole or in part, subject to the covenants, conditions and restrictions as set forth herein, said covenants, conditions, and restrictions to run with the land.

PREAMBLE

Grantor, as owner of the Property described and incorporated herein by this reference, has acquired the Property for the purpose of conservation, restoration and enhancement actions related to salmon recovery, to ensure that said Property is used for purposes compatible with conservation and salmon recovery, as defined herein, indefinitely, and to restrict the use of the Property now and into the future to those conservation and salmon recovery actions defined herein.

Grantor is creating these covenants, conditions, restrictions for the Property. Grantor declares and specifies that the covenants, conditions, and restrictions set forth herein shall constitute covenants to run with the land, as provided by law, and shall be binding on all parties and all persons claiming under them, for the benefit of and limitations on all future owners of the Property and, for and in consideration of money coming from the PRCC HabSC and its successors and assigns, individually and as a representative of the members of the PRCC HabSC, provided funding for acquisition of the Property.

All successive future owners and/or occupants of the Property and the PRCC HabSC shall have the same right to invoke and enforce the covenants, conditions, restrictions, and reservations applicable to this conveyance as the original parties to this document.

GENERAL COVENANTS

1. Allowed Uses Restricted

All parties to this Instrument agree and consent to the establishment of certain covenants and restrictions designed and intended to ensure the conservation, enhancement, and restoration of the Property.

All parties consent and agree that no part of the Property shall be used now or in the future for any purpose other than the following activities:

- a. To support federal, state, tribal, and local salmon recovery efforts
- b. To protect, preserve, and enhance riparian conditions
- c. For habitat restoration and enhancement work
- d. For education and outreach purposes
- e. For scientific inquiry and/or projects related to the monitoring of threatened and/or endangered salmonids

Additionally, the following provisions apply to the Property:

- a. Any management activities should be for the explicit purpose of aquatic restoration, riparian enhancement, and forest health and fuels management objectives.
- b. No livestock grazing.
- c. All proposed forest management activities must have a clear ecological objective (i.e., improve forest health, reduce hazardous fuels, improve wildlife habitat, etc.). While these treatments may, in some instances, generate income through log sales, economic considerations will not be a primary objective in implementing them.
- d. Off-road motorized vehicle use for recreational purposes will be prohibited.
- e. Private roads within 200 feet of stream channels and defined waterways should be prioritized for road decommissioning.
- f. No new road construction except as needed to implement restoration and road decommissioning efforts.
- g. Existing road and trail crossings that cannot be decommissioned will be prioritized for evaluation and implementation of design features and maintenance practices that eliminate or reduce road/stream interactions, sediment mobilization, and sediment transport to defined waterways.
- h. The surface exploration, development, mining, or extraction of soil, sand, gravel, mineral, oil, gas, or other substance from the surface of the property is prohibited.
- i. Any proposed new buildings or structures must be approved by the PRCC HabSC.
- j. Undeveloped non-motorized recreational uses, such as hiking, camping, bird watching, hunting, and fishing are permitted as long as such uses do not impair the wildlife and aquatic habitats and other Conservation Values.

In addition, for the first ten years after execution of this Agreement, Grantor will annually present completed projects, changes and effects of public access, and proposed actions on the Property to the PRCC HabSC. Thereafter, Grantor will present this information at the request of the PRCC HabSC, but not more than once per year.

Public access will be allowed on the Property in one or more designated area. Grantor shall retain the right to restrict public access in sensitive areas as needed to ensure restoration objectives are maintained. Public access actions on the Property that may be detrimental to the conservation, enhancement, and restoration of the Property for salmon recovery purposes as described above must be reviewed and approved in advance by the PRCC HabSC.

2. Effectiveness

These covenants, conditions and restrictions shall become effective upon recording at the Chelan County Auditor's office.

3. Exceptions and Reservations

The Property was acquired subject to encumbrances, easements and other rights of record identified set forth in Attachment "A". Said encumbrances, easements and other rights of record shall continue to be in force. Grantor retains and reserves all rights, privileges, and uses not specifically granted to PRCC HabSC through the recorded Deed of Right, Covenants and Conditions, or as a direct responsibility of funding Agreement.

4. Enforcement.

The covenants, conditions, and restrictions set forth in this instrument shall operate as covenants running with the land for the benefit of Grantor and any and all persons who now, or who may hereafter own any part of the Property, and the PRCC HabSC, and such persons are specifically given the right to enforce these restrictions through any proceedings, at law or in equity, against any person or persons violating or threatening to violate the restrictions, and recover any damages suffered by them from any violation of the restrictions, and to enjoin any such violation.

5. Attorney Fees and Costs.

The prevailing party in any dispute related to the enforcement of these covenants, conditions, and restrictions shall be entitled to the recovery of reasonable attorney's fees and costs.

6. Duration, Termination, and Amendment.

This instrument is made subject to the above covenants, conditions, and restrictions, which shall run with the land and shall be binding on all parties and all persons claiming under them in perpetuity unless modified or amended by a recorded instrument signed by the then Grantors of the Property and the PRCC HabSC, or its successors and assigns, which terminates or amends the covenants in whole or in part. No other persons or parties shall have rights or abilities to amend or terminate these Covenants or any part therein.

7. Conversion and Resale

The PRCC HabSC will consent to an inconsistent use, conversion, or resale of the property interest protected under this Deed only to the extent permitted by law and upon the following three conditions.

- a) Grantor shall substitute salmon recovery land of reasonably equivalent habitat qualities, characteristics, and location for the salmon recovery purposes as the Real Property prior to any inconsistent use.
- b) The substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee’s consent to the inconsistent use.
- c) The fair market value of the Real Property at the time of the Grantee’s consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

Except, where Grantor determines that transfer of the property to another approved conservancy or lands management entity would lead to increased efficiency in achieving the partner’s long-term objectives for the property. In such cases, Grantor could approve such transfer or conversion based on PRCC HabSC review and consent of the transaction together with review and evidence that habitat protections secured through the initial agreement are maintained.

8. Severability.

The provisions hereof shall be deemed independent and severable, the invalidity or partial invalidity or unenforceability of any provision shall not affect any other provision hereof.

Dated this ___ day of _____ 2025.

By _____

its _____

State of Washington
County of _____

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal this _____ day of _____, 2025

Signature _____
Notary Public in and for the state of _____
Residing at _____
My commission expires _____

ATTACHMENT "A"
LEGAL DESCRIPTION

Legal Description (Abbreviated): Parcel No. 3322070158; TAX 158 PT LOT 4 (SW SW) N/RD S/RIV

Property Address: Map Number 96 TWISP RIVER RD, Assessors Map

Recording Number: TBD

Recording Date: TBD

Full Legal Description

The Land referred to herein below is situated in the County of Okanogan, State of Washington, and is described as follows:

THAT PART OF GOVERNMENT LOT 4 (THE SW 1/4-SW 1/4) IN SECTION 7, TOWNSHIP 33 NORTH, RANGE 22 EAST W.M. IN OKANOGAN COUNTY, WASHINGTON LYING SOUTHWESTERLY OF THE THREAD OF THE TWISP RIVER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID GOVERNMENT LOT 4, A CONCRETE BRASS CAPPED MONUMENT;
THENCE SOUTH 0°29'31" WEST ALONG THE WEST LINE OF SAID GOVERNMENT LOT 4, 431.72 FEET TO THE POINT OF BEGINNING AND THE THREAD OF THE TWISP RIVER;
THENCE EASTERLY ALONG SAID THREAD THE FOLLOWING COURSES AND DISTANCES, SOUTH 47°00'00" EAST 141.27 FEET, SOUTH 74°22'20" EAST 205.72 FEET, SOUTH 84°17'25" EAST 628.27 FEET, SOUTH 39°36'53" EAST 163.17 FEET;
THENCE LEAVING SAID THREAD SOUTH 25°58'00" WEST 219.71 FEET;
THENCE SOUTH 39°23'33" WEST 242.72 FEET TO THE NORTHERLY MARGIN OF THE TWISP RIVER ROAD AS ESTABLISHED 60.00 FEET IN WIDTH AND A POINT OF CURVE TO THE LEFT WHOSE CENTER LIES SOUTH 51°01'29" WEST 665.00 FEET DISTANT;
THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 38°25'30" AN ARC DISTANCE OF 445.98 FEET TO A POINT OF TANGENT;
THENCE CONTINUING ALONG SAID MARGIN NORTH 77°24'01" WEST 200.72 FEET TO THE EASTERLY BOUNDARY, OF THAT TRACT OF LAND DEEDED TO GAYELYN WEBB UNDER AUDITOR'S FILE NO. 784797 AND RECORDED IN BOOK 95 OF DEEDS, PAGE 1969 RECORDS OF SAID COUNTY.
THENCE NORTH 28°46'16" WEST ALONG SAID LINE 175.33 FEET;
THENCE NORTH 49°50'53" WEST 169.78 FEET TO THE WEST LINE OF SAID GOVERNMENT LOT 4, AND A POINT THAT LIES NORTH 0°29'31" EAST 698.38 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION;
THENCE NORTH 0°29'31" 187.37 FEET TO THE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF OKANOGAN, STATE OF WASHINGTON.

Legal Description per Deed files under AF# 3211091, Records of Okanogan County.

ATTACHMENT "B"
APPRAISAL AND TITLE REPORT

The Appraisal and Title Report are included within these contract documents as a separate file.

ATTACHMENT "C"
PROTECTED PROPERTY



For Commission Review – 03/11/2025

RESOLUTION NO. XXXX

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-12475, FOR FURNISHING STEEL STRUCTURES FOR THE QUINCY TRANSMISSION EXPANSION PROJECT

Recitals

1. Bids were publicly opened on January 29, 2025 for Contract 170-12475, for Furnishing Steel Structures for the Quincy Transmission Expansion Project;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD’s staff;

| | |
|--------------------------------|----------------|
| • Western Utility Telecom | \$3,758,418.00 |
| • Valmont Industries | \$3,783,280.00 |
| • MVA Power | \$4,086,832.28 |
| • TransAmerican Power Products | \$4,228,623.00 |

3. The low bid, submitted by Western Utility Telecom is both commercially and technically compliant with Grant PUD’s contract requirements;
4. The bid is less than the Engineer’s Estimate of \$10,000,000.00; and
5. Grant PUD’s Managing Director of Power delivery concurs with staff and recommends award to Western Utility Telecom 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 170-12475, for Furnishing Steel Structures for the Quincy Transmission Expansion Project with Western Utility Telecom of Salem, Oregon in the amount of \$3,758,418.00 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 25th day of March, 2025.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

02/20/2025

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Chief Operating Officer Jeff Grizzel
Jeff Grizzel (Feb 20, 2025 13:15 PST)
 Ron Alexander, Director of Power Delivery Ron Alexander
Ron Alexander (Feb 20, 2025 13:39 PST)
 Angel Barahona-Sanchez, TSA Engineering Manager Angel Barahona-Sanchez
Angel Barahona-Sanchez (Feb 20, 2025 09:28 PST)

FROM: Derek Mashburn, District Representative Derek Mashburn
Derek Mashburn (Feb 20, 2025 08:44 PST)

SUBJECT: Award of Contract 170-12475 - Furnishing Steel Structures for the Quincy Transmission Expansion Project

Purpose: To request Commission approval to award Contract 170-12475 to Western Utility Telecom, to supply steel structures for a Contract Price of \$3,758,418.00, plus sales tax.

Discussion: The District advertised in the Columbia Basin Herald newspaper and on the District’s ProcureWare site, with a sealed bid opening scheduled on January 29, 2025, at 2:00 PM. The District received four bids:

| Manufacturer | Bid Price |
|-------------------------------|-----------------|
| Western Utility Telecom | \$ 3,758,418.00 |
| Valmont Industries | \$ 3,783,280.00 |
| MVA Power | \$ 4,086,832.28 |
| Trans American Power Products | \$ 4,228,623.00 |
| Engineering Estimate | \$10,000,000.00 |

The contract aims to supply the District with steel structures for the QTEP projects Columbia – Mountain View 230kV, Mountain View Loop 1, and the Western portion of Mountain View – Monument Hill 230kV transmission lines. The District will procure the projects on the Eastern side of Quincy once the designs finalize in the coming months. The steel structures will support the transmission line conductor, helping to break up the single transmission line into Mountain View substation and establish a local area transmission line loop.

After contract award, the District will be purchasing Thirty-Six (36) steel structures for Columbia – Mountain View 230kV transmission line segment, Twenty-Four (24) steel structures for Mountain View Loop 1 transmission line, and Five (5) steel structures for the Western portion of Mountain View – Monument Hill 230kV transmission line segment. In total, the District will procure Sixty-Five (65) steel structures.

The District evaluated the bid for both technical and commercial compliance and determined that Western Utility Telecom is the lowest compliant bidder in both categories.

Justification: These steel structures aim to break apart the Columbia – Rocky Ford 230kV transmission line into smaller sections and allow the Mountain View substation to have two different transmission line sources into it. Currently, Mountain View substation has a single transmission line from the existing Columbia – Rocky Ford 230kV transmission line. By having a second transmission line into the Mountain View substation, reliability will increase minimizing outages and their duration to the customers sourced off the substations connected to these transmission lines.

The local transmission line loop also aims to provide alternate paths for customers served by them. If one side of the loop takes an outage, the other side of the loop can source power for the customer up to the isolation point of the loop.

These steel poles are on the critical path schedule for this portion of QTEP. Completing this contract will support the continued success of QTEP and the goal of providing more reliable power to the area upon completion of the project.

Financial Considerations: The District will pay at most \$3,758,418.00 (plus tax) to acquire these structures.

The deviation of Western Utility Telecom’s bid from the Engineer’s Estimate is due to assumed instability in the steel market, coupled with discussions of possible high steel prices. Recent contracts for other tapered tubular structures have also shown higher steel prices. This fact coupled with the criticality of the structures to QTEP gave means to utilize a higher estimate.

QTEP’s material procurement budget accounted for these structures and will have them charged to the following PIDs.

| Project | PID |
|--------------------------|--------|
| Col to MTV 230kv Line | 103637 |
| Mountain View Loop No. 1 | 103638 |
| MTV-MH 230KV Line | 103636 |

Contract Specifics: This contract is mostly in line with our standard material contracts, with the main exception being the inclusion of a requested delivery date on the Bid Form. Although similar requests have been made in different formats in the past, adding it to the Bid Form for each structure enables the District to better understand the impact of supply chain delays for each individual structure.

Recommendation: Requesting Commission approval to award Contract 170-12475 to Western Utility Telecom, to supply steel structures for a not-to-exceed Contract Price of \$3,758,418.00, plus sales tax.

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












170-12475 Commission Memo Final

Final Audit Report

2025-02-23


| | |
|-----------------|--|
| Created: | 2025-02-20 |
| By: | Sharon Lucas (slucas@gcpud.org) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAo2lbtG37hzY7tcJJbGoSvcVBntrTX7tX |

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 Agreement completed.

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Contract Documents 170-12475

Furnishing Steel Structures for the Quincy Transmission Expansion Project

for

Public Utility District No. 2
of Grant County, Washington

Bid Due Date: January 14, 2025

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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 Building E, Ephrata, Washington no later than 2:00 p.m. on January 14, 2025 for Furnishing Steel Structures for the Quincy Transmission Expansion Project as specified in Contract Documents 170-12475. Bids received after that time shall be rejected as non-responsive. **Bid opening shall follow the Bid submittal deadline 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 [Need help?](#)

[Join the meeting now](#)

Meeting ID: 273 561 959 955

Passcode: NE2zM3Gw

Dial in by phone

[+1 509-703-5291,,144878544#](#) United States, Spokane

[Find a local number](#)

Phone conference ID: 144 878 544#

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:

Emilie DeLong, Procurement Officer
Public Utility District No. 2
of Grant County, Washington
154 A Street SE Building E
Ephrata, Washington 98823

Phone: (509) 754-5088 Ext. 2469

E-mail: Edelong@gcpud.org

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

Contract Documents: 170-12475

Bid for: Furnishing Steel Structures for the Quincy Transmission Expansion Project

Bid due date: January 14, 2025

Bid opening: January 15, 2025

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 BID 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 Document. 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, will 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 Bid which does not contain all Bidder's Data indicated in Section 8 as "required", if any, shall be rejected.
- C. Bidder's compliance with the requirements of Section SR-2. **Bids that take exception to these requirements shall be rejected.**
- D. All elements or factors which will 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 experience of the Bidder to perform the Contract or provide the material/equipment required;
 - 2. Whether the Bidder can deliver the required material/equipment within the time specified; and
 - 3. The quality of the Bidder's performance on previous contracts.
- E. For Bid Evaluation purposes only, the District shall add \$350.00 to the Bid Unit Price of Bid Item Nos. 1 through 34 for each additional calendar week (seven days) the Bidder proposes beyond the date outlined in Section SR-2. Bid Items that are proposed to arrive before the date outlined in Section SR-2 will be excluded from the increased evaluation. Bidder shall identify on the Bid Form the proposed delivery duration for each Bid Item listed above and the quantities of each Bid Item that the Bidder can commit to delivering.

8. BIDDER'S DATA

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

- A. The Bidder shall have had a minimum of three years' experience in the successful delivering, servicing and maintenance of the type of equipment/material specified by these Contract Documents prior to submission of its Bid. Bidder shall provide a representative user's list with addresses, phone contacts, and material delivery dates to document the experience requirement. The Bidder shall be a factory franchised new equipment/material dealer with full parts, service and warranty capacity.
- B. **Required or Bid will be rejected.** Bidder shall submit with their Bid, design calculations, including pole properties, connections, loads and factors. Design calculations shall be

finite element analysis from a program such as PLS-POLE. Bidder shall provide an analysis report for each structure including all input and output data. Such data shall be provided electronically on a USB compatible drive.

- C. Bidder shall provide instructions for the handling and erection of structures.
- D. Bidder shall provide the manufacturer's routine inspection and test plan.
- E. In addition to the information required in Instructions to Bidders Section 8.A, Bidder shall provide with their Bid, a list of six recent projects of similar scope that confirms the Bidder's qualifications. Provided information for each project shall include: Scope of Bidder's responsibility.
 - 1. Description of items designed, manufactured and installed, including dates of installation.
 - 2. Customer contact name, phone number, and email address.
 - 3. Dollar value of work.
- F. Manufacturer and place of manufacture.

9. 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 13. 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.

10. 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.

11. 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 will under all circumstances best serve the interest of the District.

12. 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.

13. PAYMENT AND PERFORMANCE BOND

To assure compliance with the terms of the Contract, the Contractor shall furnish a Payment and Performance Bond in an amount equal to 25% 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 payment. 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.

14. PUBLIC RECORDS ACT

The District is subject to the disclosure obligations of the Washington 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.

15. CONTRACT DOCUMENTS

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

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

16. 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 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 supply the materials or equipment 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 term of this Contract.

“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/supplier hired by the Contractor to supply materials, equipment or services related to these Contract Documents, if any.

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

GC-3. SUSPENSION OF CONTRACT 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 any portion or this entire Contract. The Contractor shall use its best efforts 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 portion of the Contract;
 - 3. Promptly suspend or terminate all orders, subcontracts, and rental agreements to the extent they relate to performance of the portion of the Contract suspended or terminated;
 - 4. 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
 - 5. Complete performance of the portion of the Contract 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 portion of the Contract 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, the District shall pay the reasonable, verifiable and directly attributable costs incurred by the Contractor in the preparation of Bidder's Bid plus 15% of such costs. If 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 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.

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 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 Contractor's representative, 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 defend, indemnify and hold harmless the District and its representatives (which shall be deemed to include the District's directors, officers, employees and agents) from and against any and all liabilities, claims, losses, damages or expenses of any type or kind, including reasonable legal fees, and expert witness fees, which may be incurred or sustained by the District or its representatives by reason of any act, omission, misconduct, negligence, or default on the part of the Contractor or arising in connection with the supplies, material or equipment to be furnished pursuant to these Contract Documents.
- B. 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.
- C. 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 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. 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.

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. WARRANTY

The Contractor agrees that all materials and equipment furnished pursuant to the Contract shall be free from all inherent defects in design, workmanship and material and shall give proper and continuous service under all conditions of service required and specified or which may be reasonably inferred from the Contract Documents. The Contractor shall immediately upon receiving notice from the District repair or replace any materials or equipment which, under normal and proper use, prove defective within one year from the date of delivery to the District. The warranty provided herein is in addition to and not in lieu of manufacturer's standard warranty normally provided.

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 but not limited to removal, disassembly, reinstallation, reconstruction, 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 shall not be liable to the District either in contract or in tort (including negligence or strict liability) for consequential damages consisting of the District's loss of profits, its loss of revenue or its cost of replacement power.

The warranty requirements in this section are the minimum requirements for materials or equipment 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-10. 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 Contract Drawings and Technical 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 Bid Form.
- 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.
 - 4. Administrative cost and profit.
- C. The actual cost related to the change of:
 - 1. Labor, including foreman, only for employees who will work directly on the work covered by the Change Order.
 - 2. Materials entering permanently into the work.
 - 3. The ownership or rental cost of plant and equipment during the time of use on the project.
 - 4. Power and consumable supplies for the operation of power equipment.
 - 5. Insurance.
 - 6. Social Security and old age and unemployment contributions.
 - 7. To the sum of Items 1, 2, 4, 5, and 6 inclusive, there shall be added a fixed fee of 15%. The fee shall be compensation to cover the cost of supervision, overhead, bond, profit and any other general expenses.

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 "J", 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.

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-11. PAYMENT

The Contractor may submit an invoice for payment following delivery of the specified equipment/material, which conforms to the Contract Documents. The invoice shall contain detailed information identifying the number of units of each Bid Item actually furnished multiplied by the applicable Bid Unit Price. The invoice shall be submitted for District verification and approval. Payment will be made to the Contractor within 30 days after the District has inspected the equipment/material and has determined that it is in conformance with the Contract Documents. 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 170-12475 and 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

GC-12. PAYMENTS WITHHELD

The District may withhold the whole or part of any certificate for 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 or loss of District-furnished materials or District property.

- F. Contractor's failure to meet any performance warranties required by the 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-13. INSPECTION

The District Representative, assistants and inspectors shall have access to all places 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 changes to the production schedule requiring inspection. Examination of questioned work may be ordered by the District Representative, and, if so ordered, the work must be uncovered or made accessible by the Contractor. If such work is found to be in accordance with the Contract Documents, the District shall pay the costs of examination and restoration. If such work is found not to be in accordance with the Contract Documents, the Contractor shall bear such cost and expedite such necessary corrections.

GC-14. 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. Contract Form
3. Addenda
4. Specific Requirements
5. General Conditions
6. Technical Specifications
7. Contract Drawings
8. Instructions to Bidders
9. Payment and Performance Bond
10. 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 provide the materials or equipment to be supplied under this Contract. The Contract Price shall be full pay for all materials or equipment required to be provided under this Contract.

GC-15. 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-16. 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-17. 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. The 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.

Derek Mashburn
Public Utility District No. 2
of Grant County, Washington
PO Box 878
Ephrata, WA 98823

(509) 754-5088 Ext. 2240
Dmashburn@gcpud.org

GC-18. ACTIVITIES ON DISTRICT PREMISES

If Contractor or any of its Subcontractors or suppliers of any tier performs any activities on premises owned, leased, possessed or controlled by the District, Contractor shall:

- A. Take all precautions which are necessary to prevent injury to persons and damage to any property or the environment in connection with such activities;
- B. Release, defend, indemnify and hold harmless the District and its officers, agents, and employees from all claims, losses, harm, liabilities, damages, costs and expenses, including but not limited to reasonable attorney's fees that may arise in connection with such activities; and
- C. Maintain in effect at all times during performance of such activities Commercial General Liability insurance (including blanket contractual) with limits not less than \$1,000,000 per occurrence; automobile liability for all vehicles used under the contract for bodily injury, and property damage with limits not less than \$1,000,000 per accident; statutory workers' compensation; and employer's liability with limits not less than \$1,000,000. Without limiting the generality of the foregoing, Contractor assumes potential liability for acts brought by Contractor's employees, Subcontractors, or suppliers of any tier.

- D. Upon request, the Contractor shall promptly furnish to District such certificates of insurance and other evidence of the insurance required under this section naming the District as Additional Insured. The District shall have the right but not the obligation of prohibiting the Contractor or its Subcontractors from entering District premises until such certificates have been provided as evidence of compliance with these requirements.

GC-19. WAGES PAID BY THE CONTRACTOR

This Section applies only to material manufactured in the State of Washington. Contractor and its Subcontractors shall comply with all provisions of R.C.W. 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 “H”. Contractor and its Subcontractor 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 (R.C.W. 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 (R.C.W. 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 W.A.C. 296-127-023.

Prior to any payments being made to Contractor, the Contractor and each and every 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 R.C.W. 39.12.040.

Washington State hourly prevailing wage rates are located at <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp>. It shall be the Contractor’s responsibility to determine the locality of the work.

GC-20. ACCEPTANCE AND FINAL PAYMENT

This Section applies only to material manufactured in the State of Washington. When the Contractor has delivered all materials/equipment and completed all work in accordance with the terms of the Contract Documents, the Contractor shall properly execute and submit final invoice to the Procurement Officer. Once final invoice has been processed, the District’s Procurement Department will issue the Certificate of Completion and Release (see Exhibit “G”) 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-21. BOND IN LIEU OF RETAINAGE

This Section applies only to material manufactured in the State of Washington. 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 "I"). 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.

SPECIFIC REQUIREMENTS

SR-1. SCOPE OF SUPPLY

The Contractor shall supply Steel Structures manufactured in accordance with these Contract Documents.

SR-2. DELIVERY/LIQUIDATED DAMAGES

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; and (4) receipt of the District issued purchase order.

Delivery of the Steel Structures shall be no later than April 10, 2026 or the date specified on the Bid Form pursuant to the conditions detailed in Instructions to Bidders Section 7.E. Delivery shall be F.O.B. to the Grant County, WA location identified on the District's in the purchase order(s). This shall mean that the Contractor will pay the cost of transportation to have the Steel Structures delivered "free on board" to the identified address as well as the offloading of the steel poles. It also shall mean that the title and risk of loss do not pass until the Steel Structures have been inspected, unloaded, and moved from the conveyance.

Contractor may propose an alternative delivery date which the District will evaluate pursuant to Instruction to Bidders Section 7.

The Contractor shall deliver all materials/equipment by the delivery date specified in its Bid. Failure to do so may result in damage to the District. It is agreed that the Contractor shall pay to the District as liquidated damages and not as a penalty, a sum equal to \$350.00 for each calendar week (seven days) the delivery of any unit of any Bid Item is delayed beyond the delivery date quoted with the Bid. Such amount shall be deducted from any money due the Contractor. In no event shall the amount of liquidated damages for late delivery of all quantities of any Bid Item exceed 20% of the Bid Item Price.

The liquidated damages have been specifically negotiated by and between the Contractor and District because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the District would in such event sustain, and said amount has been determined to be a reasonable estimate of the amount of damages which the District would sustain in the event of late delivery of the materials/equipment.

If the Contractor's performance of this Contract is prevented or delayed by any cause which is beyond the reasonable control and without the fault or negligence of the Contractor, and which condition was not foreseeable by the Contractor at the time this Contract was entered into, the Contract time shall be extended for such reasonable time as the District Representative shall determine. The Contractor agrees to complete performance 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 performance of this Contract, 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 his Subcontractors.

All changes in the delivery schedule shall be made by Change Orders to the Contract pursuant to Section GC-10.

SR-3. SHIPPING AND NOTIFICATION INSTRUCTIONS

All materials and equipment shall be suitably packed to ensure against damage from weather or transportation and in accordance with the requirements of common carriers. The delivery address and Contract number shall be clearly marked on the outside of all packaging. Each shipment must be accompanied by a packing list, which shall reference the Contract number, the purchase order number and include item descriptions, part numbers, and quantities. Any bills of lading, shipping order or the like shall also contain the above listed information.

Advance notification of shipment of the equipment/material is required. Contractor shall notify each of the District's contacts below, 48 hours prior to delivery of shipment. Failure by the Contractor to provide the advance notification specified herein may result in delays in unloading and receipt. The costs of all such delays shall be charged to the Contractor's account.

| Name | Phone Number | E-Mail |
|---|--------------------------|--|
| Derek Mashburn, District Representative | (509) 754-5088 ext. 2240 | Dmashburn@gcpud.org |
| Angel Barahona-Sanchez, Manager Engineering | (509) 754-5088 ext. 2212 | Abaraho@gcpud.org |
| Gus Mihelich, Ephrata Warehouse Foreman | (509) 754-5088 ext. 2268 | Amihelich@gcpud.org |
| Gary Carpenter, Moses Lake Warehouse Foreman | (509) 754-5088 ext. 3212 | Gcarpen@gcpud.org |

District receiving hours are Monday through Thursday, 6:30 a.m. – 12:00 p.m. and 12: 30 p.m. – 3:30 p.m. No deliveries will be received on District observed holidays or during any other times unless specific prior arrangements have been made with the District's Warehouse Foreman. District observed holidays are as follows: New Year's Day, Martin Luther King Jr. Day, President’s Day, Memorial Day, Juneteenth Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Native American Heritage 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. 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.

Contractor's personnel accepting clearances, superintendents and foreman will be required to attend a safe clearance procedure training class and Contractor's orientation class prior to starting field work. Classes may last up to two hours.

SR-5. 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.

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.

SR-6. UNLOADING

Contractor shall be responsible for the unloading of the steel poles at the designated project staging area (see Section SR-2). Steel poles shall be placed on appropriate cribbing.

SR-7. CODES AND STANDARDS

Design and manufacture of the specified steel poles shall be in accordance with applicable sections of the latest revision of the codes and standards denoted in the Technical Specifications. See Section TS-3.

TECHNICAL SPECIFICATIONS

The Technical Specifications will be posted as a separate document on the District's ProcureWare website.

EXHIBIT “A” - BID FORM

COMPANY NAME OF BIDDER: _____
 (Full Legal Name)

MANUFACTURER: _____

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

Having carefully examined Contract Documents, including any Technical Specifications and Contract Drawings as well as the premises and conditions affecting the delivery, the undersigned hereby proposes to furnish and deliver the specified equipment/material in strict accordance with these Contract Documents for the price(s) indicated below.

As evidence of good faith, a certified check, Cashier's Check or a Bid Bond in an amount not less than 5% of 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, the undersigned's Certified Check, Cashier's Check or an amount equal to 5% of the total amount Bid shall be forfeited to the District as liquidated damages.

The Total Bid Price (calculated total of Bid Item Prices 1 through 34) 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 (Quantity times Bid Unit Price) shall prevail.

| Bid Item No. | Description | Unit Type | Quantity | Bid Unit Price | Bid Item Price |
|--------------|---|-----------|----------|----------------|----------------|
| 1 | COMT 10/1 See Drawings COMT230-04.00, COMT230-04.01 | Each | 1 | \$ | \$ |
| 2 | COMT 10/2 See Drawings COMT230-04.02, COMT230-04.03 | Each | 1 | \$ | \$ |
| 3 | COMT 10/3 See Drawings COMT230-04.04, COMT230-04.05 | Each | 1 | \$ | \$ |
| 4 | COMT 10/4 See Drawings COMT230-04.06, COMT230-04.07 | Each | 1 | \$ | \$ |
| 5 | COMT 132' Tangent Braced Post See Drawings COMT230-04.08, COMT230-04.09 Relates to: 10/5, 10/6, 10/8, 10/9, 11/7 | Each | 5 | \$ | \$ |

| Bid Item No. | Description | Unit Type | Quantity | Bid Unit Price | Bid Item Price |
|--------------|--|-----------|----------|----------------|----------------|
| 6 | COMT 122' Tangent Braced Post See Drawings COMT230-04.08, COMT230-04.09 Relates to: 10/7, 11/1, 11/5, 12/5, 12/7, 12/8, 12/9 | Each | 7 | \$ | \$ |
| 7 | COMT 126.5' Tangent Braced Post See Drawings COMT230-04.08, COMT230-04.09 Relates to: 10/10, 10/11, 11/6, 11/8, 11/9, 11/10, 11/11, 12/1, 12/2, 12/10 | Each | 10 | \$ | \$ |
| 8 | COMT 116.5' Tangent Braced Post See Drawings COMT230-04.08, COMT230-04.09 Relates to: 11/4, 13/1 | Each | 2 | \$ | \$ |
| 9 | COMT 100' 76 Deg. Deadend See Drawings COMT230-04.10, COMT230-04.11 Relates to: 11/2 | Each | 1 | \$ | \$ |
| 10 | COMT 95' 76 Deg. Deadend See Drawings COMT230-04.10, COMT230-04.11 Relates to: 11/3 | Each | 1 | \$ | \$ |
| 11 | COMT 12/3 See Drawings COMT230-04.12, COMT230-04.13 | Each | 1 | \$ | \$ |
| 12 | COMT 12/4 See Drawings COMT230-04.14, COMT230-04.15 | Each | 1 | \$ | \$ |
| 13 | COMT 95' 96 Deg Deadend See Drawings COMT230-04.16, COMT230-04.17 Relates to: 12/6 | Each | 1 | \$ | \$ |
| 14 | COMT 105' 96 Deg Deadend See Drawings COMT230-04.16, COMT230-04.17 Relates to: 12/11 | Each | 1 | \$ | \$ |
| 15 | COMT 90' 96 Deg Deadend See Drawings COMT230-04.16, COMT230-04.17 Relates to: 13/2 | Each | 1 | \$ | \$ |

| Bid Item No. | Description | Unit Type | Quantity | Bid Unit Price | Bid Item Price |
|--------------|--|-----------|----------|----------------|----------------|
| 16 | COMT 85' 96 Deg Deadend See Drawings COMT230-04.16, COMT230-04.17 Relates to: 13/3 | Each | 1 | \$ | \$ |
| 17 | MTL1 3/2 See Drawings MTLOOP230-04.18, MTLOOP230-04.19 | Each | 1 | \$ | \$ |
| 18 | MTL1 3/3 See Drawings MTLOOP230-04.20, MTLOOP230-04.21 | Each | 1 | \$ | \$ |
| 19 | MTL1 3/4 See Drawings MTLOOP230-04.22, MTLOOP230-04.23 | Each | 1 | \$ | \$ |
| 20 | MTL1 3/5 See Drawings MTLOOP230-04.24, MTLOOP230-04.25 | Each | 1 | \$ | \$ |
| 21 | MTL1 Tangent Braced Post See Drawings MTLOOP230-04.26, MTLOOP230-04.27 Relates to: 3/6, 3/7, 3/8, 3/9, 3/10, 3/11, 3/12, 3/13, 3/14, 3/15, 3/17, 4/1 | Each | 12 | \$ | \$ |
| 22 | MTL1 3/16 See Drawings MTLOOP230-04.28, MTLOOP230-04.29 | Each | 1 | \$ | \$ |
| 23 | MTL1 4/2 See Drawings MTLOOP230-04.30, MTLOOP230-04.31 | Each | 1 | \$ | \$ |
| 24 | MTL1 4/3 See Drawings MTLOOP230-04.32, MTLOOP230-04.33 | Each | 1 | \$ | \$ |
| 25 | MTL1 4/4 See Drawings MTLOOP230-04.34, MTLOOP230-04.35 | Each | 1 | \$ | \$ |
| 26 | MTL1 TBD-2 See Drawings MTLOOP230-04.36, MTLOOP230-04.37 | Each | 1 | \$ | \$ |
| 27 | MTL1 TBD-6 See Drawings MTLOOP230-04.38, MTLOOP230-04.39 | Each | 1 | \$ | \$ |
| 28 | MTL1 TBD-7 See Drawings MTLOOP230-04.40, MTLOOP230-04.41 | Each | 1 | \$ | \$ |
| 29 | MTL1 TBD-8 See Drawings MTLOOP230-04.42, MTLOOP230-04.43 | Each | 1 | \$ | \$ |
| 30 | MTMH 1/1 See Drawings MTMH230-04.73, MTMH230-04.74 | Each | 1 | \$ | \$ |

| Bid Item No. | Description | Unit Type | Quantity | Bid Unit Price | Bid Item Price |
|------------------------|--|-----------|----------|----------------|----------------|
| 31 | MTMH 1/2 See Drawings MTMH230-04.75, MTMH230-04.76 | Each | 1 | \$ | \$ |
| 32 | MTMH 2/4 See Drawings MTMH230-04.77, MTMH230-04.78 | Each | 1 | \$ | \$ |
| 33 | MTMH 2/5 See Drawings MTMH230-04.79, MTMH230-04.80 | Each | 1 | \$ | \$ |
| 34 | MTMH 2/6 See Drawings MTMH230-04.81, MTMH230-04.82 | Each | 1 | \$ | \$ |
| TOTAL BID PRICE | | | | | \$ |

Prices are F.O.B. the location specified in the Contract Documents. The Total Bid Price includes the cost of the Payment and Performance Bond required by Contract Documents but do not include Washington State and Local Taxes.

The above quantities are final quantities and shall be interpreted as the Contract Price. Payment shall be made by Bid Item for material and equipment delivered which conforms to these Contract Documents.

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 9. Yes No

Bidder shall deliver all materials/equipment in accordance with Section SR-2. Yes No

If "No" is checked above, all materials/equipment shall be delivered by _____. If proposing an alternate date of delivery, please see Instructions to Bidders Section 7, Bid Evaluation for Bids specifying delivery later than the date stated in Section SR-2.

Bidder shall comply with the requirements of Section SR-2. Yes No

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

To help the District better understand the impacts of delivery and supply chain delays, please indicate what the Bidder can commit to for the quantities listed in Section SR-1 with consideration of the anticipated order dates listed in Section SR-2.

| Bid Item No. | Requested Date | Unit Type | Qty. | Can Bidder deliver all units by Requested Date? | If no, can any quantities be delivered by Requested Date? | What combination of dates/quantities can Bidder commit to for supplying requested units? |
|---------------------|-----------------------|------------------|-------------|--|--|---|
| 1 | April 10, 2026 | Each | 1 | | | |
| 2 | April 10, 2026 | Each | 1 | | | |
| 3 | April 10, 2026 | Each | 1 | | | |
| 4 | April 10, 2026 | Each | 1 | | | |
| 5 | April 10, 2026 | Each | 5 | | | |
| 6 | April 10, 2026 | Each | 7 | | | |
| 7 | April 10, 2026 | Each | 10 | | | |
| 8 | April 10, 2026 | Each | 2 | | | |
| 9 | April 10, 2026 | Each | 1 | | | |
| 10 | April 10, 2026 | Each | 1 | | | |
| 11 | April 10, 2026 | Each | 1 | | | |
| 12 | April 10, 2026 | Each | 1 | | | |
| 13 | April 10, 2026 | Each | 1 | | | |
| 14 | April 10, 2026 | Each | 1 | | | |
| 15 | April 10, 2026 | Each | 1 | | | |

| Bid Item No. | Requested Date | Unit Type | Qty. | Can Bidder deliver all units by Requested Date? | If no, can any quantities be delivered by Requested Date? | What combination of dates/quantities can Bidder commit to for supplying requested units? |
|---------------------|-----------------------|------------------|-------------|--|--|---|
| 16 | April 10, 2026 | Each | 1 | | | |
| 17 | April 10, 2026 | Each | 1 | | | |
| 18 | April 10, 2026 | Each | 1 | | | |
| 19 | April 10, 2026 | Each | 1 | | | |
| 20 | April 10, 2026 | Each | 1 | | | |
| 21 | April 10, 2026 | Each | 12 | | | |
| 22 | April 10, 2026 | Each | 1 | | | |
| 23 | April 10, 2026 | Each | 1 | | | |
| 24 | April 10, 2026 | Each | 1 | | | |
| 25 | April 10, 2026 | Each | 1 | | | |
| 26 | April 10, 2026 | Each | 1 | | | |
| 27 | April 10, 2026 | Each | 1 | | | |
| 28 | April 10, 2026 | Each | 1 | | | |
| 29 | April 10, 2026 | Each | 1 | | | |
| 30 | April 10, 2026 | Each | 1 | | | |
| 31 | April 10, 2026 | Each | 1 | | | |
| 32 | April 10, 2026 | Each | 1 | | | |

| Bid Item No. | Requested Date | Unit Type | Qty. | Can Bidder deliver all units by Requested Date? | If no, can any quantities be delivered by Requested Date? | What combination of dates/quantities can Bidder commit to for supplying requested units? |
|--------------|----------------|-----------|------|---|---|--|
| 33 | April 10, 2026 | Each | 1 | | | |
| 34 | April 10, 2026 | Each | 1 | | | |

| | |
|--|--|
| Bidder (full legal name): | |
| Street Address: | |
| Mailing Address: | |
| City, State, and Zip Code: | |
| Phone: | |
| Email: | |
| <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> | |
| Washington State Unified Business Identifier (UBI) No. | |
| Washington State Sales Tax ID Number | |

We hereby certify that we are not required to have a Washington State Sales Tax Identification Number for this work:

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

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

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:

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

1. **SCOPE OF WORK** - The Contractor agrees to furnish Steel Structures in the manner and form provided by the Contract Documents 170-12475 made a part hereof, entitled Furnishing Steel Structures for the Quincy Transmission Expansion Project.
2. **DELIVERY** - The Contractor shall deliver the equipment/materials, F.O.B. the District's specified location within Grant County, WA. The Contractor shall deliver the equipment/materials on or before the dates specified in these Contract Documents; failure to do so shall result in damage to the District. Liquidated damages for late delivery shall be applicable as provided in Section SR-2. Any such liquidated damages shall be deducted from any money due the Contractor.
3. **PAYMENT** - The District agrees to pay the Contractor for the equipment/materials to be provided the sum of \$ _____, 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 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-10, the following changes are hereby incorporated into this Contract:

- A. Description of Change:

- B. Time of Completion: The revised delivery date shall be _____. Liquidated damages, if any, shall be assessed based on the revised completion date.
OR
 The delivery date shall remain _____.

- C. Contract Price Adjustment: As a result of this Change Order, the Contract Price shall remain unchanged (be increased/decreased by the sum of \$_____ plus 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 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” – CONTRACT DRAWINGS

The Contract Drawings will be posted as a separate document on the District’s ProcureWare web site.

EXHIBIT "G" – CERTIFICATE OF COMPLETION AND RELEASE

FROM: _____
(Contractor)

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

Contract No. _____, 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 “H” – 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 "I" – 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 "J" – DISTRICT INSTRUCTIONS

No. _____

| | | | |
|---------------|-----------|------------------------------|--|
| Contract No.: | 170-12475 | 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:

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: _____

COMMERCIAL EVALUATION

| | | | |
|----------------------|-----------|------------------------|---|
| Contract No.: | 170-12475 | Contract Title: | Furnishing Steel Structures for the Quincy Transmission Expansion Project |
|----------------------|-----------|------------------------|---|

| | | | |
|---|-----|-------------------------|-----------------------|
| Bid Opening Date | | 1/29/2025 | |
| Total No. of Bidders: | | 4 | |
| Was prequalification required for bidding? | | No | |
| No. of potential Bidders who obtained the Bid documents: | | 59 | |
| Was this Bid advertised in the newspaper? | Yes | If yes, where? | Columbia Basin Herald |
| Addenda issued? | Yes | If yes, how many | 2 |

Additional Information

| |
|--|
| |
|--|

| | |
|-----------------------|------------------------|
| Cost Estimate: | \$10,000,000.00 |
|-----------------------|------------------------|

Bidders

| | | | |
|---------------------------------|-------------------------|--------------------------------|-------------|
| Name of Bidder: | Western Utility Telecom | | |
| Total Bid Price: | \$3,758,418.00 | Bid Security: | Bid Bond |
| Signature Certification: | NA | Delivery / Completion: | As required |
| Addendum Received: | Yes | Bidder's Data Provided: | Yes |
| Commercially Compliant? | Yes | Technically Compliant? | Yes |

Additional Information:

| |
|--|
| *Commercially compliant pending Derek's confirmation Bidder is compliant with Bidders Data requirements. |
|--|

| | | | |
|---------------------------------|--------------------|--------------------------------|----------------------------|
| Name of Bidder: | Valmont Industries | | |
| Total Bid Price: | \$3,783,280.00 | Bid Security: | Bid Bond |
| Signature Certification: | NA | Delivery / Completion: | As required |
| Addendum Received: | Yes | Bidder's Data Provided: | No |
| Commercially Compliant? | No (see below) | Technically Compliant? | No (see add'l information) |

Additional Information:

| |
|---|
| Bid Form not complete – Quote details provided separately. Exceptions – Cancellation Clause provided and Valmont T&Cs Exception to SR-2 – Automatic rejection |
|---|

| | | | |
|---------------------------------|----------------|--------------------------------|-------------|
| Name of Bidder: | MVA Power | | |
| Total Bid Price: | \$4,086,832.28 | Bid Security: | Bid Bond |
| Signature Certification: | NA | Delivery / Completion: | As required |
| Addendum Received: | Yes | Bidder's Data Provided: | Yes |
| Commercially Compliant? | Yes | Technically Compliant? | N/A |

Additional Information:

| |
|--|
| <p>*Derek – Please confirm they are compliant with Technical requirements of Section ITB. 8 – Bidders Data</p> <p>*See note from Bidder on page 49/203 regarding Summary of Design of Steel Poles document – No access to USB Drive – Could send separately.</p> |
|--|

| | | | |
|---------------------------------|-------------------------------------|--------------------------------|----------------------------|
| Name of Bidder: | TransAmerican Power Products (TAPP) | | |
| Total Bid Price: | \$4,228,623.00 | Bid Security: | Bid Bond |
| Signature Certification: | NA | Delivery / Completion: | As required |
| Addendum Received: | Yes | Bidder's Data Provided: | Yes |
| Commercially Compliant? | Yes | Technically Compliant? | No (see add'l information) |

Additional Information:

| |
|--|
| <p>*See delivery exceptions in Table on pages 32, 33, and 34</p> <p>*Derek – please confirm all of Bidders Data requirements have been met</p> |
|--|

For Commission Review – 03/11/2025

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute new Contract Agreement 430-12302R-A HDR Engineering, Inc. with HDR Engineering, Inc. in the amount not to exceed \$600,000 for services to support Energy Supply Management (ESM) Research Department.

xxxx

MEMORANDUM

February 26, 2025

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: John Mertlich, Chief Commercial Officer JM
Andrew Munro, Senior Manager – ESM Industry & Market Research AM
Dawn Van Diest, Attorney ESM DVD
Dawn Van Diest

FROM: Kevin Marshall, Project Specialist X KM
David Dempsey, Engineer IV DTD
DTD
Bryce Greenfield, Engineer IV BG

SUBJECT: Award of Contracts 430-12302R-A and 430-12302R-B for Engineering Services

Purpose: To request Commission approval to award Engineering Contracts 430-12302R-A and 430-12302R-B.

Background:

- Contract 430-12302R-A is recommended to be awarded to HDR, Inc. for engineering services to support the Energy Supply Management (ESM) Research Department in the amount of \$600,000.
- Contract 430-12302R-B is recommended to be awarded to Stantec Consulting Services, Inc. for engineering services to support the ESM Research Department in the amount of \$600,000.
- These engineering contracts are essential to support the District's ongoing discovery work to identify the most commercially viable and economically feasible energy generation and energy storage projects. These efforts are critical to meeting the growing energy demand in Grant County and ensuring future energy security for our customers.
- A third contract for additional engineering services is currently under negotiation. Assuming that the negotiations are successful, this contract will also be awarded in the amount of \$600,000 (Contract 430-12302R-C).

Discussion:

A Request for Proposals (RFP) was initially issued in early 2024 to support the ESM Research Department in evaluating potential energy generation and energy storage projects. However, the RFP was withdrawn when it was determined Grant PUD may seek federal funding for these services in the future. As a result, the procurement processes were revised to align with the federal procurement standards of 2 CFR 200, and the RFP was reissued as a Request for Qualifications (RFQ) accordingly.

The RFQ scope covers broad engineering services, reflecting the anticipated need for multiple engineering companies to adequately cover all necessary services for energy generation exploration. The RFQ includes the following service categories:

- **Category A:** Engineering support for technical evaluation of energy generation and energy storage technologies. The following eight technologies are included for evaluation:
 - Solar generation technologies.
 - Wind generation technologies.
 - Utility-scale battery technologies.
 - Hydrogen-based electrical generation technologies.
 - Natural gas generation technologies.
 - Pumped storage technologies/project evaluations.
 - Other generation technologies that the District may want to research.
 - Nuclear/Small Modular Reactor (SMR) Technologies.
- **Category B:** Engineering support services for technical evaluation of demand-side management.
- **Category C:** Engineering support services for site evaluations.
- **Category D:** Engineering support services for conceptual design and cost estimating.
- **Category E:** Support services for land and easement acquisitions.
- **Category F:** Miscellaneous Engineering support services for other research and evaluation needs.

The contracts are expected to be in effect until 12/31/2029.

The District has not needed to procure additional generation and capacity resources for decades. The Priest Rapids Project (PRP) has historically met these needs. However, due to increases in load demand and the limitations of the PRP, these contracts are vital for assessing and implementing new energy projects to meet both short-term and long-term energy generation and capacity requirements. Four firms submitted proposals on this RFQ. Staff determined the fourth firm was not qualified for this RFQ.

Justification:

- These contracts will provide essential assessments for potential energy generation projects, and engineering services to support approved projects.
- Without these contracts, internal staff lack the necessary expertise and support to evaluate and implement new generation and capacity projects. The District would have to solely rely on market purchases and external RFP responses for additional generation and capacity.
- Performing this work internally would require significant hiring, which would be both costly and inefficient. Engineering support contracts can provide subject matter expertise on an as-needed basis, reducing downtime and ensuring specialized expertise when required. Hiring staff internally to cover the full range of needed expertise would be impractical and

cost prohibitive. The research provided by these contracts will help the District establish the lowest cost options to meet our increasing load.

- These contracts are needed as utilities across the U.S. are facing similar challenges with new generation and capacity. Equipment suppliers already have significant backlogs and delays in initiating projects, which will push their timelines further out.
- This approach is consistent with the practices of other utilities in assessing and implementing new generation projects.

Financial Considerations:

- These contracts will help the District identify the least-cost options to meet growing load.
- These are cost plus fixed fee contracts. An Independent Cost Estimate has been performed, and the proposed consultant rates align within an acceptable range of 6 percent of the estimate.
- These contracts will be awarded for a five-year period.
- The rates in these contracts are aligned with previous contracts, accounting for inflation.
- This work is budgeted in the O&M budget within the ESM Research Department.
- Cost Center: KA5000, Budget Years: 2025-2029.
- Total cost to the District: \$1,800,000

Recommendation: It is recommended that the Commission approve the award of Engineering Contracts 430-12302R-A and 430-12302R-B to HDR, Inc. and Stantec Engineering Services, Inc., respectively, in the amount of \$600,000 each.

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

cc: Patrick Bishop
Lori Englehart-Jewell
Kristin Fleisher
Leah Mauceri
Beau Schwab

Signature: John Mertlich
Email: jmertlich@gcpud.org

Signature: Andrew Munro
Andrew Munro (Feb 26, 2025 15:56 PST)
Email: Amunro@gcpud.org

Signature: DvD
Dawn Van Diest (Feb 26, 2025 16:13 PST)
Email: dvandiest@gcpud.org

Signature: Kevin Marshall
Email: kmarsha@gcpud.org

Signature: Dave Dempsey
Dave Dempsey (Feb 26, 2025 16:00 PST)
Email: ddempsey@gcpud.org

Signature: BGreenfield
Brian Greenfield (Feb 26, 2025 15:59 PST)
Email: bgreenfield@gcpud.org

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement” or “Contract”), effective upon the date of the last signature below (“Effective Date”), is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and HDR Engineering, Inc. (“Contractor”);

Recitals:

The District desires to obtain professional consulting engineering services as needed to support the District’s Energy Supply Management (ESM) Research Group; and

The District's Chief Commercial Officer believes the Contractor will provide subject matter expertise and resources where the District may not have expertise in-house or does not have adequate internal resources to support the projects of; and

The Contractor, through an established review procedure as specified by RCW Chapter 39.80 and 2 CFR 200.320(b)(2)(iv), has been selected and is willing to provide services on the terms and conditions hereinafter stated.

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

1. Scope of Services

The Contractor shall function as a key techno-economic advisor to District leadership to ensure a sound business, engineering, and project management program is developed and executed and will augment the District’s technical and managerial capabilities. The Contractor shall provide technical knowledge, project management, project execution expertise, and risk management capabilities in support of the District’s project success.

The District may, at the District’s discretion, 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 initial scope of services for this Agreement is anticipated to include, but not necessarily be limited to, the following:

- A. Provide engineering support services for technical and economic evaluation of generation and energy storage technologies including, but not limited to:
 - 1. Solar generation technologies.
 - 2. Wind generation technologies.
 - 3. Utility scale battery technologies.
 - 4. Hydrogen electrical generation technologies.
 - 5. Natural gas generation technologies.
 - 6. Pumped storage technologies/project evaluations.
 - 7. Other generation technologies that the District may want to research.
 - 8. Small Modular Reactor Technologies.

The Contractor shall assist in identifying potential risks and mitigation recommendations.

- B. Provide engineering support services for technical and economic evaluation of demand side management including but not limited to:
1. Smart Grid.
 2. Evaluation of the District's existing AMI and fiber optic systems for use in demand side management.
 3. Other technologies as determined by the District.

The Contractor shall assist in identifying potential risks and mitigation recommendations.

- C. Provide engineering support services for site evaluations including, but not limited to:
1. Site Characterization studies (access, permitting, geotechnical, seismic, cultural, fish & wildlife, etc.).
 2. Evaluation of permitting requirements based on technologies being considered.
 3. Transmission connectivity requirements.
 4. Project planning and estimating.
- D. Provide engineering support services for conceptual design and estimating. This work potentially includes all technologies identified.
- E. Provide support services for land and easement acquisition including, but not limited to:
1. Determination of ownership for land and improvements.
 2. Determination of existing easements, permits, etc.
 3. Preparation of appraisals for parcels and, if appropriate, affected improvements.
 4. Preparation of recommendations to District for offers to be made on appropriate easements.
 5. Negotiation with owners; secure appropriate acquisition options and easements in properly recordable form with necessary signatures; and pay consideration.
- F. Miscellaneous engineering support services for other research and evaluation needs
1. Risk identification and mitigation.
 2. Research into emerging technologies as directed by the District.
 3. Future District identified needs for engineering support.

Additional work to be performed under future phases may include developing final designs, providing plans, specifications, construction cost estimates, construction schedules, and services during construction for the projects.

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 6 to complete any work already initiated and/or authorized under the original term and scope of the Contract.

2. Applicability of Federal Requirements

This Agreement may be funded using federal funds and subject to one or more financial assistance agreements between the District and a federal awarding agency. The provisions of Appendix "F", Federal Requirements, are required and applied when the District utilizes federal funds to pay for a contractor's performance under any contract. Accordingly, the Contractor agrees that the terms

and conditions in Appendix "F" apply to this Agreement between the District and the Contractor in all situations where the Contractor has been paid or will be paid with federal funds.

3. 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.

4. Term - Schedule

This Agreement shall remain in full force and effect until December 31, 2029 or until terminated pursuant to Section 18.

5. Compensation and Payment

- A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in Appendix "A.1", 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. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of \$600,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 6 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, a detailed description of the work performed, and a report of what percentage of total labor hours by Contractor and each and every Subcontractor/Subconsultant of the Contractor were performed by small and diverse businesses during the billing period. Any Labor Categories or reimbursable expenses shall be included on the invoice (see Appendix "A.1" and "A.2").

- 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).
- 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.

6. 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.

7. 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.

8. 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.

9. Insurance

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.

A. 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.
- 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 \$2,000,000 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 form 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 redacted 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.

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

11. 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.

12. 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 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.

13. 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.

14. 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.

15. Subcontracts/Purchases

- A. The Contractor is authorized to enter into subcontracts required for the work. Any subcontracts shall be approved in advance by the District Representative and Procurement Officer. The Contractor is not authorized to make any purchases of materials or equipment other than those specified as other direct costs in Appendix “A.1” and mutually agreed to on the execution date of this Agreement.
- B. The Contractor shall consider that this Contract may be federally funded in whole or in part and may therefore be subject to certain federal provisions. Further, a federal awarding agency may require that certain terms and conditions of this Contract be included in all subcontracts. The Contractor shall be responsible for ensuring all applicable mandatory federal awarding agency provisions are included in all subcontracts. These mandatory provisions are set forth in Appendix “F”, Federal Requirements. The Contractor shall bear full responsibility for delays in performing the work if subcontractor agreements fail to include all applicable provisions.
- C. In the event subcontracts other than those specified in Appendix “A.1” are required for the work, Contractor shall obtain three quotes and submit to the District Representative and Procurement Officer for approval prior to entering into such subcontracts. 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. A copy of the invoice showing actual cost must be submitted with the Contractor’s invoice to the District.

16. 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.

District
 Kevin Marshall
 Public Utility District No. 2
 of Grant County, Washington PO Box 878
 154 A Street SE, Ephrata, WA 98823
 509-760-9046
kmarsha@gcpud.org

Contractor
 Mark Jones
 HDR Engineering, Inc.
 1050 SW 6th Ave., Suite 1800
 Portland, OR 97204-1134
 503-423-3810
mark.jones@hdrinc.com

For purposes of technical communications and work coordination only, the District designates Kevin Marshall 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 6 to be valid and binding on the District.

17. License and Delivery of Works Subject to Copyright and Data Rights

The Contractor grants to the District, a paid-up, royalty-free, nonexclusive, irrevocable, worldwide license in data first produced in the performance of this Contract to reproduce, publish, or otherwise use, including prepare derivative works, distribute copies to the public, and perform publicly and display publicly such data. For data required by the Contract but not first produced in the performance of this Contract, the Contractor will identify such data and grant to the District or acquire on its behalf a license of the same scope as for data first produced in the performance of this Contract. Data, as used herein, shall include any work subject to copyright under 17 U.S.C. § 102, for example, any written reports or literary works, software and/or source code, music, choreography, pictures or images, graphics, sculptures, videos, motion pictures or other audiovisual works, sound and/or video recordings, and architectural works. Upon or before the completion of this Contract, the Contractor will deliver to the District data first produced in the performance of this Contract and data required by the Contract but not first produced in the performance of this Contract in formats acceptable by the District. Any modification or reuse of such data by District for purposes other than those intended by this Agreement shall be at District's sole risk and without liability to the Contractor.

18. 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.
- A. In the event of Contractor's breach or abandonment of this Contract, the District may, after providing Contractor written notice of the breach and a period of 10 days to cure, 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.

19. 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.

20. Project Documentation Transfer Methods

- A. The District requires use of the District O365 SharePoint site for all letters, requests for information, safety reports, submittals (except samples), transmittals, and test reports. The requirement to use the District O365 SharePoint site for delivery of these documents supersedes any other requirements for document delivery in the Contract Documents.
- B. The District and Contractor shall mutually agree on the user list for the O365 SharePoint site. All users shall be set up with an individual user name and password after the Contractor has provided a signed "Remote Access Application Form and Computer System Remote Access User Security Agreement" for each user.

- C. All files shall be placed in the correct library corresponding to the subject matter of the file. The following libraries shall be setup by the District: Change Order, Change Order Proposal, District Instruction, Invoices, Letters from Contractor, Letters from District, Meeting Minutes, Request for Information, Safety Reports-Accidents, Schedules, Signed Documents, Submittal, Test Reports, Transmittals, Task Authorization. Original signed Change Orders must also be physically sent to the attention of the Procurement Officer. The District reserves the right to create or delete libraries based on the project documentation requirements. Files stored on the District's O365 SharePoint site shall remain on the O365 SharePoint site for the duration of the project.
 - D. File names shall be as follows, where Y indicates a sequential number starting with 1, A indicates a sequential alpha character for each revision – A = first revision, B = second revision, etc. The following abbreviations may be used: "RFI" for "Request for Information".
 - 1. Change Order Proposals: "Change Order Proposal Y"
 - 2. Letters: "Letter from Contractor Y"
 - 3. Requests for Information: "Request for Information Y" or "RFI Y"
 - 4. Resubmitted Requests for Information: "Request for Information YA" or "RFI YA"
 - 5. Safety/Accident Reports: "Safety Report Y"
 - 6. Submittals: "Submittal Y"
 - 7. Resubmitted Submittals: "Submittal YA"
 - 8. Test Reports: "Test Report Y"
 - E. The receipt date for all documents shall be the same date as indicated by the District O365 SharePoint file posting date unless the documents are placed on the District O365 SharePoint site after 2 p.m. Pacific Standard Time, then the document receipt date shall be set as the following business day.
 - F. If for any reason the District O365 SharePoint site is not functional, then the Contractor shall send hard copies for review; see Technical Specifications for number of copies required. No extensions or claims shall be granted if the District's O365 SharePoint site is not functional.
21. Environmentally Preferable Products, Services, and Practices
- A. In the performance of work under this Contract, the Contractor shall exert its best efforts to provide its services in a manner that will promote the natural environment and protect the health and wellbeing of District employees, contracted service providers, the public, and visitors using District facilities.
 - B. Definitions as used in this Section 21:

"Environmentally preferable" means products or services that have a reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.

“Green Purchasing” means making thoughtful, strategic decisions to buy goods and services that have less negative environmental and health impacts than similar products or services.

- C. Green purchasing and environmentally preferable products and services include several interconnected initiatives which are subject to and are described by the following government and industry procurement programs:
1. Products containing recovered material designated by the U.S. Environmental Protection Agency (EPA) under the Comprehensive Procurement Guidelines ([42 U.S.C. 6962](#)) ([40 CFR Part 247](#)) ([Comprehensive Procurement Guideline \(CPG\) Program | US EPA](#)).
 2. Energy- and water-efficient products that are ENERGY STAR® certified or Federal Energy Management Program (FEMP)-designated products ([42 U.S.C 8259b](#)) ([10 CFR part 436, subpart C](#)) (<https://www.energy.gov/femp/search-energy-efficient-products> and <https://www.energystar.gov/products?s=mega>).
 3. Acceptable chemicals, products, and manufacturing processes listed under EPA's Significant New Alternatives Policy (SNAP) program, which ensures a safe and smooth transition away from substances that contribute to the depletion of stratospheric ozone ([42 U.S.C. 76711](#)) ([40 CFR part 82, subpart G](#)) (<https://www.epa.gov/snap>).
 4. WaterSense® labeled (water efficient) products and services (<https://www.epa.gov/watersense/watersense-products>).
 5. Safer Choice-certified products (products that contain safer chemical ingredients) (<https://www.epa.gov/saferchoice/products>).
 6. Product and services that meet EPA Recommendations of Specifications, Standards, and Ecolabels in effect as of October 2023 (<https://www.epa.gov/greenerproducts/recommendations-specifications-standards-and-ecolabels-federal-purchasing>).
- The Green Procurement Compilation (GPC) available at <https://sftool.gov/greenprocurement> provides a comprehensive list of sustainable products and services and sustainable procurement guidance. The Contractor should review the GPC when determining which programs apply to a specific product or service.
- D. To the extent that design services provided by the Contractor require the specification of any of these types of products, the Contractor is expected to specify the environmentally preferable type of product unless that type of product is not available competitively within a reasonable time, at a reasonable price, is not life cycle cost efficient in the case of energy consuming products or does not meet reasonable performance standards.
- E. The Contractor shall use recycled paper for the production of all printed and photocopied documents related to the fulfillment of this Contract. If the cost of recycled paper is more than 15 percent higher than the cost of non-recycled paper, the Contractor shall notify the District Representative, who may waive the recycled paper requirement.

The Contractor agrees to use both sides of paper for copying and printing, and to use recycled and/or recyclable products wherever practical.

22. Utilization of Small and Diverse Businesses

- A. The Contractor has committed to the aspirational goals identified in its Subcontractor/Subconsultant Inclusion Plan (SIP) & Commitment Form executed as part of the RFQ process (RFQ Attachment C) and incorporated herein by reference.
- B. For purposes of award and performance of the Contract, the aspirational goals are expressed as a percentage of the total Contract Price to be performed by small and diverse businesses over the life of this Agreement.
- C. The Contractor shall make good faith efforts to meet or exceed its aspirational goals in the performance of this Contract. The Contractor may count their own participation and any participation from subcontractors and/or subconsultants, as applicable, towards aspirational goals in this Contract.
- D. Certification Requirements: Small and diverse businesses proposed in the Contractor's SIP must meet, at the time Statements of Qualifications are due, the requirements under RCW 39.26.010(22), or be registered in the federal government's System for Award Management (SAM) as a Small Business Administration (SBA) certified business eligible for contracts that are reserved for small businesses, or be located in an area designated in the current U.S. Department of Labor (DOL) Labor Surplus Area (LSA) list (see <https://www.dol.gov/agencies/eta/lsa>).
- E. Upon Contract award, and if applicable, the Contractor shall provide District Supplier Diversity Program staff, copies of the Contractor's and subcontractors and/or subconsultants, as applicable, business certifications from the Washington State Office of Minority and Women's Business Enterprises (OMWBE) or SBA. If the Contractor's, a subcontractor's, or a subconsultant's business is not certified through OMWBE, SBA, or it is self-certified, the Contractor shall provide the District's Supplier Diversity Program staff verifying tax documentation for audit purposes in order to count the business towards the small and diverse business goal commitment.
- F. If, during the progress of the work, a business listed by the Contractor in its SIP is determined not to meet the small and diverse business eligibility criteria, the utilization of said business will not be counted toward the fulfillment of the Contractor's SIP. The Contractor shall substitute another business that meets the small and diverse business eligibility provisions outlined above to maintain its commitment to small and diverse business participation. Such substitution shall be at no additional cost to the District.
- G. During Contract performance, if the Contractor is not meeting its aspirational goals or making satisfactory progress towards the objectives identified in its SIP, the District may request submission of a corrective action plan. The Contractor shall submit a corrective action plan within ten days of a written request from the District. The correction action plan shall contain the following elements:
 - 1. An explanation of the circumstances contributing to the aspirational goal shortfall.
 - 2. A summary of the impacts to small and diverse businesses on the project due to the

shortfall.

3. A detailed list of actions that the Contractor will take to correct the shortfall and meet the aspirational goals for small and diverse participation for the project.
4. A summary of the status of activities and actions identified in its SIP and the effectiveness of each one toward meeting the aspirational goals.

If the District determines that the corrective action plan submitted by the Contractor is unsatisfactory, the District may withhold payments, or terminate the contract for default.

- H. The obligation of the Contractor is to make Good Faith Efforts to meet its aspirational goals for small and diverse business participation.

For purpose of this clause:

“Good Faith Efforts” means efforts to achieve a goal or other elements of the Contractor’s SIP that, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to meet the SIP requirements.

The Contractor can demonstrate that it has achieved this objective by either meeting its aspirational goals or documenting its Good Faith Efforts. If the Contractor does not meet its aspirational goals, the District will make a determination on whether the Contractor made adequate Good Faith Efforts to meet the stated goals. The District will consider the quality, quantity, and intensity of the documented Good Faith Efforts made by the Contractor. The District will not consider mere pro forma efforts as Good Faith Efforts.

23. Project Management Contractor Participation

- A. 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.
- B. 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.

24. 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 to 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.

25. 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.

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.

26. Protected Information

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 Appendix “E”. In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the District has identified and designated certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as “Protected Information”). Because of the sensitive nature of certain District Protected Information that could be used in this Contract, Contractor is bound by the terms and conditions set forth in the Non-Disclosure Agreement (NDA) executed at the time of this Agreement (Appendix “D”).

27. Background Checks

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before the District will grant such individuals access to secure areas of District facilities or electronic access to Bulk Electric System Cyber Assets 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.

In the event the District determines in its sole discretion that an individual is unsatisfactory to the District or fails to provide a background check as requested by the District, the District reserves the right to require the Contractor to remove such individual from the job site and/or to exclude such individual from having any access to SSI, Bulk Electric System Cyber Assets, CEII, or BCSI.

28. Qualification of Contractor’s Access and Personnel Change Approval

The District reserves the right to deny any Contractor or employee thereof access to District facilities or Protected Information at the District’s sole discretion. The District will be the sole judge of such effect. All Contractors and employees thereof shall be subject to the nondisclosure provisions of this Contract.

The District reserves the right to conduct or to require Contractor to conduct criminal background checks, provide an identity validation document (I-9, Social Security card, driver’s license) and complete the District provided training for its employee(s) before the District will grant such individuals access to secure areas of District facilities. 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. Contractor shall execute one certification for each employee requiring a background check on the form provided by the District and attached hereto as Appendix “E”. The cost of such background checks shall be borne by the Contractor. For access to Protected Information relating to Critical Infrastructure Protection, the District reserves the right to require certificate of completion from the District-provided training for each employee before the District will grant access to such individuals.

In the event the District determines in its sole discretion that an individual or Contractor is unsatisfactory or fails to provide a background check as requested by the District, or fails to provide the information listed above, the District reserves the right to exclude such individual or Contractor from secure areas and/or from having any access to Protected Information.

29. CIP Training

All persons receiving Protected Information or having access to secured sites shall complete CIP training prior to receiving such access and periodically, but no less than annually, thereafter. CIP training is conducted by the Reliability Compliance (RC) Department through a learning management system. The learning management system privileges will be coordinated between the District Representative and the RC Department.

30. 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 18.

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 for work within their scope. 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 three years after completion of all work.
- 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. The Contractor's Safety Information submitted during the RFQ process (see RFQ Attachment "B") is incorporated herein by reference. The District reserves the right to request updated Contractor safety information at any time during the performance of this Contract.
31. Contractor's observation or monitory portions of the work performed under construction contracts shall no relieve the construction contract from its responsibility for performing work in accordance with applicable contract documents. Contractor shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs precautions connected with the work and shall not manage, supervise, control or have charge of construction. Contractor shall not be responsible for acts or omissions of the construction contractor or other parties on the project.
 32. Contractor shall not be liable to the District either in contract or in tort (including negligence or strict liability) for consequential damages consisting of the Districts loss of profits, its loss of revenue or its cost of replacement power. Contractor's total liability to the District with respect to (a) any breach of contract or default, (b) negligence, or (c) strict liability shall not exceed \$5,000,000.00 provided that this total liability limit shall not apply to damages covered by Contractor's insurance coverages, nor from insurance claims, as required in Section 8 with the exception of Professional Liability.

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

HDR Engineering, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX "A.1"
RATE SCHEDULE

Reference RFQ Attachment "I" Price Proposal dated November 19, 2024.

**APPENDIX “A.2”
DIRECT, REIMBURSABLE EXPENSES, & OTHER DIRECT COSTS**

DIRECT EXPENSES:

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 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. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at 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 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.

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

Notes:

- 1. When applicable, monthly invoices will be reviewed to confirm allowability, reasonableness, and proper allocability according to federal cost/price principles in accordance with 2 CFR 200, Subpart E and the Appendix “A.1” Rate Schedule, mutually agreed to on the execution date of this Agreement.**
- 2. 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 6, 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

HDR Engineering, Inc.

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.: | 430-12302R | 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:

Compensation is to be paid in accordance with and subject to the limitations in Section 5.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

HDR Engineering, Inc.

Approved for District

Accepted by Contractor

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: District Representative

Title: _____

Date: _____

Date: _____

APPENDIX "D"
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 HDR Engineering, Inc., ("Contractor"), sometimes collectively referred to as the "Parties."

RECITALS

The District has identified and designated certain information as confidential. For purposes of this Agreement, "Protected Information" includes:

- District customer information protected under RCW 19.29A, Consumers of Electricity;
- District employee information;
- District vendor information;
- 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 RCW 42.56, 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 a need to know 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, provided that employees who are required to maintain confidentiality pursuant to corporate policy are not required to execute an NDA; and
 - C. Use the Protected Information provided hereunder only for purposes directly related to performance of the work Contract 430-12302R-A.
 - 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.
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: Beau Schwab, 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 may result in irreparable injury to the District for which there may 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 Agreement 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: Name: _____

 Address: _____

 Phone: _____

 Email: _____

 Signature: _____

 Print Name: _____

 Title: _____

 Date: _____

EXHIBIT "A"
DEFINITIONS 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.



APPENDIX "E"
BACKGROUND CHECK/IDENTITY VERIFICATION BY CONTRACTOR/VENDOR

Contractor Name: HDR Engineering, Inc. Date:
Contract Number: 430-12302R-A 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 seven year criminal history records check, a current residence check and a residence check at other locations where, during the seven years immediately prior to the date of the criminal history records check, the employee has resided for six 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)

Table with 5 columns: 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

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: _____

APPENDIX "F"
FEDERAL REQUIREMENTS

1. Termination for Cause
 - A. Any violation or breach of terms of this Contract on the part of the Contractor or the Contractor's subcontractors or subconsultants may result in the suspension or termination of this Contract in accordance with Section 18 or such other action that may be necessary to enforce the rights of the District, including but not limited to debarment as a contractor and a subcontractor.
 - B. Subcontracts or subconsultant agreements exceeding the federal simplified acquisition threshold, currently set at \$250,000, must contain a clause addressing administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for sanctions and penalties as appropriate. See 2 C.F.R. Part 200, Appendix II(A).
 - C. All subcontracts or subrecipient agreements in excess of \$10,000 must address termination for cause by the subcontractor and/or subconsultant, including the manner by which it will be affected and the basis for settlement. See 2 C.F.R. Part 200, Appendix II(B).
2. Termination for Convenience
 - A. The District reserves the right to terminate this Contract for convenience in accordance with Section 18 if the District believes, in its sole discretion, that it is in the best interest of the District to do so.
 - B. All subcontracts or subrecipient agreements in excess of \$10,000 must address termination for convenience by the subcontractor and/or subconsultant, including the manner by which it will be affected and the basis for settlement. See 2 C.F.R. Part 200, Appendix II(B).
3. Mediation. In the event a dispute arises between the parties regarding this Agreement, either party (first party) may submit the issue to mediation by selecting a mediator and notifying the other party (second party) of the selection. The second party shall either approve such mediator and proceed to mediation or select an alternate mediator. Second party shall notify the first party of such acceptance or selection within seven days of the first notification. Upon receiving notification of the selection of an alternate mediator, the first party shall then approve the mediator and proceed to mediation or reject the alternate mediator. First party shall notify second party of such approval or rejection within seven days of receipt of the notice from second party. In the case of rejection, the first two selected mediators shall select a third mediator. The third mediator shall mediate the dispute. The mediator shall be familiar with design and construction of electrical utilities, electrical generation plants, and commercial transactions in Grant County, Washington. The mediator shall not be related to either party by blood or marriage to a principal or owner of either party and shall have no economic interest direct or indirect with either party. Mediation shall take place within as soon as possible after the mediator has been selected. The parties shall split the cost of mediation.
4. Arbitration. In the event that a dispute is not resolved by mediation pursuant to the terms of preceding paragraph, either party (first party) may submit the issue to arbitration by selecting an arbitrator and notifying the other party (second party) of the selection. The second party shall either approve such arbitrator and proceed to arbitration or select an alternate arbitrator. Second party shall notify the first party of such acceptance or selection within seven days of the first notification. Upon receiving notification of the selection of an alternate arbitrator, the first party shall then approve the arbitrator and proceed to arbitration or reject the alternate arbitrator. First party shall notify second party of such approval or rejection within seven days of receipt of the notice from second party. In the case of rejection, the first two selected arbitrators shall select a third arbitrator. The third arbitrator shall arbitrate the dispute. The arbitrator shall be familiar with design and construction of electrical utilities, electrical generation plants, and commercial transactions in Grant County, Washington. The arbitrator shall not be related to either party by blood or marriage to a principal or owner of either party and shall have no economic interest direct or indirect with either party. The arbitration hearing shall take place as soon as possible after the arbitrator

has been named. The decision of the arbitrator shall be made within seven days after the arbitration hearing and shall be binding upon the parties. The parties shall split the cost of arbitration.

5. Conflict of Interest

By submission of its SOQ, and consistent with the District’s Code of Ethics, the Contractor certifies (and shall require each Subcontractor and/or Subconsultant to certify) that it has no direct or indirect financial or proprietary interest, and that it shall not acquire any such interest, which conflicts in any manner or degree with the work, services or materials required to be performed and/or provided under this Contract and that it shall not employ any person or agent having any such interest (see Conflict of Interest Certification executed as part of the RFQ process (RFQ Attachment “E”), which is incorporated herein by reference). In the event that the Contractor or its agents, employees or representatives hereafter acquires such a conflict of interest, the Contractor shall immediately disclose such interest in writing to the District and take action immediately to eliminate the conflict or to withdraw from this Contract, as the District may require. The Contractor shall not employ any consultant who is concurrently employed by the District or by the District’s consultants (including, but not limited to, surveyors, engineers, architects, and testing laboratories), without first obtaining the District’s approval in writing.

6. Rights to Inventions Made Under a Contract or Agreement

STANDARD PATENT RIGHTS

(a) Definitions

(1) Invention means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code, or any novel variety of plant which is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).

(2) Subject invention means any invention of the contractor conceived or first actually reduced to practice in the performance of work under this Contract, provided that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d)) must also occur during the period of contract performance.

(3) Practical Application means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or government regulations, available to the public on reasonable terms.

(4) Made when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) Small Business Firm means a small business concern as defined at section 2 of Pub. L. 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively, will be used.

(6) Nonprofit Organization means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c) and exempt from taxation under section 501(a) of the Internal Revenue Code (25 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

(7) Statutory period means the one-year period before the effective filing date of a claimed invention in a patent application during which exceptions to prior art exist per 35 U.S.C. 102(b) as amended by the Leahy-Smith America Invents Act, Public Law 112-29.

(8) Contractor means any person, small business firm, or nonprofit organization, or, as set forth in section 1, paragraph (b)(4) of Executive Order 12591, as amended, any business firm regardless of size, which is a party to a funding agreement.

(b) Allocation of Principal Rights

The Contractor may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the Contractor retains title, the Federal government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

(c) Invention Disclosure, Election of Title and Filing of Patent Application by Contractor

(1) The Contractor will disclose each subject invention to the Federal agency within two months after the inventor discloses it in writing to Contractor personnel responsible for patent matters. The disclosure to the agency shall be in the form of a written report and shall identify the contract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention, and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the agency, the Contractor will promptly notify the agency of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the Contractor. If required by the Federal agency, the Contractor will provide periodic (but no more frequently than annual) listings of all subject inventions which were disclosed to the agency during the period covered by the report, and will provide a report prior to the close-out of a funding agreement listing all subject inventions or stating that there were none.

(2) The Contractor will elect in writing whether or not to retain title to any such invention by notifying the Federal agency within two years of disclosure to the Federal agency. However, in any case where a patent, a printed publication, public use, sale, or other availability to the public has initiated the one-year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by the agency to a date that is no more than 60 days prior to the end of the statutory period.

(3)(i) The Contractor will file its initial patent application on a subject invention to which it elects to retain title within one year after election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use.

(ii) If the Contractor files a provisional application as its initial patent application, it shall file a nonprovisional application within 10 months of the filing of the provisional application. So long as there is a pending patent application for the subject invention and the statutory period wherein valid patent protection can be obtained in the United States has not expired, additional provisional applications may be filed within the initial 10 months or any extension period granted under paragraph (c)(5) of this clause. If an extension(s) is granted under paragraph (c)(5) of this clause, the Contractor shall file a nonprovisional patent application prior to the expiration of the extension(s) or notify the agency of any decision not to file a nonprovisional application prior to the expiration of the extension(s), or if earlier, 60 days prior to the end of any statutory period wherein valid patent protection can be obtained in the United States.

(iii) The Contractor will file patent applications in additional countries or international patent offices within either ten months of the first filed patent application or six months from the date permission is granted by the Commissioner of Patents to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(iv) If required by the Federal agency, the Contractor will provide the filing date, patent application number and title; a copy of the patent application; and patent number and issue date for any subject invention in any country in which the Contractor has applied for a patent.

(4) For any subject invention with Federal agency and Contractor co-inventors, where the Federal agency employing such co-inventor determines that it would be in the interest of the government, pursuant to 35 U.S.C. 207(a)(3), to file an initial patent application on the subject invention, the Federal agency employing such co-inventor, at its discretion and in consultation with the Contractor, may file such application at its own expense, provided that the Contractor retains the ability to elect title pursuant to 35 U.S.C. 202(a).

(5) Requests for extension of the time for disclosure, election, and filing under paragraphs (1), (2), and (3) of this clause may, at the discretion of the Federal agency, be granted. When a Contractor has requested an extension for filing a non-provisional application after filing a provisional application, a one-year extension will be granted unless the Federal agency notifies the Contractor within 60 days of receiving the request.

(6) In the event a subject invention is made under funding agreements of more than one agency, at the request of the Contractor or on their own initiative the agencies shall designate one agency as responsible for administration of the rights of the government in the invention.

(d) Conditions When the Government May Obtain Title

(1) A Federal agency may require the Contractor to convey title to the Federal agency of any subject invention -

(i) If the Contractor fails to disclose or elect title to the subject invention within the times specified in paragraph (c) of this clause or elects not to retain title.

(ii) In those countries in which the contractor fails to file patent applications within the times specified in paragraph (c) of this clause; provided, however, that if the Contractor has filed a patent application in a country after the times specified in paragraph (c) of this clause, but prior to its receipt of the written request of the Federal agency, the Contractor shall continue to retain title in that country.

(iii) In any country in which the contractor decides not to continue the prosecution of any nonprovisional patent application for, to pay a maintenance, annuity or renewal fee on, or to defend in a reexamination or opposition proceeding on, a patent on a subject invention.

(2) A Federal agency, at its discretion, may waive the requirement for the Contractor to convey title to any subject invention.

(e) Minimum Rights to Contractor and Protection of the Contractor Right to File

(1) The Contractor will retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the Contractor fails to disclose the invention within the times specified in (c), above. The Contractor's license extends to its domestic subsidiary and affiliates, if any, within the corporate structure of which the Contractor is a party and includes the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of the Federal agency except when transferred to the successor of that party of the Contractor's business to which the invention pertains.

(2) The Contractor's domestic license may be revoked or modified by the funding Federal agency to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 CFR part 404 and agency licensing regulations (if any). This license will not be revoked in that field of use or the geographical areas in which the Contractor has achieved practical application and continues to make the benefits of the invention

reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the funding Federal agency to the extent the Contractor, its licensees, or the domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, the funding Federal agency will furnish the Contractor a written notice of its intention to revoke or modify the license, and the contractor will be allowed thirty days (or such other time as may be authorized by the funding Federal agency for good cause shown by the Contractor) after the notice to show cause why the license should not be revoked or modified. The Contractor has the right to appeal, in accordance with applicable regulations in 37 CFR part 404 and agency regulations (if any) concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of the license.

(f) Contractor Action to Protect the Government's Interest

(1) The Contractor agrees to execute or to have executed and promptly deliver to the Federal agency all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the contractor elects to retain title, and (ii) convey title to the Federal agency when requested under paragraph (d) above and to enable the government to obtain patent protection throughout the world in that subject invention.

(2) The Contractor agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Contractor each subject invention made under Contract in order that the Contractor can comply with the disclosure provisions of paragraph (c) of this clause, to assign to the Contractor the entire right, title and interest in and to each subject invention made under Contract, and to execute all papers necessary to file patent applications on subject inventions and to establish the government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by paragraph (c)(1) of this clause. The Contractor shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) For each subject invention, the Contractor will, no less than 60 days prior to the expiration of the statutory deadline, notify the Federal agency of any decision: Not to continue the prosecution of a non-provisional patent application; not to pay a maintenance, annuity or renewal fee; not to defend in a reexamination or opposition proceeding on a patent, in any country; to request, be a party to, or take action in a trial proceeding before the Patent Trial and Appeals Board of the U.S. Patent and Trademark Office, including but not limited to post-grant review, review of a business method patent, *inter partes* review, and derivation proceeding; or to request, be a party to, or take action in a non-trial submission of art or information at the U.S. Patent and Trademark Office, including but not limited to a pre-issuance submission, a post-issuance submission, and supplemental examination.

(4) The Contractor agrees to include, within the specification of any United States patent applications and any patent issuing thereon covering a subject invention, the following statement, "This invention was made with government support under (identify the contract, when applicable) awarded by (identify the Federal agency, when applicable). The government has certain rights in the invention."

(g) Subcontracts

(1) The Contractor will include this clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work to be performed by a subcontractor. The subcontractor will retain all rights provided for the Contractor in this clause, and the Contractor will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(2) The Contractor will include in all other subcontracts, regardless of tier, for experimental developmental

or research work the patent rights clause required by (cite section of agency implementing regulations or FAR).

(3) In the case of subcontracts, at any tier, when the prime award with the Federal agency was a contract (but not a grant or cooperative agreement), the agency, subcontractor, and the Contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and the Federal agency with respect to the matters covered by the clause; provided, however, that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (j) of this clause.

(h) Reporting on Utilization of Subject Inventions

The Contractor agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the Contractor or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the contractor, and such other data and information as the agency may reasonably specify. The Contractor also agrees to provide additional reports as may be requested by the agency in connection with any march-in proceeding undertaken by the agency in accordance with paragraph (j) of this clause. As required by 35 U.S.C. 202(c)(5), the agency agrees it will not disclose such information to persons outside the government without permission of the Contractor.

(i) Preference for United States Industry

Notwithstanding any other provision of this clause, the Contractor agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject inventions in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the Federal agency upon a showing by the contractor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(j) March-in Rights

The Contractor agrees that with respect to any subject invention in which it has acquired title, the Federal agency has the right in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of the agency to require the Contractor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such a request the Federal agency has the right to grant such a license itself if the Federal agency determines that:

- (1) Such action is necessary because the Contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.
- (2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the Contractor, assignee or their licensees;
- (3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the Contractor, assignee or licensees; or
- (4) Such action is necessary because the agreement required by paragraph (i) of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

(k) Special Provisions for Contracts with Nonprofit Organizations

If the Contractor is a nonprofit organization, it agrees that:

- (1) Rights to a subject invention in the United States may not be assigned without the approval of the Federal agency, except where such assignment is made to an organization which has as one of its primary functions the management of inventions, provided that such assignee will be subject to the same provisions as the Contractor;
- (2) The Contractor will share royalties collected on a subject invention with the inventor, including Federal employee co-inventors (when the agency deems it appropriate) when the subject invention is assigned in accordance with 35 U.S.C. 202(e) and 37 CFR 401.10;
- (3) The balance of any royalties or income earned by the Contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific research or education; and
- (4) It will make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms and that, when appropriate, it will give a preference to a small business firm when licensing a subject invention;
- (5) The Federal agency may review the Contractor's licensing program and decisions regarding small business applicants, and the Contractor will negotiate changes to its licensing policies, procedures, or practices with the Federal agency when the Federal agency's review discloses that the Contractor could take reasonable steps to more effectively implement the requirements of paragraph (k)(4) of this clause; and
- (6) The Federal agency may take into consideration concerns presented by small businesses in making such determinations in paragraph (k)(5) of this clause.

(l) Communication

The District Representative is the central point of contact for communications on matters relating to the clause. Contact information for this person is listed below.

Kevin Marshall
Public Utility District No. 2
of Grant County, Washington
PO Box 878
Ephrata, WA 98823
509-760-9046
kmarsha@gcpud.org

(m) Electronic Filing

- (1) Unless otherwise requested or directed by the Federal agency -
 - (i) The written disclosure required in (c)(1) of this clause shall be electronically filed;
 - (ii) The written election required in (c)(2) of this clause shall be electronically filed; and
 - (iii) If required by the agency to be submitted, the close-out report in paragraph (c)(1) of this clause and the patent information and periodic reporting identified in paragraph (c)(3) of this clause shall be electronically filed.

(2) Other written notices required in this clause may be electronically delivered to the agency or the Contractor through an electronic database used for reporting subject inventions, patents, and utilization reports to the funding agency.

7. Clean Air Act and Federal Water Pollution Control Act

“Clean Air Act”

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

The Contractor agrees to report each violation to the District and understands and agrees that the District will, in turn, report each violation as required to assure notification to the federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by the federal awarding agency.

“Federal Water Pollution Control Act”

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.

The Contractor agrees to report each violation to the District and understands and agrees that the District will, in turn, report each violation as required to assure notification to the pass-through entity, if applicable and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by the federal awarding agency.

8. Debarment and Suspension

This Contract is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 3000. As such, the Contractor is required to verify that none of the Contractor’s principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

The Contractor must comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

Contractor’s certification, executed as part of the RFQ process (RFQ Attachment “F”) and incorporated herein by reference, is a material representation of fact relied upon by the District. If it is later determined that the Contractor did not comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, in addition to remedies available to the District, the federal government may pursue available remedies, including but not limited to suspension and/or debarment.

9. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of more than \$100,000 shall file the required certification with Grant PUD as part of the RFQ process (RFQ Attachment “D”), which is incorporated herein by reference. Each tier certifies to the tier above that it will not and has not used federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also

disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the federal awarding agency.

10. Procurement of Recovered Materials

In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:

- A. Competitively within a timeframe providing for compliance with the Contract performance schedule,
- B. Meeting Contract performance requirements, or
- C. At a reasonable price.

Information about this requirement, along with the list of EPA-designated items, is available at EPA's webpage, [Comprehensive Procurement Guideline \(CPG\) Program | US EPA](#).

The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

11. Affirmative Socioeconomic Steps

If subcontracts are to be let, the Contractor is required to take all necessary steps identified in 2 CFR part 200.321(b)(1)-(5) to ensure that small and minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

12. Access to Records

A. General

The Contractor agrees to provide the federal awarding agency, pass-through entity, if applicable, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.

The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

The Contractor agrees to provide the federal awarding agency, pass-through entity, if applicable or their authorized representatives access to construction or other work sites pertaining to the work being completed under the Contract.

B. Under a Major Disaster or Emergency Declaration

In compliance with section 1225 of the Disaster Recovery Reform Act of 2018, and when applicable, the District and the Contractor acknowledge and agree that no language in this Contract is intended to prohibit audits or internal reviews by the federal awarding agency, FEMA Administrator, or the Comptroller General of the United States.

13. Compliance with Federal Law, Regulations, and Executive Orders and Acknowledgement of Federal Funding

Contractor acknowledges that the federal awarding agency financial assistance will be used to fund all or a portion of the Contract. The Contractor will comply with all applicable federal law, regulations, executive

orders, federal awarding agency policies, procedures, and directives.

14. No Obligation by Federal Government

The Federal government is not a party to this Contract and is not subject to any obligations or liabilities to the District, contractor, or any other party pertaining to any matter resulting from the Contract.

15. Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Contract.

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement” or “Contract”), effective upon the date of the last signature below (“Effective Date”), is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and Stantec Consulting Services, Inc. (“Contractor”);

Recitals:

The District desires to obtain professional consulting engineering services as needed to support the District’s Energy Supply Management (ESM) Research Group; and

The District's Chief Commercial Officer believes the Contractor will provide subject matter expertise and resources where the District may not have expertise in-house or does not have adequate internal resources to support the projects of; and

The Contractor, through an established review procedure as specified by RCW Chapter 39.80 and 2 CFR 200.320(b)(2)(iv), has been selected and is willing to provide services on the terms and conditions hereinafter stated.

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

1. Scope of Services

The Contractor shall function as a key techno-economic advisor to District leadership to ensure a sound business, engineering, and project management program is developed and executed and will augment the District’s technical and managerial capabilities. The Contractor shall provide technical knowledge, project management, project execution expertise, and risk management capabilities in support of the District’s project success.

The District may, at the District’s discretion, 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. When funded in whole or in part with federal funds, a Task Authorization will also include documentation of any applicable financial assistance agreement/s between the District and a federal awarding agency.

The initial scope of services for this Agreement is anticipated to include, but not necessarily be limited to, the following:

A. Provide engineering support services for technical and economic evaluation of generation and energy storage technologies including, but not limited to:

1. Solar generation technologies.
2. Wind generation technologies.
3. Utility scale battery technologies.
4. Hydrogen electrical generation technologies.
5. Natural gas generation technologies.
6. Pumped storage technologies/project evaluations.
7. Other generation technologies that the District may want to research.
8. Small Modular Reactor Technologies.

The Contractor shall assist in identifying potential risks and mitigation recommendations.

B. Provide engineering support services for technical and economic evaluation of demand side management including but not limited to:

1. Smart Grid.
2. Evaluation of the District's existing AMI and fiber optic systems for use in demand side management.
3. Other technologies as determined by the District.

The Contractor shall assist in identifying potential risks and mitigation recommendations.

C. Provide engineering support services for site evaluations including, but not limited to:

1. Site Characterization studies (access, permitting, geotechnical, seismic, cultural, fish & wildlife, etc.).
2. Evaluation of permitting requirements based on technologies being considered.
3. Transmission connectivity requirements.
4. Project planning and estimating.

D. Provide engineering support services for conceptual design and estimating. This work potentially includes all technologies identified.

E. Provide support services for land and easement acquisition including, but not limited to:

1. Determination of ownership for land and improvements.
2. Determination of existing easements, permits, etc.
3. Preparation of appraisals for parcels and, if appropriate, affected improvements.
4. Preparation of recommendations to District for offers to be made on appropriate easements.
5. Negotiation with owners; secure appropriate acquisition options and easements in properly recordable form with necessary signatures; and pay consideration.

F. Miscellaneous engineering support services for other research and evaluation needs

1. Risk identification and mitigation.
2. Research into emerging technologies as directed by the District.
3. Future District identified needs for engineering support.

Additional work to be performed under future phases may include developing final designs, providing plans, specifications, construction cost estimates, construction schedules, and services during construction for the projects.

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 6 to complete any work already initiated and/or authorized under the original term and scope of the Contract.

2. Applicability of Federal Requirements

This Agreement may be funded using federal funds and subject to one or more financial assistance agreements between the District and a federal awarding agency. The provisions of Appendix "F", Federal Requirements, are required and applied when the District utilizes federal funds to pay for a contractor's performance under any contract. Accordingly, the Contractor agrees that the terms and conditions in Appendix "F" apply to this Agreement between the District and the Contractor

in all situations where the Contractor has been paid or will be paid with federal funds.

3. 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 applicable 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.

4. Term - Schedule

This Agreement shall remain in full force and effect until December 31, 2029 or until terminated pursuant to Section 18.

5. Compensation and Payment

- A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in Appendix "A.1", 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. If accepted by the Contractor in the RFP process, 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.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of \$600,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 6 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, a detailed description of the work performed, and a report of what percentage of total labor hours by Contractor and each and every Subcontractor/Subconsultant of the Contractor were performed by small and diverse businesses during the billing period. Any Labor Categories or reimbursable expenses shall be included on the invoice (see Appendix "A.1" and "A.2").

- 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).
- 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.

6. 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.

7. 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.

8. 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.

9. 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
- 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.

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 \$2,000,000 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 form 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 reduction 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.

10. 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.

11. 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. Notwithstanding the foregoing, the District's right to inspect, copy and audit shall not extend to the composition of the Contractor's rates and fees, percentage mark-ups or multipliers but shall apply only to their application to the applicable units.

12. 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.

13. 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.

14. 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.

15. Subcontracts/Purchases

- A. The Contractor is authorized to enter into subcontracts required for the work. Any subcontracts shall be approved in advance by the District Representative and Procurement Officer. The Contractor is not authorized to make any purchases of materials or equipment other than those specified as other direct costs in Appendix "A.1" and mutually agreed to on the execution date of this Agreement.
- B. The Contractor shall consider that this Contract may be federally funded in whole or in part and may therefore be subject to certain federal provisions. Further, a federal awarding agency may require that certain terms and conditions of this Contract be included in all subcontracts. The Contractor shall be responsible for ensuring all applicable mandatory federal awarding agency provisions are included in all subcontracts. These mandatory provisions are set forth in Appendix "F", Federal Requirements. The Contractor shall bear full responsibility for delays in performing the work if subcontractor agreements fail to include all applicable provisions.
- C. In the event subcontracts other than those specified in Appendix "A.1" are required for the work, Contractor shall obtain three quotes and submit to the District Representative and Procurement Officer for approval prior to entering into such subcontracts. 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. A copy of the invoice showing actual cost must be submitted with the Contractor's invoice to the District.

16. 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.

District
Dave Dempsey
Public Utility District No. 2
of Grant County, Washington
PO Box 878, 154 A Street SE
Ephrata, WA 98823

Contractor
Greg Rollins
Stantec Consulting Services, Inc.
PO Box 842728
7237 Church Ranch Blvd, Ste 410
Los Angeles, CA 90084-2728

Ph: 509-289-0290
ddempsey@gcpud.org

Ph: 503-220-5414
gregory.rollins@stantec.com

For purposes of technical communications and work coordination only, the District designates Kevin Marshall 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 6 to be valid and binding on the District.

17. License and Delivery of Works Subject to Copyright and Data Rights

Contractor grants to the District, a paid-up, royalty-free, nonexclusive, irrevocable, worldwide license in data first produced in the performance of this Contract to reproduce, publish, or otherwise use, including prepare derivative works, distribute copies to the public, and perform publicly and display publicly such data. For data required by the Contract but not first produced in the performance of this Contract, the Contractor will identify such data and grant to the District or acquire on its behalf a license of the same scope as for data first produced in the performance of this Contract. Data, as used herein, shall include any work subject to copyright under 17 U.S.C. § 102, for example, any written reports or literary works, software and/or source code, music, choreography, pictures or images, graphics, sculptures, videos, motion pictures or other audiovisual works, sound and/or video recordings, and architectural works. Upon or before the completion of this Contract, the Contractor will deliver to the District data first produced in the performance of this Contract and data required by the Contract but not first produced in the performance of this Contract in formats acceptable by the District.

18. 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, after providing Contractor written notice of the breach and a period of seven days to cure, 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.

Non-payment of undisputed amounts by the District to the Contractor in accordance with Section 5.D is agreed to constitute a material breach of this Agreement and, upon written notice as prescribed above, the duties, obligations, and responsibilities of the Contractor are terminated.

19. 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.

20. Project Documentation Transfer Methods

- A. The District requires use of the District O365 SharePoint site for all letters, requests for information, safety reports, submittals (except samples), transmittals, and test reports. The requirement to use the District O365 SharePoint site for delivery of these documents supersedes any other requirements for document delivery in the Contract Documents.
- B. The District and Contractor shall mutually agree on the user list for the O365 SharePoint site. All users shall be set up with an individual user name and password after the Contractor has provided a signed “Remote Access Application Form and Computer System Remote Access User Security Agreement” for each user.
- C. All files shall be placed in the correct library corresponding to the subject matter of the file. The following libraries shall be setup by the District: Change Order, Change Order Proposal, District Instruction, Invoices, Letters from Contractor, Letters from District, Meeting Minutes, Request for Information, Safety Reports-Accidents, Schedules, Signed Documents, Submittal, Test Reports, Transmittals, Task Authorization. Original signed Change Orders must also be physically sent to the attention of the Procurement Officer. The District reserves the right to create or delete libraries based on the project documentation requirements. Files stored on the District’s O365 SharePoint site shall remain on the O365 SharePoint site for the duration of the project.
- D. File names shall be as follows, where Y indicates a sequential number starting with 1, A indicates a sequential alpha character for each revision – A = first revision, B = second revision, etc. The following abbreviations may be used: “RFI” for “Request for Information”.
 - 1. Change Order Proposals: “Change Order Proposal Y”
 - 2. Letters: “Letter from Contractor Y”
 - 3. Requests for Information: “Request for Information Y” or “RFI Y”
 - 4. Resubmitted Requests for Information: “Request for Information YA” or “RFI YA”
 - 5. Safety/Accident Reports: “Safety Report Y”
 - 6. Submittals: “Submittal Y”
 - 7. Resubmitted Submittals: “Submittal YA”
 - 8. Test Reports: “Test Report Y”
- E. The receipt date for all documents shall be the same date as indicated by the District O365 SharePoint file posting date unless the documents are placed on the District O365 SharePoint site after 2 p.m. Pacific Standard Time, then the document receipt date shall be set as the following business day.
- F. If for any reason the District O365 SharePoint site is not functional, then the Contractor shall send hard copies for review; see Technical Specifications for number of copies required. No extensions or claims shall be granted if the District’s O365 SharePoint site is

not functional.

21. Environmentally Preferable Products, Services, and Practices

A. In the performance of work under this Contract, the Contractor shall exert its best efforts to provide its services in a manner that will promote the natural environment and protect the health and wellbeing of District employees, contracted service providers, the public, and visitors using District facilities.

B. Definitions as used in this Section 21:

“Environmentally preferable” means products or services that have a reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.

“Green Purchasing” means making thoughtful, strategic decisions to buy goods and services that have less negative environmental and health impacts than similar products or services.

C. Green purchasing and environmentally preferable products and services include several interconnected initiatives which are subject to and are described by the following government and industry procurement programs:

1. Products containing recovered material designated by the U.S. Environmental Protection Agency (EPA) under the Comprehensive Procurement Guidelines ([42 U.S.C. 6962](#)) ([40 CFR Part 247](#)) ([Comprehensive Procurement Guideline \(CPG\) Program | US EPA](#)).
2. Energy- and water-efficient products that are ENERGY STAR® certified or Federal Energy Management Program (FEMP)-designated products ([42 U.S.C 8259b](#)) ([10 CFR part 436, subpart C](#)) (<https://www.energy.gov/femp/search-energy-efficient-products> and <https://www.energystar.gov/products?s=mega>).
3. Acceptable chemicals, products, and manufacturing processes listed under EPA's Significant New Alternatives Policy (SNAP) program, which ensures a safe and smooth transition away from substances that contribute to the depletion of stratospheric ozone ([42 U.S.C. 76711](#)) ([40 CFR part 82, subpart G](#)) (<https://www.epa.gov/snap>).
4. WaterSense® labeled (water efficient) products and services (<https://www.epa.gov/watersense/watersense-products>).
5. Safer Choice-certified products (products that contain safer chemical ingredients) (<https://www.epa.gov/saferchoice/products>).
6. Product and services that meet EPA Recommendations of Specifications, Standards, and Ecolabels in effect as of October 2023 (<https://www.epa.gov/greenerproducts/recommendations-specifications-standards-and-ecolabels-federal-purchasing>).

The Green Procurement Compilation (GPC) available at

<https://sftool.gov/greenprocurement> provides a comprehensive list of sustainable products and services and sustainable procurement guidance. The Contractor should review the GPC when determining which programs apply to a specific product or service.

- D. To the extent that design services provided by the Contractor require the specification of any of these types of products, the Contractor is expected to specify the environmentally preferable type of product unless that type of product is not available competitively within a reasonable time, at a reasonable price, is not life cycle cost efficient in the case of energy consuming products or does not meet reasonable performance standards.
- E. The Contractor shall use recycled paper for the production of all printed and photocopied documents related to the fulfillment of this Contract. If the cost of recycled paper is more than 15 percent higher than the cost of non-recycled paper, the Contractor shall notify the District Representative, who may waive the recycled paper requirement.

The Contractor agrees to use both sides of paper for copying and printing, and to use recycled and/or recyclable products wherever practical.

22. Utilization of Small and Diverse Businesses

- A. The Contractor has committed to the aspirational goals identified in its Subcontractor/Subconsultant Inclusion Plan (SIP) & Commitment Form executed as part of the RFQ process (RFQ Attachment C) and incorporated herein by reference.
- B. For purposes of award and performance of the Contract, the aspirational goals are expressed as a percentage of the total Contract Price to be performed by small and diverse businesses over the life of this Agreement.
- C. The Contractor shall make good faith efforts to meet or exceed its aspirational goals in the performance of this Contract. The Contractor may count their own participation and any participation from subcontractors and/or subconsultants, as applicable, towards aspirational goals in this Contract.
- D. Certification Requirements: Small and diverse businesses proposed in the Contractor's SIP must meet, at the time Statements of Qualifications are due, the requirements under RCW 39.26.010(22), or be registered in the federal government's System for Award Management (SAM) as a Small Business Administration (SBA) certified business eligible for contracts that are reserved for small businesses, or be located in an area designated in the current U.S. Department of Labor (DOL) Labor Surplus Area (LSA) list (see <https://www.dol.gov/agencies/eta/lsa>).
- E. Upon Contract award, and if applicable, the Contractor shall provide District Supplier Diversity Program staff, copies of the Contractor's and subcontractors and/or subconsultants, as applicable, business certifications from the Washington State Office of Minority and Women's Business Enterprises (OMWBE) or SBA. If the Contractor's, a subcontractor's, or a subconsultant's business is not certified through OMWBE, SBA, or it is self-certified, the Contractor shall provide the District's Supplier Diversity Program staff verifying tax documentation for audit purposes in order to count the business towards the small and diverse business goal commitment.
- F. If, during the progress of the work, a business listed by the Contractor in its SIP is

determined not to meet the small and diverse business eligibility criteria, the utilization of said business will not be counted toward the fulfillment of the Contractor's SIP. The Contractor shall substitute another business that meets the small and diverse business eligibility provisions outlined above to maintain its commitment to small and diverse business participation. Such substitution shall be at no additional cost to the District.

- G. During Contract performance, if the Contractor is not meeting its aspirational goals or making satisfactory progress towards the objectives identified in its SIP, the District may request submission of a corrective action plan. The Contractor shall submit a corrective action plan within ten days of a written request from the District. The correction action plan shall contain the following elements:
1. An explanation of the circumstances contributing to the aspirational goal shortfall.
 2. A summary of the impacts to small and diverse businesses on the project due to the shortfall.
 3. A detailed list of actions that the Contractor will take to correct the shortfall and meet the aspirational goals for small and diverse participation for the project.
 4. A summary of the status of activities and actions identified in its SIP and the effectiveness of each one toward meeting the aspirational goals.

If the District determines that the corrective action plan submitted by the Contractor is unsatisfactory, the District may withhold payments, or terminate the contract for default.

- H. The obligation of the Contractor is to make Good Faith Efforts to meet its aspirational goals for small and diverse business participation.

For purpose of this clause:

“Good Faith Efforts” means efforts to achieve a goal or other elements of the Contractor’s SIP that, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to meet the SIP requirements.

The Contractor can demonstrate that it has achieved this objective by either meeting its aspirational goals or documenting its Good Faith Efforts. If the Contractor does not meet its aspirational goals, the District will make a determination on whether the Contractor made adequate Good Faith Efforts to meet the stated goals. The District will consider the quality, quantity, and intensity of the documented Good Faith Efforts made by the Contractor. The District will not consider mere pro forma efforts as Good Faith Efforts.

23. Project Management Contractor Participation

- A. 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.

- B. 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.

24. 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 to 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.

25. 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.

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.

26. Protected Information

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 Appendix "D". In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the District has identified and designated certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as "Protected Information"). Because of the sensitive nature of certain District Protected Information that could be used in this Contract, Contractor is bound by the terms and conditions set forth in the Non-Disclosure Agreement (NDA) executed at the time of this Agreement (Appendix "D").

27. Background Checks

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before the District will grant such individuals access to secure areas of District facilities or electronic access to Bulk Electric System Cyber Assets 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.

In the event the District determines in its sole discretion that an individual is unsatisfactory to the District or fails to provide a background check as requested by the District, the District reserves the right to require the Contractor to remove such individual from the job site and/or to exclude such individual from having any access to SSI, Bulk Electric System Cyber Assets, CEII, or BCSI.

28. Qualification of Contractor's Access and Personnel Change Approval

The District reserves the right to deny any Contractor or employee thereof access to District facilities or Protected Information at the District's sole discretion. The District will be the sole judge of such effect. All Contractors and employees thereof shall be subject to the nondisclosure provisions of this Contract.

The District reserves the right to conduct or to require Contractor to conduct criminal background checks, provide an identity validation document (I-9, Social Security card, driver's license) and complete the District provided training for its employee(s) before the District will grant such individuals access to secure areas of District facilities. 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. Contractor shall execute one certification for each employee requiring a background check on the form provided by the District and attached hereto as Appendix "E". The cost of such background checks shall be borne by the Contractor. For access to Protected Information relating to Critical Infrastructure Protection, the District reserves the right to require a Non-Disclosure Agreement and a certificate of completion from the District-provided training for each employee before the District will grant access to such individuals.

In the event the District determines in its sole discretion that an individual or Contractor is unsatisfactory or fails to provide a background check as requested by the District, or fails to provide the information listed above, the District reserves the right to exclude such individual or Contractor from secure areas and/or from having any access to Protected Information.

29. CIP Training

All persons receiving Protected Information or having access to secured sites shall complete CIP training prior to receiving such access and periodically, but no less than annually, thereafter. CIP training is conducted by the Reliability Compliance (RC) Department through a learning management system. The learning management system privileges will be coordinated between the District Representative and the RC Department.

30. 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 18.
- 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 for work within their scope. 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 three years after completion of all work.
- 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. The Contractor's Safety Information submitted during the RFQ process (see RFQ Attachment "B") is incorporated herein by reference. The District reserves the right to request updated Contractor safety information at any time during the performance of this Contract.
31. Right to Rely

The District shall furnish to the Contractor all applicable information and technical data in the District's possession or control reasonably required for the proper performance of the Services. The Contractor shall be entitled to reasonably rely upon the information and data provided by District or obtained from

generally acceptable sources within the industry without independent verification except to the extent such verification is expressly included in the Services.

32. Limitation of Liability

The total amount of all claims the District may have against the Contractor under this Agreement or arising from the performance or non-performance of the Services under any theory of law, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall be strictly limited to an amount equal to the fees paid to Contractor under the applicable Task Authorization. As the District's sole and exclusive remedy under this Agreement any claim, demand or suit shall be directed and/or asserted only against the Contractor and not against any of the Contractor's employees, officers or directors.

Neither the District nor the Contractor shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected to this Agreement or the performance of the services on this Project. This mutual waiver includes, but is not limited to, damages related to loss of use, loss of profits, loss of income, unrealized energy savings, diminution of property value or loss of reimbursement or credits from governmental or other agencies.

The limitation of liability set forth above shall not apply to claims or damages resulting from or in conjunction with any breach of any indemnification obligation set forth in this Agreement and/or claims made under any insurance placed or provided pursuant to this Agreement up to the full amount payable under such insurance policy(ies).

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

Stantec Consulting Services, Inc.

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

APPENDIX "A.1"
RATE SCHEDULE

Reference RFQ Attachment "I" Price Proposal dated November 19, 2024.

APPENDIX "A.2"**DIRECT, REIMBURSABLE EXPENSES, & OTHER DIRECT COSTS****DIRECT EXPENSES:**

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 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. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at 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 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.

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

Notes:

When applicable, monthly invoices will be reviewed to confirm allowability, reasonableness, and proper allocability according to federal cost/price principles in accordance with 2 CFR 200, Subpart E and the Rate Schedule, mutually agreed to on the execution date of this Agreement and/or the associated Task Authorization/s.

- 1. 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 6, 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

Stantec Consulting Services, Inc.

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.: | 430-12302R | 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:

Compensation is to be paid in accordance with and subject to the limitations in Section 5.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

Stantec Consulting Services, Inc.

Approved for District

Accepted by Contractor

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: District Representative

Title: _____

Date: _____

Date: _____

APPENDIX “D”
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 Stantec Consulting Services, Inc., ("Contractor"), sometimes collectively referred to as the "Parties."

RECITALS

The District has identified and designated certain information as confidential. For purposes of this Agreement, "Protected Information" includes:

- District customer information protected under RCW 19.29A, Consumers of Electricity;
- District employee information;
- District vendor information;
- 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 RCW 42.56, 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 a need to know 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 Contract 430-12302R.
 - 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.
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: Beau Schwab, PO Box 878, Ephrata, WA 98823.
- Except for Confidential Information constituting SSI, CEII, CIP and/or BCSI, Contractor may retain one copy of all Confidential Information in its confidential project file for archival and insurance purposes. Contractor will only be required to use commercially reasonable efforts to return or destroy Confidential Information stored electronically, and will not be required to return or destroy any electronic copy of Confidential Information created pursuant to its standard electronic backup and archival procedures.
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 may result in irreparable injury to the District for which there may 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 Agreement 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 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 or, mediation.

- 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: Name: _____

 Address: _____

 Phone: _____

 Email: _____

 Signature: _____

 Print Name: _____

 Title: _____

 Date: _____

EXHIBIT "A"
DEFINITIONS 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.



APPENDIX “E”
BACKGROUND CHECK/IDENTITY VERIFICATION BY CONTRACTOR/VENDOR

Contractor Name: Stantec Consulting Services, Inc. Date: _____

Contract Number: 430-12302R-B 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 seven year criminal history records check, a current residence check and a residence check at other locations where, during the seven years immediately prior to the date of the criminal history records check, the employee has resided for six 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**

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: _____ | |

APPENDIX "F"
FEDERAL REQUIREMENTS

1. Termination for Cause
 - A. Any violation or breach of terms of this Contract on the part of the Contractor or the Contractor's subcontractors or subconsultants may result in the suspension or termination of this Contract in accordance with Section 18 or such other action that may be necessary to enforce the rights of the District, including but not limited to debarment as a contractor and a subcontractor.
 - B. Subcontracts or subconsultant agreements exceeding the federal simplified acquisition threshold, currently set at \$250,000, must contain a clause addressing administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for sanctions and penalties as appropriate. See 2 C.F.R. Part 200, Appendix II(A).
 - C. All subcontracts or subrecipient agreements in excess of \$10,000 must address termination for cause by the subcontractor and/or subconsultant, including the manner by which it will be affected and the basis for settlement. See 2 C.F.R. Part 200, Appendix II(B).
2. Termination for Convenience
 - A. The District reserves the right to terminate this Contract for convenience in accordance with Section 18 if the District believes, in its sole discretion, that it is in the best interest of the District to do so.
 - B. All subcontracts or subrecipient agreements in excess of \$10,000 must address termination for convenience by the subcontractor and/or subconsultant, including the manner by which it will be affected and the basis for settlement. See 2 C.F.R. Part 200, Appendix II(B).
3. Mediation. In the event a dispute arises between the parties regarding this Agreement, either party (first party) may submit the issue to mediation by selecting a mediator and notifying the other party (second party) of the selection. The second party shall either approve such mediator and proceed to mediation or select an alternate mediator. Second party shall notify the first party of such acceptance or selection within seven days of the first notification. Upon receiving notification of the selection of an alternate mediator, the first party shall then approve the mediator and proceed to mediation or reject the alternate mediator. First party shall notify second party of such approval or rejection within seven days of receipt of the notice from second party. In the case of rejection, the first two selected mediators shall select a third mediator. The third mediator shall mediate the dispute. The mediator shall be familiar with design and construction of electrical utilities, electrical generation plants, and commercial transactions in Grant County, Washington. The mediator shall not be related to either party by blood or marriage to a principal or owner of either party and shall have no economic interest direct or indirect with either party. Mediation shall take place within as soon as possible after the mediator has been selected. The parties shall split the cost of mediation.
4. Arbitration. In the event that a dispute is not resolved by mediation pursuant to the terms of preceding paragraph, either party (first party) may submit the issue to arbitration by selecting an arbitrator and notifying the other party (second party) of the selection. The second party shall either approve such arbitrator and proceed to arbitration or select an alternate arbitrator. Second party shall notify the first party of such acceptance or selection within seven days of the first

notification. Upon receiving notification of the selection of an alternate arbitrator, the first party shall then approve the arbitrator and proceed to arbitration or reject the alternate arbitrator. First party shall notify second party of such approval or rejection within seven days of receipt of the notice from second party. In the case of rejection, the first two selected arbitrators shall select a third arbitrator. The third arbitrator shall arbitrate the dispute. The arbitrator shall be familiar with design and construction of electrical utilities, electrical generation plants, and commercial transactions in Grant County, Washington. The arbitrator shall not be related to either party by blood or marriage to a principal or owner of either party and shall have no economic interest direct or indirect with either party. The arbitration hearing shall take place as soon as possible after the arbitrator has been named. The decision of the arbitrator shall be made within seven days after the arbitration hearing and shall be binding upon the parties. The parties shall split the cost of arbitration.

5. Conflict of Interest

By submission of its SOQ, and consistent with the District's Code of Ethics, the Contractor certifies (and shall require each Subcontractor and/or Subconsultant to certify) that it has no direct or indirect financial or proprietary interest, and that it shall not acquire any such interest, which conflicts in any manner or degree with the work, services or materials required to be performed and/or provided under this Contract and that it shall not employ any person or agent having any such interest (see Conflict of Interest Certification executed as part of the RFQ process (RFQ Attachment "E"), which is incorporated herein by reference). In the event that the Contractor or its agents, employees or representatives hereafter acquires such a conflict of interest, the Contractor shall immediately disclose such interest in writing to the District and take action immediately to eliminate the conflict or to withdraw from this Contract, as the District may require. The Contractor shall not employ any consultant who is concurrently employed by the District or by the District's consultants (including, but not limited to, surveyors, engineers, architects, and testing laboratories), without first obtaining the District's approval in writing.

6. Rights to Inventions Made Under a Contract or Agreement

STANDARD PATENT RIGHTS

(a) **Definitions**

(1) Invention means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code, or any novel variety of plant which is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).

(2) Subject invention means any invention of the contractor conceived or first actually reduced to practice in the performance of work under this Contract, provided that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d)) must also occur during the period of contract performance.

(3) Practical Application means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or government regulations, available to the public on reasonable terms.

(4) Made when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) Small Business Firm means a small business concern as defined at section 2 of Pub. L. 85-

536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in government procurement and subcontracting at 13 CFR 121.3–8 and 13 CFR 121.3–12, respectively, will be used.

(6) Nonprofit Organization means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c) and exempt from taxation under section 501(a) of the Internal Revenue Code (25 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

(7) Statutory period means the one-year period before the effective filing date of a claimed invention in a patent application during which exceptions to prior art exist per 35 U.S.C. 102(b) as amended by the Leahy-Smith America Invents Act, Public Law 112–29.

(8) Contractor means any person, small business firm, or nonprofit organization, or, as set forth in section 1, paragraph (b)(4) of Executive Order 12591, as amended, any business firm regardless of size, which is a party to a funding agreement.

(b) Allocation of Principal Rights

The Contractor may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the Contractor retains title, the Federal government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

(c) Invention Disclosure, Election of Title and Filing of Patent Application by Contractor

(1) The Contractor will disclose each subject invention to the Federal agency within two months after the inventor discloses it in writing to Contractor personnel responsible for patent matters. The disclosure to the agency shall be in the form of a written report and shall identify the contract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention, and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the agency, the Contractor will promptly notify the agency of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the Contractor. If required by the Federal agency, the Contractor will provide periodic (but no more frequently than annual) listings of all subject inventions which were disclosed to the agency during the period covered by the report, and will provide a report prior to the close-out of a funding agreement listing all subject inventions or stating that there were none.

(2) The Contractor will elect in writing whether or not to retain title to any such invention by notifying the Federal agency within two years of disclosure to the Federal agency. However, in any case where a patent, a printed publication, public use, sale, or other availability to the public has initiated the one-year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by the agency to a date that is no more than 60 days prior to the end of the statutory period.

(3)(i) The Contractor will file its initial patent application on a subject invention to which it

elects to retain title within one year after election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use.

(ii) If the Contractor files a provisional application as its initial patent application, it shall file a nonprovisional application within 10 months of the filing of the provisional application. So long as there is a pending patent application for the subject invention and the statutory period wherein valid patent protection can be obtained in the United States has not expired, additional provisional applications may be filed within the initial 10 months or any extension period granted under paragraph (c)(5) of this clause. If an extension(s) is granted under paragraph (c)(5) of this clause, the Contractor shall file a nonprovisional patent application prior to the expiration of the extension(s) or notify the agency of any decision not to file a nonprovisional application prior to the expiration of the extension(s), or if earlier, 60 days prior to the end of any statutory period wherein valid patent protection can be obtained in the United States.

(iii) The Contractor will file patent applications in additional countries or international patent offices within either ten months of the first filed patent application or six months from the date permission is granted by the Commissioner of Patents to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(iv) If required by the Federal agency, the Contractor will provide the filing date, patent application number and title; a copy of the patent application; and patent number and issue date for any subject invention in any country in which the Contractor has applied for a patent.

(4) For any subject invention with Federal agency and Contractor co-inventors, where the Federal agency employing such co-inventor determines that it would be in the interest of the government, pursuant to 35 U.S.C. 207(a)(3), to file an initial patent application on the subject invention, the Federal agency employing such co-inventor, at its discretion and in consultation with the Contractor, may file such application at its own expense, provided that the Contractor retains the ability to elect title pursuant to 35 U.S.C. 202(a).

(5) Requests for extension of the time for disclosure, election, and filing under paragraphs (1), (2), and (3) of this clause may, at the discretion of the Federal agency, be granted. When a Contractor has requested an extension for filing a non-provisional application after filing a provisional application, a one-year extension will be granted unless the Federal agency notifies the Contractor within 60 days of receiving the request.

(6) In the event a subject invention is made under funding agreements of more than one agency, at the request of the Contractor or on their own initiative the agencies shall designate one agency as responsible for administration of the rights of the government in the invention.

(d) Conditions When the Government May Obtain Title

(1) A Federal agency may require the Contractor to convey title to the Federal agency of any subject invention -

(i) If the Contractor fails to disclose or elect title to the subject invention within the times specified in paragraph (c) of this clause or elects not to retain title.

(ii) In those countries in which the contractor fails to file patent applications within the times specified in paragraph (c) of this clause; provided, however, that if the Contractor has filed a patent application in a country after the times specified in paragraph (c) of this clause, but prior to its receipt of the written request of the Federal agency, the Contractor shall continue

to retain title in that country.

(iii) In any country in which the contractor decides not to continue the prosecution of any nonprovisional patent application for, to pay a maintenance, annuity or renewal fee on, or to defend in a reexamination or opposition proceeding on, a patent on a subject invention.

(2) A Federal agency, at its discretion, may waive the requirement for the Contractor to convey title to any subject invention.

(e) Minimum Rights to Contractor and Protection of the Contractor Right to File

(1) The Contractor will retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the Contractor fails to disclose the invention within the times specified in (c), above. The Contractor's license extends to its domestic subsidiary and affiliates, if any, within the corporate structure of which the Contractor is a party and includes the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of the Federal agency except when transferred to the successor of that party of the Contractor's business to which the invention pertains.

(2) The Contractor's domestic license may be revoked or modified by the funding Federal agency to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 CFR part 404 and agency licensing regulations (if any). This license will not be revoked in that field of use or the geographical areas in which the Contractor has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the funding Federal agency to the extent the Contractor, its licensees, or the domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, the funding Federal agency will furnish the Contractor a written notice of its intention to revoke or modify the license, and the contractor will be allowed thirty days (or such other time as may be authorized by the funding Federal agency for good cause shown by the Contractor) after the notice to show cause why the license should not be revoked or modified. The Contractor has the right to appeal, in accordance with applicable regulations in 37 CFR part 404 and agency regulations (if any) concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of the license.

(f) Contractor Action to Protect the Government's Interest

(1) The Contractor agrees to execute or to have executed and promptly deliver to the Federal agency all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the contractor elects to retain title, and (ii) convey title to the Federal agency when requested under paragraph (d) above and to enable the government to obtain patent protection throughout the world in that subject invention.

(2) The Contractor agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Contractor each subject invention made under Contract in order that the Contractor can comply with the disclosure provisions of paragraph (c) of this clause, to assign to the Contractor the entire right,

title and interest in and to each subject invention made under Contract, and to execute all papers necessary to file patent applications on subject inventions and to establish the government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by paragraph (c)(1) of this clause. The Contractor shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) For each subject invention, the Contractor will, no less than 60 days prior to the expiration of the statutory deadline, notify the Federal agency of any decision: Not to continue the prosecution of a non-provisional patent application; not to pay a maintenance, annuity or renewal fee; not to defend in a reexamination or opposition proceeding on a patent, in any country; to request, be a party to, or take action in a trial proceeding before the Patent Trial and Appeals Board of the U.S. Patent and Trademark Office, including but not limited to post-grant review, review of a business method patent, *inter partes* review, and derivation proceeding; or to request, be a party to, or take action in a non-trial submission of art or information at the U.S. Patent and Trademark Office, including but not limited to a pre-issuance submission, a post-issuance submission, and supplemental examination.

(4) The Contractor agrees to include, within the specification of any United States patent applications and any patent issuing thereon covering a subject invention, the following statement, "This invention was made with government support under (identify the contract, when applicable) awarded by (identify the Federal agency, when applicable). The government has certain rights in the invention."

(g) Subcontracts

(1) The Contractor will include this clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work to be performed by a subcontractor. The subcontractor will retain all rights provided for the Contractor in this clause, and the Contractor will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(2) The Contractor will include in all other subcontracts, regardless of tier, for experimental developmental or research work the patent rights clause required by (cite section of agency implementing regulations or FAR).

(3) In the case of subcontracts, at any tier, when the prime award with the Federal agency was a contract (but not a grant or cooperative agreement), the agency, subcontractor, and the Contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and the Federal agency with respect to the matters covered by the clause; provided, however, that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (j) of this clause.

(h) Reporting on Utilization of Subject Inventions

The Contractor agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the Contractor or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the contractor, and such other data and information as the agency may reasonably specify. The Contractor also agrees to provide additional reports as may be requested by the agency in connection with any march-in proceeding undertaken by the agency in accordance with

paragraph (j) of this clause. As required by 35 U.S.C. 202(c)(5), the agency agrees it will not disclose such information to persons outside the government without permission of the Contractor.

(i) Preference for United States Industry

Notwithstanding any other provision of this clause, the Contractor agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject inventions in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the Federal agency upon a showing by the contractor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(j) March-in Rights

The Contractor agrees that with respect to any subject invention in which it has acquired title, the Federal agency has the right in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of the agency to require the Contractor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such a request the Federal agency has the right to grant such a license itself if the Federal agency determines that:

- (1) Such action is necessary because the Contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.
- (2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the Contractor, assignee or their licensees;
- (3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the Contractor, assignee or licensees; or
- (4) Such action is necessary because the agreement required by paragraph (i) of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

(k) Special Provisions for Contracts with Nonprofit Organizations

If the Contractor is a nonprofit organization, it agrees that:

- (1) Rights to a subject invention in the United States may not be assigned without the approval of the Federal agency, except where such assignment is made to an organization which has as one of its primary functions the management of inventions, provided that such assignee will be subject to the same provisions as the Contractor;
- (2) The Contractor will share royalties collected on a subject invention with the inventor, including Federal employee co-inventors (when the agency deems it appropriate) when the subject invention is assigned in accordance with 35 U.S.C. 202(e) and 37 CFR 401.10;

(3) The balance of any royalties or income earned by the Contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific research or education; and

(4) It will make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms and that, when appropriate, it will give a preference to a small business firm when licensing a subject invention;

(5) The Federal agency may review the Contractor's licensing program and decisions regarding small business applicants, and the Contractor will negotiate changes to its licensing policies, procedures, or practices with the Federal agency when the Federal agency's review discloses that the Contractor could take reasonable steps to more effectively implement the requirements of paragraph (k)(4) of this clause; and

(6) The Federal agency may take into consideration concerns presented by small businesses in making such determinations in paragraph (k)(5) of this clause.

(l) Communication

The District Representative is the central point of contact for communications on matters relating to the clause. Contact information for this person is listed below.

Kevin Marshall
Public Utility District No. 2
of Grant County, Washington
PO Box 878
Ephrata, WA 98823
509-760-9046
kmarsha@gcpud.org

(m) Electronic Filing

(1) Unless otherwise requested or directed by the Federal agency -

(i) The written disclosure required in (c)(1) of this clause shall be electronically filed;

(ii) The written election required in (c)(2) of this clause shall be electronically filed; and

(iii) If required by the agency to be submitted, the close-out report in paragraph (c)(1) of this clause and the patent information and periodic reporting identified in paragraph (c)(3) of this clause shall be electronically filed.

(2) Other written notices required in this clause may be electronically delivered to the agency or the Contractor through an electronic database used for reporting subject inventions, patents, and utilization reports to the funding agency.

7. Clean Air Act and Federal Water Pollution Control Act

“Clean Air Act”

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

The Contractor agrees to report each violation to the District and understands and agrees that the District will, in turn, report each violation as required to assure notification to the federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by the federal awarding agency.

“Federal Water Pollution Control Act”

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.

The Contractor agrees to report each violation to the District and understands and agrees that the District will, in turn, report each violation as required to assure notification to the pass-through entity, if applicable and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by the federal awarding agency.

8. Debarment and Suspension

This Contract is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 3000. As such, the Contractor is required to verify that none of the Contractor’s principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

The Contractor must comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

Contractor’s certification, executed as part of the RFQ process (RFQ Attachment “F”) and incorporated herein by reference, is a material representation of fact relied upon by the District. If it is later determined that the Contractor did not comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, in addition to remedies available to the District, the federal government may pursue available remedies, including but not limited to suspension and/or debarment.

9. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of more than \$100,000 shall file the required certification with Grant PUD as part of the RFQ process (RFQ Attachment “D”), which is incorporated herein by reference. Each tier certifies to the tier above that it will not and has not used federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the federal awarding agency.

10. Procurement of Recovered Materials

In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:

- A. Competitively within a timeframe providing for compliance with the Contract performance schedule,
- B. Meeting Contract performance requirements, or
- C. At a reasonable price.

Information about this requirement, along with the list of EPA-designated items, is available at EPA's webpage, [Comprehensive Procurement Guideline \(CPG\) Program | US EPA](#).

The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

11. Affirmative Socioeconomic Steps

If subcontracts are to be let, the Contractor is required to take all necessary steps identified in 2 CFR part 200.321(b)(1)-(5) to ensure that small and minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

12. Access to Records

A. General

The Contractor agrees to provide the federal awarding agency, pass-through entity, if applicable, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.

The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

The Contractor agrees to provide the federal awarding agency, pass-through entity, if applicable or their authorized representatives access to construction or other work sites pertaining to the work being completed under the Contract.

B. Under a Major Disaster or Emergency Declaration

In compliance with section 1225 of the Disaster Recovery Reform Act of 2018, and when applicable, the District and the Contractor acknowledge and agree that no language in this Contract is intended to prohibit audits or internal reviews by the federal awarding agency, FEMA Administrator, or the Comptroller General of the United States.

13. Compliance with Federal Law, Regulations, and Executive Orders and Acknowledgement of Federal Funding

Contractor acknowledges that the federal awarding agency financial assistance will be used to fund all or a portion of the Contract. The Contractor will comply with all applicable federal law, regulations, executive orders, federal awarding agency policies, procedures, and directives.

14. No Obligation by Federal Government

The Federal government is not a party to this Contract and is not subject to any obligations or liabilities to the District, contractor, or any other party pertaining to any matter resulting from the

Contract.

15. Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Contract.

For Commission Review – 03/11/2025

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute new Contract Agreement 430-12302R-B with HDR Engineering, Inc. in the amount not to exceed \$600,000 for services to support Energy Supply Management (ESM) Research Department.

xxxx

MEMORANDUM

February 26, 2025

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: John Mertlich, Chief Commercial Officer JM
Andrew Munro, Senior Manager – ESM Industry & Market Research AM
Dawn Van Diest, Attorney ESM DVD
Dawn Van Diest

FROM: Kevin Marshall, Project Specialist X KM
David Dempsey, Engineer IV DTD
DTD
Bryce Greenfield, Engineer IV BG

SUBJECT: Award of Contracts 430-12302R-A and 430-12302R-B for Engineering Services

Purpose: To request Commission approval to award Engineering Contracts 430-12302R-A and 430-12302R-B.

Background:

- Contract 430-12302R-A is recommended to be awarded to HDR, Inc. for engineering services to support the Energy Supply Management (ESM) Research Department in the amount of \$600,000.
- Contract 430-12302R-B is recommended to be awarded to Stantec Consulting Services, Inc. for engineering services to support the ESM Research Department in the amount of \$600,000.
- These engineering contracts are essential to support the District's ongoing discovery work to identify the most commercially viable and economically feasible energy generation and energy storage projects. These efforts are critical to meeting the growing energy demand in Grant County and ensuring future energy security for our customers.
- A third contract for additional engineering services is currently under negotiation. Assuming that the negotiations are successful, this contract will also be awarded in the amount of \$600,000 (Contract 430-12302R-C).

Discussion:

A Request for Proposals (RFP) was initially issued in early 2024 to support the ESM Research Department in evaluating potential energy generation and energy storage projects. However, the RFP was withdrawn when it was determined Grant PUD may seek federal funding for these services in the future. As a result, the procurement processes were revised to align with the federal procurement standards of 2 CFR 200, and the RFP was reissued as a Request for Qualifications (RFQ) accordingly.

The RFQ scope covers broad engineering services, reflecting the anticipated need for multiple engineering companies to adequately cover all necessary services for energy generation exploration. The RFQ includes the following service categories:

- **Category A:** Engineering support for technical evaluation of energy generation and energy storage technologies. The following eight technologies are included for evaluation:
 - Solar generation technologies.
 - Wind generation technologies.
 - Utility-scale battery technologies.
 - Hydrogen-based electrical generation technologies.
 - Natural gas generation technologies.
 - Pumped storage technologies/project evaluations.
 - Other generation technologies that the District may want to research.
 - Nuclear/Small Modular Reactor (SMR) Technologies.
- **Category B:** Engineering support services for technical evaluation of demand-side management.
- **Category C:** Engineering support services for site evaluations.
- **Category D:** Engineering support services for conceptual design and cost estimating.
- **Category E:** Support services for land and easement acquisitions.
- **Category F:** Miscellaneous Engineering support services for other research and evaluation needs.

The contracts are expected to be in effect until 12/31/2029.

The District has not needed to procure additional generation and capacity resources for decades. The Priest Rapids Project (PRP) has historically met these needs. However, due to increases in load demand and the limitations of the PRP, these contracts are vital for assessing and implementing new energy projects to meet both short-term and long-term energy generation and capacity requirements. Four firms submitted proposals on this RFQ. Staff determined the fourth firm was not qualified for this RFQ.

Justification:

- These contracts will provide essential assessments for potential energy generation projects, and engineering services to support approved projects.
- Without these contracts, internal staff lack the necessary expertise and support to evaluate and implement new generation and capacity projects. The District would have to solely rely on market purchases and external RFP responses for additional generation and capacity.
- Performing this work internally would require significant hiring, which would be both costly and inefficient. Engineering support contracts can provide subject matter expertise on an as-needed basis, reducing downtime and ensuring specialized expertise when required. Hiring staff internally to cover the full range of needed expertise would be impractical and

cost prohibitive. The research provided by these contracts will help the District establish the lowest cost options to meet our increasing load.

- These contracts are needed as utilities across the U.S. are facing similar challenges with new generation and capacity. Equipment suppliers already have significant backlogs and delays in initiating projects, which will push their timelines further out.
- This approach is consistent with the practices of other utilities in assessing and implementing new generation projects.

Financial Considerations:

- These contracts will help the District identify the least-cost options to meet growing load.
- These are cost plus fixed fee contracts. An Independent Cost Estimate has been performed, and the proposed consultant rates align within an acceptable range of 6 percent of the estimate.
- These contracts will be awarded for a five-year period.
- The rates in these contracts are aligned with previous contracts, accounting for inflation.
- This work is budgeted in the O&M budget within the ESM Research Department.
- Cost Center: KA5000, Budget Years: 2025-2029.
- Total cost to the District: \$1,800,000

Recommendation: It is recommended that the Commission approve the award of Engineering Contracts 430-12302R-A and 430-12302R-B to HDR, Inc. and Stantec Engineering Services, Inc., respectively, in the amount of \$600,000 each.

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

cc: Patrick Bishop
Lori Englehart-Jewell
Kristin Fleisher
Leah Mauceri
Beau Schwab

Signature: John Mertlich
Email: jmertlich@gcpud.org

Signature: Andrew Munro
Andrew Munro (Feb 26, 2025 15:56 PST)
Email: Amunro@gcpud.org

Signature: DvD
Dawn Van Diest (Feb 26, 2025 16:13 PST)
Email: dvandiest@gcpud.org

Signature: Kevin Marshall
Email: kmarsha@gcpud.org

Signature: Dave Dempsey
Dave Dempsey (Feb 26, 2025 16:00 PST)
Email: ddempsey@gcpud.org

Signature: BGreenfield
Brian Greenfield (Feb 26, 2025 15:59 PST)
Email: bgreenfield@gcpud.org

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement” or “Contract”), effective upon the date of the last signature below (“Effective Date”), is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and HDR Engineering, Inc. (“Contractor”);

Recitals:

The District desires to obtain professional consulting engineering services as needed to support the District’s Energy Supply Management (ESM) Research Group; and

The District's Chief Commercial Officer believes the Contractor will provide subject matter expertise and resources where the District may not have expertise in-house or does not have adequate internal resources to support the projects of; and

The Contractor, through an established review procedure as specified by RCW Chapter 39.80 and 2 CFR 200.320(b)(2)(iv), has been selected and is willing to provide services on the terms and conditions hereinafter stated.

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

1. Scope of Services

The Contractor shall function as a key techno-economic advisor to District leadership to ensure a sound business, engineering, and project management program is developed and executed and will augment the District’s technical and managerial capabilities. The Contractor shall provide technical knowledge, project management, project execution expertise, and risk management capabilities in support of the District’s project success.

The District may, at the District’s discretion, 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 initial scope of services for this Agreement is anticipated to include, but not necessarily be limited to, the following:

- A. Provide engineering support services for technical and economic evaluation of generation and energy storage technologies including, but not limited to:
 - 1. Solar generation technologies.
 - 2. Wind generation technologies.
 - 3. Utility scale battery technologies.
 - 4. Hydrogen electrical generation technologies.
 - 5. Natural gas generation technologies.
 - 6. Pumped storage technologies/project evaluations.
 - 7. Other generation technologies that the District may want to research.
 - 8. Small Modular Reactor Technologies.

The Contractor shall assist in identifying potential risks and mitigation recommendations.

- B. Provide engineering support services for technical and economic evaluation of demand side management including but not limited to:
1. Smart Grid.
 2. Evaluation of the District's existing AMI and fiber optic systems for use in demand side management.
 3. Other technologies as determined by the District.

The Contractor shall assist in identifying potential risks and mitigation recommendations.

- C. Provide engineering support services for site evaluations including, but not limited to:
1. Site Characterization studies (access, permitting, geotechnical, seismic, cultural, fish & wildlife, etc.).
 2. Evaluation of permitting requirements based on technologies being considered.
 3. Transmission connectivity requirements.
 4. Project planning and estimating.
- D. Provide engineering support services for conceptual design and estimating. This work potentially includes all technologies identified.
- E. Provide support services for land and easement acquisition including, but not limited to:
1. Determination of ownership for land and improvements.
 2. Determination of existing easements, permits, etc.
 3. Preparation of appraisals for parcels and, if appropriate, affected improvements.
 4. Preparation of recommendations to District for offers to be made on appropriate easements.
 5. Negotiation with owners; secure appropriate acquisition options and easements in properly recordable form with necessary signatures; and pay consideration.
- F. Miscellaneous engineering support services for other research and evaluation needs
1. Risk identification and mitigation.
 2. Research into emerging technologies as directed by the District.
 3. Future District identified needs for engineering support.

Additional work to be performed under future phases may include developing final designs, providing plans, specifications, construction cost estimates, construction schedules, and services during construction for the projects.

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 6 to complete any work already initiated and/or authorized under the original term and scope of the Contract.

2. Applicability of Federal Requirements

This Agreement may be funded using federal funds and subject to one or more financial assistance agreements between the District and a federal awarding agency. The provisions of Appendix "F", Federal Requirements, are required and applied when the District utilizes federal funds to pay for a contractor's performance under any contract. Accordingly, the Contractor agrees that the terms

and conditions in Appendix "F" apply to this Agreement between the District and the Contractor in all situations where the Contractor has been paid or will be paid with federal funds.

3. 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.

4. Term - Schedule

This Agreement shall remain in full force and effect until December 31, 2029 or until terminated pursuant to Section 18.

5. Compensation and Payment

- A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in Appendix "A.1", 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. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of \$600,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 6 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, a detailed description of the work performed, and a report of what percentage of total labor hours by Contractor and each and every Subcontractor/Subconsultant of the Contractor were performed by small and diverse businesses during the billing period. Any Labor Categories or reimbursable expenses shall be included on the invoice (see Appendix "A.1" and "A.2").

- 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).
- 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.

6. 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.

7. 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.

8. 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.

9. Insurance

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.

A. 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.
- 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 \$2,000,000 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 form 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 redacted 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.

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

11. 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.

12. 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 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.

13. 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.

14. 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.

15. Subcontracts/Purchases

- A. The Contractor is authorized to enter into subcontracts required for the work. Any subcontracts shall be approved in advance by the District Representative and Procurement Officer. The Contractor is not authorized to make any purchases of materials or equipment other than those specified as other direct costs in Appendix “A.1” and mutually agreed to on the execution date of this Agreement.
- B. The Contractor shall consider that this Contract may be federally funded in whole or in part and may therefore be subject to certain federal provisions. Further, a federal awarding agency may require that certain terms and conditions of this Contract be included in all subcontracts. The Contractor shall be responsible for ensuring all applicable mandatory federal awarding agency provisions are included in all subcontracts. These mandatory provisions are set forth in Appendix “F”, Federal Requirements. The Contractor shall bear full responsibility for delays in performing the work if subcontractor agreements fail to include all applicable provisions.
- C. In the event subcontracts other than those specified in Appendix “A.1” are required for the work, Contractor shall obtain three quotes and submit to the District Representative and Procurement Officer for approval prior to entering into such subcontracts. 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. A copy of the invoice showing actual cost must be submitted with the Contractor’s invoice to the District.

16. 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.

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| <p><u>District</u> Kevin Marshall Public Utility District No. 2 of Grant County, Washington PO Box 878 154 A Street SE, Ephrata, WA 98823 509-760-9046 kmarsha@gcpud.org</p> | <p><u>Contractor</u> Mark Jones HDR Engineering, Inc. 1050 SW 6th Ave., Suite 1800 Portland, OR 97204-1134 503-423-3810 mark.jones@hdrinc.com</p> |
|---|---|

For purposes of technical communications and work coordination only, the District designates Kevin Marshall 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 6 to be valid and binding on the District.

17. License and Delivery of Works Subject to Copyright and Data Rights

The Contractor grants to the District, a paid-up, royalty-free, nonexclusive, irrevocable, worldwide license in data first produced in the performance of this Contract to reproduce, publish, or otherwise use, including prepare derivative works, distribute copies to the public, and perform publicly and display publicly such data. For data required by the Contract but not first produced in the performance of this Contract, the Contractor will identify such data and grant to the District or acquire on its behalf a license of the same scope as for data first produced in the performance of this Contract. Data, as used herein, shall include any work subject to copyright under 17 U.S.C. § 102, for example, any written reports or literary works, software and/or source code, music, choreography, pictures or images, graphics, sculptures, videos, motion pictures or other audiovisual works, sound and/or video recordings, and architectural works. Upon or before the completion of this Contract, the Contractor will deliver to the District data first produced in the performance of this Contract and data required by the Contract but not first produced in the performance of this Contract in formats acceptable by the District. Any modification or reuse of such data by District for purposes other than those intended by this Agreement shall be at District's sole risk and without liability to the Contractor.

18. 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.
- A. In the event of Contractor's breach or abandonment of this Contract, the District may, after providing Contractor written notice of the breach and a period of 10 days to cure, 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.

19. 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.

20. Project Documentation Transfer Methods

- A. The District requires use of the District O365 SharePoint site for all letters, requests for information, safety reports, submittals (except samples), transmittals, and test reports. The requirement to use the District O365 SharePoint site for delivery of these documents supersedes any other requirements for document delivery in the Contract Documents.
- B. The District and Contractor shall mutually agree on the user list for the O365 SharePoint site. All users shall be set up with an individual user name and password after the Contractor has provided a signed "Remote Access Application Form and Computer System Remote Access User Security Agreement" for each user.

- C. All files shall be placed in the correct library corresponding to the subject matter of the file. The following libraries shall be setup by the District: Change Order, Change Order Proposal, District Instruction, Invoices, Letters from Contractor, Letters from District, Meeting Minutes, Request for Information, Safety Reports-Accidents, Schedules, Signed Documents, Submittal, Test Reports, Transmittals, Task Authorization. Original signed Change Orders must also be physically sent to the attention of the Procurement Officer. The District reserves the right to create or delete libraries based on the project documentation requirements. Files stored on the District's O365 SharePoint site shall remain on the O365 SharePoint site for the duration of the project.
 - D. File names shall be as follows, where Y indicates a sequential number starting with 1, A indicates a sequential alpha character for each revision – A = first revision, B = second revision, etc. The following abbreviations may be used: "RFI" for "Request for Information".
 - 1. Change Order Proposals: "Change Order Proposal Y"
 - 2. Letters: "Letter from Contractor Y"
 - 3. Requests for Information: "Request for Information Y" or "RFI Y"
 - 4. Resubmitted Requests for Information: "Request for Information YA" or "RFI YA"
 - 5. Safety/Accident Reports: "Safety Report Y"
 - 6. Submittals: "Submittal Y"
 - 7. Resubmitted Submittals: "Submittal YA"
 - 8. Test Reports: "Test Report Y"
 - E. The receipt date for all documents shall be the same date as indicated by the District O365 SharePoint file posting date unless the documents are placed on the District O365 SharePoint site after 2 p.m. Pacific Standard Time, then the document receipt date shall be set as the following business day.
 - F. If for any reason the District O365 SharePoint site is not functional, then the Contractor shall send hard copies for review; see Technical Specifications for number of copies required. No extensions or claims shall be granted if the District's O365 SharePoint site is not functional.
21. Environmentally Preferable Products, Services, and Practices
- A. In the performance of work under this Contract, the Contractor shall exert its best efforts to provide its services in a manner that will promote the natural environment and protect the health and wellbeing of District employees, contracted service providers, the public, and visitors using District facilities.
 - B. Definitions as used in this Section 21:

"Environmentally preferable" means products or services that have a reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.

“Green Purchasing” means making thoughtful, strategic decisions to buy goods and services that have less negative environmental and health impacts than similar products or services.

- C. Green purchasing and environmentally preferable products and services include several interconnected initiatives which are subject to and are described by the following government and industry procurement programs:
1. Products containing recovered material designated by the U.S. Environmental Protection Agency (EPA) under the Comprehensive Procurement Guidelines ([42 U.S.C. 6962](#)) ([40 CFR Part 247](#)) ([Comprehensive Procurement Guideline \(CPG\) Program | US EPA](#)).
 2. Energy- and water-efficient products that are ENERGY STAR® certified or Federal Energy Management Program (FEMP)-designated products ([42 U.S.C 8259b](#)) ([10 CFR part 436, subpart C](#)) (<https://www.energy.gov/femp/search-energy-efficient-products> and <https://www.energystar.gov/products?s=mega>).
 3. Acceptable chemicals, products, and manufacturing processes listed under EPA's Significant New Alternatives Policy (SNAP) program, which ensures a safe and smooth transition away from substances that contribute to the depletion of stratospheric ozone ([42 U.S.C. 76711](#)) ([40 CFR part 82, subpart G](#)) (<https://www.epa.gov/snap>).
 4. WaterSense® labeled (water efficient) products and services (<https://www.epa.gov/watersense/watersense-products>).
 5. Safer Choice-certified products (products that contain safer chemical ingredients) (<https://www.epa.gov/saferchoice/products>).
 6. Product and services that meet EPA Recommendations of Specifications, Standards, and Ecolabels in effect as of October 2023 (<https://www.epa.gov/greenerproducts/recommendations-specifications-standards-and-ecolabels-federal-purchasing>).
- The Green Procurement Compilation (GPC) available at <https://sftool.gov/greenprocurement> provides a comprehensive list of sustainable products and services and sustainable procurement guidance. The Contractor should review the GPC when determining which programs apply to a specific product or service.
- D. To the extent that design services provided by the Contractor require the specification of any of these types of products, the Contractor is expected to specify the environmentally preferable type of product unless that type of product is not available competitively within a reasonable time, at a reasonable price, is not life cycle cost efficient in the case of energy consuming products or does not meet reasonable performance standards.
- E. The Contractor shall use recycled paper for the production of all printed and photocopied documents related to the fulfillment of this Contract. If the cost of recycled paper is more than 15 percent higher than the cost of non-recycled paper, the Contractor shall notify the District Representative, who may waive the recycled paper requirement.

The Contractor agrees to use both sides of paper for copying and printing, and to use recycled and/or recyclable products wherever practical.

22. Utilization of Small and Diverse Businesses

- A. The Contractor has committed to the aspirational goals identified in its Subcontractor/Subconsultant Inclusion Plan (SIP) & Commitment Form executed as part of the RFQ process (RFQ Attachment C) and incorporated herein by reference.
- B. For purposes of award and performance of the Contract, the aspirational goals are expressed as a percentage of the total Contract Price to be performed by small and diverse businesses over the life of this Agreement.
- C. The Contractor shall make good faith efforts to meet or exceed its aspirational goals in the performance of this Contract. The Contractor may count their own participation and any participation from subcontractors and/or subconsultants, as applicable, towards aspirational goals in this Contract.
- D. Certification Requirements: Small and diverse businesses proposed in the Contractor's SIP must meet, at the time Statements of Qualifications are due, the requirements under RCW 39.26.010(22), or be registered in the federal government's System for Award Management (SAM) as a Small Business Administration (SBA) certified business eligible for contracts that are reserved for small businesses, or be located in an area designated in the current U.S. Department of Labor (DOL) Labor Surplus Area (LSA) list (see <https://www.dol.gov/agencies/eta/lsa>).
- E. Upon Contract award, and if applicable, the Contractor shall provide District Supplier Diversity Program staff, copies of the Contractor's and subcontractors and/or subconsultants, as applicable, business certifications from the Washington State Office of Minority and Women's Business Enterprises (OMWBE) or SBA. If the Contractor's, a subcontractor's, or a subconsultant's business is not certified through OMWBE, SBA, or it is self-certified, the Contractor shall provide the District's Supplier Diversity Program staff verifying tax documentation for audit purposes in order to count the business towards the small and diverse business goal commitment.
- F. If, during the progress of the work, a business listed by the Contractor in its SIP is determined not to meet the small and diverse business eligibility criteria, the utilization of said business will not be counted toward the fulfillment of the Contractor's SIP. The Contractor shall substitute another business that meets the small and diverse business eligibility provisions outlined above to maintain its commitment to small and diverse business participation. Such substitution shall be at no additional cost to the District.
- G. During Contract performance, if the Contractor is not meeting its aspirational goals or making satisfactory progress towards the objectives identified in its SIP, the District may request submission of a corrective action plan. The Contractor shall submit a corrective action plan within ten days of a written request from the District. The correction action plan shall contain the following elements:
 - 1. An explanation of the circumstances contributing to the aspirational goal shortfall.
 - 2. A summary of the impacts to small and diverse businesses on the project due to the

shortfall.

3. A detailed list of actions that the Contractor will take to correct the shortfall and meet the aspirational goals for small and diverse participation for the project.
4. A summary of the status of activities and actions identified in its SIP and the effectiveness of each one toward meeting the aspirational goals.

If the District determines that the corrective action plan submitted by the Contractor is unsatisfactory, the District may withhold payments, or terminate the contract for default.

- H. The obligation of the Contractor is to make Good Faith Efforts to meet its aspirational goals for small and diverse business participation.

For purpose of this clause:

“Good Faith Efforts” means efforts to achieve a goal or other elements of the Contractor’s SIP that, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to meet the SIP requirements.

The Contractor can demonstrate that it has achieved this objective by either meeting its aspirational goals or documenting its Good Faith Efforts. If the Contractor does not meet its aspirational goals, the District will make a determination on whether the Contractor made adequate Good Faith Efforts to meet the stated goals. The District will consider the quality, quantity, and intensity of the documented Good Faith Efforts made by the Contractor. The District will not consider mere pro forma efforts as Good Faith Efforts.

23. Project Management Contractor Participation

- A. 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.
- B. 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.

24. 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 to 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.

25. 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.

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.

26. Protected Information

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 Appendix “E”. In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the District has identified and designated certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as “Protected Information”). Because of the sensitive nature of certain District Protected Information that could be used in this Contract, Contractor is bound by the terms and conditions set forth in the Non-Disclosure Agreement (NDA) executed at the time of this Agreement (Appendix “D”).

27. Background Checks

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before the District will grant such individuals access to secure areas of District facilities or electronic access to Bulk Electric System Cyber Assets 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.

In the event the District determines in its sole discretion that an individual is unsatisfactory to the District or fails to provide a background check as requested by the District, the District reserves the right to require the Contractor to remove such individual from the job site and/or to exclude such individual from having any access to SSI, Bulk Electric System Cyber Assets, CEII, or BCSI.

28. Qualification of Contractor’s Access and Personnel Change Approval

The District reserves the right to deny any Contractor or employee thereof access to District facilities or Protected Information at the District’s sole discretion. The District will be the sole judge of such effect. All Contractors and employees thereof shall be subject to the nondisclosure provisions of this Contract.

The District reserves the right to conduct or to require Contractor to conduct criminal background checks, provide an identity validation document (I-9, Social Security card, driver’s license) and complete the District provided training for its employee(s) before the District will grant such individuals access to secure areas of District facilities. 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. Contractor shall execute one certification for each employee requiring a background check on the form provided by the District and attached hereto as Appendix “E”. The cost of such background checks shall be borne by the Contractor. For access to Protected Information relating to Critical Infrastructure Protection, the District reserves the right to require certificate of completion from the District-provided training for each employee before the District will grant access to such individuals.

In the event the District determines in its sole discretion that an individual or Contractor is unsatisfactory or fails to provide a background check as requested by the District, or fails to provide the information listed above, the District reserves the right to exclude such individual or Contractor from secure areas and/or from having any access to Protected Information.

29. CIP Training

All persons receiving Protected Information or having access to secured sites shall complete CIP training prior to receiving such access and periodically, but no less than annually, thereafter. CIP training is conducted by the Reliability Compliance (RC) Department through a learning management system. The learning management system privileges will be coordinated between the District Representative and the RC Department.

30. 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 18.

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 for work within their scope. 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 three years after completion of all work.
- 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. The Contractor's Safety Information submitted during the RFQ process (see RFQ Attachment "B") is incorporated herein by reference. The District reserves the right to request updated Contractor safety information at any time during the performance of this Contract.
31. Contractor's observation or monitory portions of the work performed under construction contracts shall no relieve the construction contract from its responsibility for performing work in accordance with applicable contract documents. Contractor shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs precautions connected with the work and shall not manage, supervise, control or have charge of construction. Contractor shall not be responsible for acts or omissions of the construction contractor or other parties on the project.
 32. Contractor shall not be liable to the District either in contract or in tort (including negligence or strict liability) for consequential damages consisting of the Districts loss of profits, its loss of revenue or its cost of replacement power. Contractor's total liability to the District with respect to (a) any breach of contract or default, (b) negligence, or (c) strict liability shall not exceed \$5,000,000.00 provided that this total liability limit shall not apply to damages covered by Contractor's insurance coverages, nor from insurance claims, as required in Section 8 with the exception of Professional Liability.

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

HDR Engineering, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX "A.1"
RATE SCHEDULE

Reference RFQ Attachment "I" Price Proposal dated November 19, 2024.

APPENDIX "A.2"
DIRECT, REIMBURSABLE EXPENSES, & OTHER DIRECT COSTS

DIRECT EXPENSES:

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 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. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at 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 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.

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

Notes:

1. **When applicable, monthly invoices will be reviewed to confirm allowability, reasonableness, and proper allocability according to federal cost/price principles in accordance with 2 CFR 200, Subpart E and the Appendix "A.1" Rate Schedule, mutually agreed to on the execution date of this Agreement.**
2. **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 6, 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

HDR Engineering, Inc.

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.: | 430-12302R | 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:

Compensation is to be paid in accordance with and subject to the limitations in Section 5.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

HDR Engineering, Inc.

Approved for District

Accepted by Contractor

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: District Representative

Title: _____

Date: _____

Date: _____

APPENDIX "D"
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 HDR Engineering, Inc., ("Contractor"), sometimes collectively referred to as the "Parties."

RECITALS

The District has identified and designated certain information as confidential. For purposes of this Agreement, "Protected Information" includes:

- District customer information protected under RCW 19.29A, Consumers of Electricity;
- District employee information;
- District vendor information;
- 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 RCW 42.56, 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 a need to know 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, provided that employees who are required to maintain confidentiality pursuant to corporate policy are not required to execute an NDA; and
 - C. Use the Protected Information provided hereunder only for purposes directly related to performance of the work Contract 430-12302R-A.
 - 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.
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: Beau Schwab, 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 may result in irreparable injury to the District for which there may 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 Agreement 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: Name: _____

 Address: _____

 Phone: _____

 Email: _____

 Signature: _____

 Print Name: _____

 Title: _____

 Date: _____

EXHIBIT "A"
DEFINITIONS 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.



APPENDIX “E”
BACKGROUND CHECK/IDENTITY VERIFICATION BY CONTRACTOR/VENDOR

Contractor Name: HDR Engineering, Inc. _____ Date: _____
 Contract Number: 430-12302R-A 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 seven year criminal history records check, a current residence check and a residence check at other locations where, during the seven years immediately prior to the date of the criminal history records check, the employee has resided for six 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

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.

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If Background Check failed enter date of PRA Committee Review: _____ Pass ___ Fail ___
(Check one)

Signature of PRA Committee member: _____

APPENDIX "F"
FEDERAL REQUIREMENTS

1. Termination for Cause
 - A. Any violation or breach of terms of this Contract on the part of the Contractor or the Contractor's subcontractors or subconsultants may result in the suspension or termination of this Contract in accordance with Section 18 or such other action that may be necessary to enforce the rights of the District, including but not limited to debarment as a contractor and a subcontractor.
 - B. Subcontracts or subconsultant agreements exceeding the federal simplified acquisition threshold, currently set at \$250,000, must contain a clause addressing administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for sanctions and penalties as appropriate. See 2 C.F.R. Part 200, Appendix II(A).
 - C. All subcontracts or subrecipient agreements in excess of \$10,000 must address termination for cause by the subcontractor and/or subconsultant, including the manner by which it will be affected and the basis for settlement. See 2 C.F.R. Part 200, Appendix II(B).
2. Termination for Convenience
 - A. The District reserves the right to terminate this Contract for convenience in accordance with Section 18 if the District believes, in its sole discretion, that it is in the best interest of the District to do so.
 - B. All subcontracts or subrecipient agreements in excess of \$10,000 must address termination for convenience by the subcontractor and/or subconsultant, including the manner by which it will be affected and the basis for settlement. See 2 C.F.R. Part 200, Appendix II(B).
3. Mediation. In the event a dispute arises between the parties regarding this Agreement, either party (first party) may submit the issue to mediation by selecting a mediator and notifying the other party (second party) of the selection. The second party shall either approve such mediator and proceed to mediation or select an alternate mediator. Second party shall notify the first party of such acceptance or selection within seven days of the first notification. Upon receiving notification of the selection of an alternate mediator, the first party shall then approve the mediator and proceed to mediation or reject the alternate mediator. First party shall notify second party of such approval or rejection within seven days of receipt of the notice from second party. In the case of rejection, the first two selected mediators shall select a third mediator. The third mediator shall mediate the dispute. The mediator shall be familiar with design and construction of electrical utilities, electrical generation plants, and commercial transactions in Grant County, Washington. The mediator shall not be related to either party by blood or marriage to a principal or owner of either party and shall have no economic interest direct or indirect with either party. Mediation shall take place within as soon as possible after the mediator has been selected. The parties shall split the cost of mediation.
4. Arbitration. In the event that a dispute is not resolved by mediation pursuant to the terms of preceding paragraph, either party (first party) may submit the issue to arbitration by selecting an arbitrator and notifying the other party (second party) of the selection. The second party shall either approve such arbitrator and proceed to arbitration or select an alternate arbitrator. Second party shall notify the first party of such acceptance or selection within seven days of the first notification. Upon receiving notification of the selection of an alternate arbitrator, the first party shall then approve the arbitrator and proceed to arbitration or reject the alternate arbitrator. First party shall notify second party of such approval or rejection within seven days of receipt of the notice from second party. In the case of rejection, the first two selected arbitrators shall select a third arbitrator. The third arbitrator shall arbitrate the dispute. The arbitrator shall be familiar with design and construction of electrical utilities, electrical generation plants, and commercial transactions in Grant County, Washington. The arbitrator shall not be related to either party by blood or marriage to a principal or owner of either party and shall have no economic interest direct or indirect with either party. The arbitration hearing shall take place as soon as possible after the arbitrator

has been named. The decision of the arbitrator shall be made within seven days after the arbitration hearing and shall be binding upon the parties. The parties shall split the cost of arbitration.

5. Conflict of Interest

By submission of its SOQ, and consistent with the District's Code of Ethics, the Contractor certifies (and shall require each Subcontractor and/or Subconsultant to certify) that it has no direct or indirect financial or proprietary interest, and that it shall not acquire any such interest, which conflicts in any manner or degree with the work, services or materials required to be performed and/or provided under this Contract and that it shall not employ any person or agent having any such interest (see Conflict of Interest Certification executed as part of the RFQ process (RFQ Attachment "E"), which is incorporated herein by reference). In the event that the Contractor or its agents, employees or representatives hereafter acquires such a conflict of interest, the Contractor shall immediately disclose such interest in writing to the District and take action immediately to eliminate the conflict or to withdraw from this Contract, as the District may require. The Contractor shall not employ any consultant who is concurrently employed by the District or by the District's consultants (including, but not limited to, surveyors, engineers, architects, and testing laboratories), without first obtaining the District's approval in writing.

6. Rights to Inventions Made Under a Contract or Agreement

STANDARD PATENT RIGHTS

(a) Definitions

(1) Invention means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code, or any novel variety of plant which is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).

(2) Subject invention means any invention of the contractor conceived or first actually reduced to practice in the performance of work under this Contract, provided that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d)) must also occur during the period of contract performance.

(3) Practical Application means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or government regulations, available to the public on reasonable terms.

(4) Made when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) Small Business Firm means a small business concern as defined at section 2 of Pub. L. 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively, will be used.

(6) Nonprofit Organization means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c) and exempt from taxation under section 501(a) of the Internal Revenue Code (25 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

(7) Statutory period means the one-year period before the effective filing date of a claimed invention in a patent application during which exceptions to prior art exist per 35 U.S.C. 102(b) as amended by the Leahy-Smith America Invents Act, Public Law 112-29.

(8) Contractor means any person, small business firm, or nonprofit organization, or, as set forth in section 1, paragraph (b)(4) of Executive Order 12591, as amended, any business firm regardless of size, which is a party to a funding agreement.

(b) Allocation of Principal Rights

The Contractor may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the Contractor retains title, the Federal government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

(c) Invention Disclosure, Election of Title and Filing of Patent Application by Contractor

(1) The Contractor will disclose each subject invention to the Federal agency within two months after the inventor discloses it in writing to Contractor personnel responsible for patent matters. The disclosure to the agency shall be in the form of a written report and shall identify the contract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention, and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the agency, the Contractor will promptly notify the agency of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the Contractor. If required by the Federal agency, the Contractor will provide periodic (but no more frequently than annual) listings of all subject inventions which were disclosed to the agency during the period covered by the report, and will provide a report prior to the close-out of a funding agreement listing all subject inventions or stating that there were none.

(2) The Contractor will elect in writing whether or not to retain title to any such invention by notifying the Federal agency within two years of disclosure to the Federal agency. However, in any case where a patent, a printed publication, public use, sale, or other availability to the public has initiated the one-year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by the agency to a date that is no more than 60 days prior to the end of the statutory period.

(3)(i) The Contractor will file its initial patent application on a subject invention to which it elects to retain title within one year after election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use.

(ii) If the Contractor files a provisional application as its initial patent application, it shall file a nonprovisional application within 10 months of the filing of the provisional application. So long as there is a pending patent application for the subject invention and the statutory period wherein valid patent protection can be obtained in the United States has not expired, additional provisional applications may be filed within the initial 10 months or any extension period granted under paragraph (c)(5) of this clause. If an extension(s) is granted under paragraph (c)(5) of this clause, the Contractor shall file a nonprovisional patent application prior to the expiration of the extension(s) or notify the agency of any decision not to file a nonprovisional application prior to the expiration of the extension(s), or if earlier, 60 days prior to the end of any statutory period wherein valid patent protection can be obtained in the United States.

(iii) The Contractor will file patent applications in additional countries or international patent offices within either ten months of the first filed patent application or six months from the date permission is granted by the Commissioner of Patents to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(iv) If required by the Federal agency, the Contractor will provide the filing date, patent application number and title; a copy of the patent application; and patent number and issue date for any subject invention in any country in which the Contractor has applied for a patent.

(4) For any subject invention with Federal agency and Contractor co-inventors, where the Federal agency employing such co-inventor determines that it would be in the interest of the government, pursuant to 35 U.S.C. 207(a)(3), to file an initial patent application on the subject invention, the Federal agency employing such co-inventor, at its discretion and in consultation with the Contractor, may file such application at its own expense, provided that the Contractor retains the ability to elect title pursuant to 35 U.S.C. 202(a).

(5) Requests for extension of the time for disclosure, election, and filing under paragraphs (1), (2), and (3) of this clause may, at the discretion of the Federal agency, be granted. When a Contractor has requested an extension for filing a non-provisional application after filing a provisional application, a one-year extension will be granted unless the Federal agency notifies the Contractor within 60 days of receiving the request.

(6) In the event a subject invention is made under funding agreements of more than one agency, at the request of the Contractor or on their own initiative the agencies shall designate one agency as responsible for administration of the rights of the government in the invention.

(d) Conditions When the Government May Obtain Title

(1) A Federal agency may require the Contractor to convey title to the Federal agency of any subject invention -

(i) If the Contractor fails to disclose or elect title to the subject invention within the times specified in paragraph (c) of this clause or elects not to retain title.

(ii) In those countries in which the contractor fails to file patent applications within the times specified in paragraph (c) of this clause; provided, however, that if the Contractor has filed a patent application in a country after the times specified in paragraph (c) of this clause, but prior to its receipt of the written request of the Federal agency, the Contractor shall continue to retain title in that country.

(iii) In any country in which the contractor decides not to continue the prosecution of any nonprovisional patent application for, to pay a maintenance, annuity or renewal fee on, or to defend in a reexamination or opposition proceeding on, a patent on a subject invention.

(2) A Federal agency, at its discretion, may waive the requirement for the Contractor to convey title to any subject invention.

(e) Minimum Rights to Contractor and Protection of the Contractor Right to File

(1) The Contractor will retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the Contractor fails to disclose the invention within the times specified in (c), above. The Contractor's license extends to its domestic subsidiary and affiliates, if any, within the corporate structure of which the Contractor is a party and includes the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of the Federal agency except when transferred to the successor of that party of the Contractor's business to which the invention pertains.

(2) The Contractor's domestic license may be revoked or modified by the funding Federal agency to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 CFR part 404 and agency licensing regulations (if any). This license will not be revoked in that field of use or the geographical areas in which the Contractor has achieved practical application and continues to make the benefits of the invention

reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the funding Federal agency to the extent the Contractor, its licensees, or the domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, the funding Federal agency will furnish the Contractor a written notice of its intention to revoke or modify the license, and the contractor will be allowed thirty days (or such other time as may be authorized by the funding Federal agency for good cause shown by the Contractor) after the notice to show cause why the license should not be revoked or modified. The Contractor has the right to appeal, in accordance with applicable regulations in 37 CFR part 404 and agency regulations (if any) concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of the license.

(f) Contractor Action to Protect the Government's Interest

(1) The Contractor agrees to execute or to have executed and promptly deliver to the Federal agency all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the contractor elects to retain title, and (ii) convey title to the Federal agency when requested under paragraph (d) above and to enable the government to obtain patent protection throughout the world in that subject invention.

(2) The Contractor agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Contractor each subject invention made under Contract in order that the Contractor can comply with the disclosure provisions of paragraph (c) of this clause, to assign to the Contractor the entire right, title and interest in and to each subject invention made under Contract, and to execute all papers necessary to file patent applications on subject inventions and to establish the government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by paragraph (c)(1) of this clause. The Contractor shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) For each subject invention, the Contractor will, no less than 60 days prior to the expiration of the statutory deadline, notify the Federal agency of any decision: Not to continue the prosecution of a non-provisional patent application; not to pay a maintenance, annuity or renewal fee; not to defend in a reexamination or opposition proceeding on a patent, in any country; to request, be a party to, or take action in a trial proceeding before the Patent Trial and Appeals Board of the U.S. Patent and Trademark Office, including but not limited to post-grant review, review of a business method patent, *inter partes* review, and derivation proceeding; or to request, be a party to, or take action in a non-trial submission of art or information at the U.S. Patent and Trademark Office, including but not limited to a pre-issuance submission, a post-issuance submission, and supplemental examination.

(4) The Contractor agrees to include, within the specification of any United States patent applications and any patent issuing thereon covering a subject invention, the following statement, "This invention was made with government support under (identify the contract, when applicable) awarded by (identify the Federal agency, when applicable). The government has certain rights in the invention."

(g) Subcontracts

(1) The Contractor will include this clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work to be performed by a subcontractor. The subcontractor will retain all rights provided for the Contractor in this clause, and the Contractor will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(2) The Contractor will include in all other subcontracts, regardless of tier, for experimental developmental

or research work the patent rights clause required by (cite section of agency implementing regulations or FAR).

(3) In the case of subcontracts, at any tier, when the prime award with the Federal agency was a contract (but not a grant or cooperative agreement), the agency, subcontractor, and the Contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and the Federal agency with respect to the matters covered by the clause; provided, however, that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (j) of this clause.

(h) Reporting on Utilization of Subject Inventions

The Contractor agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the Contractor or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the contractor, and such other data and information as the agency may reasonably specify. The Contractor also agrees to provide additional reports as may be requested by the agency in connection with any march-in proceeding undertaken by the agency in accordance with paragraph (j) of this clause. As required by 35 U.S.C. 202(c)(5), the agency agrees it will not disclose such information to persons outside the government without permission of the Contractor.

(i) Preference for United States Industry

Notwithstanding any other provision of this clause, the Contractor agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject inventions in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the Federal agency upon a showing by the contractor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(j) March-in Rights

The Contractor agrees that with respect to any subject invention in which it has acquired title, the Federal agency has the right in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of the agency to require the Contractor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such a request the Federal agency has the right to grant such a license itself if the Federal agency determines that:

- (1) Such action is necessary because the Contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.
- (2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the Contractor, assignee or their licensees;
- (3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the Contractor, assignee or licensees; or
- (4) Such action is necessary because the agreement required by paragraph (i) of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

(k) Special Provisions for Contracts with Nonprofit Organizations

If the Contractor is a nonprofit organization, it agrees that:

- (1) Rights to a subject invention in the United States may not be assigned without the approval of the Federal agency, except where such assignment is made to an organization which has as one of its primary functions the management of inventions, provided that such assignee will be subject to the same provisions as the Contractor;
- (2) The Contractor will share royalties collected on a subject invention with the inventor, including Federal employee co-inventors (when the agency deems it appropriate) when the subject invention is assigned in accordance with 35 U.S.C. 202(e) and 37 CFR 401.10;
- (3) The balance of any royalties or income earned by the Contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific research or education; and
- (4) It will make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms and that, when appropriate, it will give a preference to a small business firm when licensing a subject invention;
- (5) The Federal agency may review the Contractor's licensing program and decisions regarding small business applicants, and the Contractor will negotiate changes to its licensing policies, procedures, or practices with the Federal agency when the Federal agency's review discloses that the Contractor could take reasonable steps to more effectively implement the requirements of paragraph (k)(4) of this clause; and
- (6) The Federal agency may take into consideration concerns presented by small businesses in making such determinations in paragraph (k)(5) of this clause.

(l) Communication

The District Representative is the central point of contact for communications on matters relating to the clause. Contact information for this person is listed below.

Kevin Marshall
Public Utility District No. 2
of Grant County, Washington
PO Box 878
Ephrata, WA 98823
509-760-9046
kmarsha@gcpud.org

(m) Electronic Filing

- (1) Unless otherwise requested or directed by the Federal agency -
 - (i) The written disclosure required in (c)(1) of this clause shall be electronically filed;
 - (ii) The written election required in (c)(2) of this clause shall be electronically filed; and
 - (iii) If required by the agency to be submitted, the close-out report in paragraph (c)(1) of this clause and the patent information and periodic reporting identified in paragraph (c)(3) of this clause shall be electronically filed.

(2) Other written notices required in this clause may be electronically delivered to the agency or the Contractor through an electronic database used for reporting subject inventions, patents, and utilization reports to the funding agency.

7. Clean Air Act and Federal Water Pollution Control Act

“Clean Air Act”

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

The Contractor agrees to report each violation to the District and understands and agrees that the District will, in turn, report each violation as required to assure notification to the federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by the federal awarding agency.

“Federal Water Pollution Control Act”

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.

The Contractor agrees to report each violation to the District and understands and agrees that the District will, in turn, report each violation as required to assure notification to the pass-through entity, if applicable and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by the federal awarding agency.

8. Debarment and Suspension

This Contract is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 3000. As such, the Contractor is required to verify that none of the Contractor’s principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

The Contractor must comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

Contractor’s certification, executed as part of the RFQ process (RFQ Attachment “F”) and incorporated herein by reference, is a material representation of fact relied upon by the District. If it is later determined that the Contractor did not comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, in addition to remedies available to the District, the federal government may pursue available remedies, including but not limited to suspension and/or debarment.

9. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of more than \$100,000 shall file the required certification with Grant PUD as part of the RFQ process (RFQ Attachment “D”), which is incorporated herein by reference. Each tier certifies to the tier above that it will not and has not used federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also

disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the federal awarding agency.

10. Procurement of Recovered Materials

In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:

- A. Competitively within a timeframe providing for compliance with the Contract performance schedule,
- B. Meeting Contract performance requirements, or
- C. At a reasonable price.

Information about this requirement, along with the list of EPA-designated items, is available at EPA's webpage, [Comprehensive Procurement Guideline \(CPG\) Program | US EPA](#).

The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

11. Affirmative Socioeconomic Steps

If subcontracts are to be let, the Contractor is required to take all necessary steps identified in 2 CFR part 200.321(b)(1)-(5) to ensure that small and minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

12. Access to Records

A. General

The Contractor agrees to provide the federal awarding agency, pass-through entity, if applicable, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.

The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

The Contractor agrees to provide the federal awarding agency, pass-through entity, if applicable or their authorized representatives access to construction or other work sites pertaining to the work being completed under the Contract.

B. Under a Major Disaster or Emergency Declaration

In compliance with section 1225 of the Disaster Recovery Reform Act of 2018, and when applicable, the District and the Contractor acknowledge and agree that no language in this Contract is intended to prohibit audits or internal reviews by the federal awarding agency, FEMA Administrator, or the Comptroller General of the United States.

13. Compliance with Federal Law, Regulations, and Executive Orders and Acknowledgement of Federal Funding

Contractor acknowledges that the federal awarding agency financial assistance will be used to fund all or a portion of the Contract. The Contractor will comply with all applicable federal law, regulations, executive

orders, federal awarding agency policies, procedures, and directives.

14. No Obligation by Federal Government

The Federal government is not a party to this Contract and is not subject to any obligations or liabilities to the District, contractor, or any other party pertaining to any matter resulting from the Contract.

15. Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Contract.

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement” or “Contract”), effective upon the date of the last signature below (“Effective Date”), is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and Stantec Consulting Services, Inc. (“Contractor”);

Recitals:

The District desires to obtain professional consulting engineering services as needed to support the District’s Energy Supply Management (ESM) Research Group; and

The District's Chief Commercial Officer believes the Contractor will provide subject matter expertise and resources where the District may not have expertise in-house or does not have adequate internal resources to support the projects of; and

The Contractor, through an established review procedure as specified by RCW Chapter 39.80 and 2 CFR 200.320(b)(2)(iv), has been selected and is willing to provide services on the terms and conditions hereinafter stated.

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

1. Scope of Services

The Contractor shall function as a key techno-economic advisor to District leadership to ensure a sound business, engineering, and project management program is developed and executed and will augment the District’s technical and managerial capabilities. The Contractor shall provide technical knowledge, project management, project execution expertise, and risk management capabilities in support of the District’s project success.

The District may, at the District’s discretion, 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. When funded in whole or in part with federal funds, a Task Authorization will also include documentation of any applicable financial assistance agreement/s between the District and a federal awarding agency.

The initial scope of services for this Agreement is anticipated to include, but not necessarily be limited to, the following:

A. Provide engineering support services for technical and economic evaluation of generation and energy storage technologies including, but not limited to:

1. Solar generation technologies.
2. Wind generation technologies.
3. Utility scale battery technologies.
4. Hydrogen electrical generation technologies.
5. Natural gas generation technologies.
6. Pumped storage technologies/project evaluations.
7. Other generation technologies that the District may want to research.
8. Small Modular Reactor Technologies.

The Contractor shall assist in identifying potential risks and mitigation recommendations.

B. Provide engineering support services for technical and economic evaluation of demand side management including but not limited to:

1. Smart Grid.
2. Evaluation of the District's existing AMI and fiber optic systems for use in demand side management.
3. Other technologies as determined by the District.

The Contractor shall assist in identifying potential risks and mitigation recommendations.

C. Provide engineering support services for site evaluations including, but not limited to:

1. Site Characterization studies (access, permitting, geotechnical, seismic, cultural, fish & wildlife, etc.).
2. Evaluation of permitting requirements based on technologies being considered.
3. Transmission connectivity requirements.
4. Project planning and estimating.

D. Provide engineering support services for conceptual design and estimating. This work potentially includes all technologies identified.

E. Provide support services for land and easement acquisition including, but not limited to:

1. Determination of ownership for land and improvements.
2. Determination of existing easements, permits, etc.
3. Preparation of appraisals for parcels and, if appropriate, affected improvements.
4. Preparation of recommendations to District for offers to be made on appropriate easements.
5. Negotiation with owners; secure appropriate acquisition options and easements in properly recordable form with necessary signatures; and pay consideration.

F. Miscellaneous engineering support services for other research and evaluation needs

1. Risk identification and mitigation.
2. Research into emerging technologies as directed by the District.
3. Future District identified needs for engineering support.

Additional work to be performed under future phases may include developing final designs, providing plans, specifications, construction cost estimates, construction schedules, and services during construction for the projects.

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 6 to complete any work already initiated and/or authorized under the original term and scope of the Contract.

2. Applicability of Federal Requirements

This Agreement may be funded using federal funds and subject to one or more financial assistance agreements between the District and a federal awarding agency. The provisions of Appendix "F", Federal Requirements, are required and applied when the District utilizes federal funds to pay for a contractor's performance under any contract. Accordingly, the Contractor agrees that the terms and conditions in Appendix "F" apply to this Agreement between the District and the Contractor

in all situations where the Contractor has been paid or will be paid with federal funds.

3. 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 applicable 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.

4. Term - Schedule

This Agreement shall remain in full force and effect until December 31, 2029 or until terminated pursuant to Section 18.

5. Compensation and Payment

- A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in Appendix "A.1", 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. If accepted by the Contractor in the RFP process, 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.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of \$600,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 6 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, a detailed description of the work performed, and a report of what percentage of total labor hours by Contractor and each and every Subcontractor/Subconsultant of the Contractor were performed by small and diverse businesses during the billing period. Any Labor Categories or reimbursable expenses shall be included on the invoice (see Appendix "A.1" and "A.2").

- 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).
- 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.

6. 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.

7. 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.

8. 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.

9. 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
- 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.

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 \$2,000,000 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 form 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 reduction 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.

10. 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.

11. 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. Notwithstanding the foregoing, the District's right to inspect, copy and audit shall not extend to the composition of the Contractor's rates and fees, percentage mark-ups or multipliers but shall apply only to their application to the applicable units.

12. 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.

13. 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.

14. 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.

15. Subcontracts/Purchases

- A. The Contractor is authorized to enter into subcontracts required for the work. Any subcontracts shall be approved in advance by the District Representative and Procurement Officer. The Contractor is not authorized to make any purchases of materials or equipment other than those specified as other direct costs in Appendix "A.1" and mutually agreed to on the execution date of this Agreement.
- B. The Contractor shall consider that this Contract may be federally funded in whole or in part and may therefore be subject to certain federal provisions. Further, a federal awarding agency may require that certain terms and conditions of this Contract be included in all subcontracts. The Contractor shall be responsible for ensuring all applicable mandatory federal awarding agency provisions are included in all subcontracts. These mandatory provisions are set forth in Appendix "F", Federal Requirements. The Contractor shall bear full responsibility for delays in performing the work if subcontractor agreements fail to include all applicable provisions.
- C. In the event subcontracts other than those specified in Appendix "A.1" are required for the work, Contractor shall obtain three quotes and submit to the District Representative and Procurement Officer for approval prior to entering into such subcontracts. 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. A copy of the invoice showing actual cost must be submitted with the Contractor's invoice to the District.

16. 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.

District
Dave Dempsey
Public Utility District No. 2
of Grant County, Washington
PO Box 878, 154 A Street SE
Ephrata, WA 98823

Contractor
Greg Rollins
Stantec Consulting Services, Inc.
PO Box 842728
7237 Church Ranch Blvd, Ste 410
Los Angeles, CA 90084-2728

Ph: 509-289-0290
ddempsey@gcpud.org

Ph: 503-220-5414
gregory.rollins@stantec.com

For purposes of technical communications and work coordination only, the District designates Kevin Marshall 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 6 to be valid and binding on the District.

17. License and Delivery of Works Subject to Copyright and Data Rights

Contractor grants to the District, a paid-up, royalty-free, nonexclusive, irrevocable, worldwide license in data first produced in the performance of this Contract to reproduce, publish, or otherwise use, including prepare derivative works, distribute copies to the public, and perform publicly and display publicly such data. For data required by the Contract but not first produced in the performance of this Contract, the Contractor will identify such data and grant to the District or acquire on its behalf a license of the same scope as for data first produced in the performance of this Contract. Data, as used herein, shall include any work subject to copyright under 17 U.S.C. § 102, for example, any written reports or literary works, software and/or source code, music, choreography, pictures or images, graphics, sculptures, videos, motion pictures or other audiovisual works, sound and/or video recordings, and architectural works. Upon or before the completion of this Contract, the Contractor will deliver to the District data first produced in the performance of this Contract and data required by the Contract but not first produced in the performance of this Contract in formats acceptable by the District.

18. 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, after providing Contractor written notice of the breach and a period of seven days to cure, 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.

Non-payment of undisputed amounts by the District to the Contractor in accordance with Section 5.D is agreed to constitute a material breach of this Agreement and, upon written notice as prescribed above, the duties, obligations, and responsibilities of the Contractor are terminated.

19. 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.

20. Project Documentation Transfer Methods

- A. The District requires use of the District O365 SharePoint site for all letters, requests for information, safety reports, submittals (except samples), transmittals, and test reports. The requirement to use the District O365 SharePoint site for delivery of these documents supersedes any other requirements for document delivery in the Contract Documents.
- B. The District and Contractor shall mutually agree on the user list for the O365 SharePoint site. All users shall be set up with an individual user name and password after the Contractor has provided a signed “Remote Access Application Form and Computer System Remote Access User Security Agreement” for each user.
- C. All files shall be placed in the correct library corresponding to the subject matter of the file. The following libraries shall be setup by the District: Change Order, Change Order Proposal, District Instruction, Invoices, Letters from Contractor, Letters from District, Meeting Minutes, Request for Information, Safety Reports-Accidents, Schedules, Signed Documents, Submittal, Test Reports, Transmittals, Task Authorization. Original signed Change Orders must also be physically sent to the attention of the Procurement Officer. The District reserves the right to create or delete libraries based on the project documentation requirements. Files stored on the District’s O365 SharePoint site shall remain on the O365 SharePoint site for the duration of the project.
- D. File names shall be as follows, where Y indicates a sequential number starting with 1, A indicates a sequential alpha character for each revision – A = first revision, B = second revision, etc. The following abbreviations may be used: “RFI” for “Request for Information”.
 - 1. Change Order Proposals: “Change Order Proposal Y”
 - 2. Letters: “Letter from Contractor Y”
 - 3. Requests for Information: “Request for Information Y” or “RFI Y”
 - 4. Resubmitted Requests for Information: “Request for Information YA” or “RFI YA”
 - 5. Safety/Accident Reports: “Safety Report Y”
 - 6. Submittals: “Submittal Y”
 - 7. Resubmitted Submittals: “Submittal YA”
 - 8. Test Reports: “Test Report Y”
- E. The receipt date for all documents shall be the same date as indicated by the District O365 SharePoint file posting date unless the documents are placed on the District O365 SharePoint site after 2 p.m. Pacific Standard Time, then the document receipt date shall be set as the following business day.
- F. If for any reason the District O365 SharePoint site is not functional, then the Contractor shall send hard copies for review; see Technical Specifications for number of copies required. No extensions or claims shall be granted if the District’s O365 SharePoint site is

not functional.

21. Environmentally Preferable Products, Services, and Practices

A. In the performance of work under this Contract, the Contractor shall exert its best efforts to provide its services in a manner that will promote the natural environment and protect the health and wellbeing of District employees, contracted service providers, the public, and visitors using District facilities.

B. Definitions as used in this Section 21:

“Environmentally preferable” means products or services that have a reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.

“Green Purchasing” means making thoughtful, strategic decisions to buy goods and services that have less negative environmental and health impacts than similar products or services.

C. Green purchasing and environmentally preferable products and services include several interconnected initiatives which are subject to and are described by the following government and industry procurement programs:

1. Products containing recovered material designated by the U.S. Environmental Protection Agency (EPA) under the Comprehensive Procurement Guidelines ([42 U.S.C. 6962](#)) ([40 CFR Part 247](#)) ([Comprehensive Procurement Guideline \(CPG\) Program | US EPA](#)).
2. Energy- and water-efficient products that are ENERGY STAR® certified or Federal Energy Management Program (FEMP)-designated products ([42 U.S.C 8259b](#)) ([10 CFR part 436, subpart C](#)) (<https://www.energy.gov/femp/search-energy-efficient-products> and <https://www.energystar.gov/products?s=mega>).
3. Acceptable chemicals, products, and manufacturing processes listed under EPA's Significant New Alternatives Policy (SNAP) program, which ensures a safe and smooth transition away from substances that contribute to the depletion of stratospheric ozone ([42 U.S.C. 76711](#)) ([40 CFR part 82, subpart G](#)) (<https://www.epa.gov/snap>).
4. WaterSense® labeled (water efficient) products and services (<https://www.epa.gov/watersense/watersense-products>).
5. Safer Choice-certified products (products that contain safer chemical ingredients) (<https://www.epa.gov/saferchoice/products>).
6. Product and services that meet EPA Recommendations of Specifications, Standards, and Ecolabels in effect as of October 2023 (<https://www.epa.gov/greenerproducts/recommendations-specifications-standards-and-ecolabels-federal-purchasing>).

The Green Procurement Compilation (GPC) available at

<https://sftool.gov/greenprocurement> provides a comprehensive list of sustainable products and services and sustainable procurement guidance. The Contractor should review the GPC when determining which programs apply to a specific product or service.

- D. To the extent that design services provided by the Contractor require the specification of any of these types of products, the Contractor is expected to specify the environmentally preferable type of product unless that type of product is not available competitively within a reasonable time, at a reasonable price, is not life cycle cost efficient in the case of energy consuming products or does not meet reasonable performance standards.
- E. The Contractor shall use recycled paper for the production of all printed and photocopied documents related to the fulfillment of this Contract. If the cost of recycled paper is more than 15 percent higher than the cost of non-recycled paper, the Contractor shall notify the District Representative, who may waive the recycled paper requirement.

The Contractor agrees to use both sides of paper for copying and printing, and to use recycled and/or recyclable products wherever practical.

22. Utilization of Small and Diverse Businesses

- A. The Contractor has committed to the aspirational goals identified in its Subcontractor/Subconsultant Inclusion Plan (SIP) & Commitment Form executed as part of the RFQ process (RFQ Attachment C) and incorporated herein by reference.
- B. For purposes of award and performance of the Contract, the aspirational goals are expressed as a percentage of the total Contract Price to be performed by small and diverse businesses over the life of this Agreement.
- C. The Contractor shall make good faith efforts to meet or exceed its aspirational goals in the performance of this Contract. The Contractor may count their own participation and any participation from subcontractors and/or subconsultants, as applicable, towards aspirational goals in this Contract.
- D. Certification Requirements: Small and diverse businesses proposed in the Contractor's SIP must meet, at the time Statements of Qualifications are due, the requirements under RCW 39.26.010(22), or be registered in the federal government's System for Award Management (SAM) as a Small Business Administration (SBA) certified business eligible for contracts that are reserved for small businesses, or be located in an area designated in the current U.S. Department of Labor (DOL) Labor Surplus Area (LSA) list (see <https://www.dol.gov/agencies/eta/lsa>).
- E. Upon Contract award, and if applicable, the Contractor shall provide District Supplier Diversity Program staff, copies of the Contractor's and subcontractors and/or subconsultants, as applicable, business certifications from the Washington State Office of Minority and Women's Business Enterprises (OMWBE) or SBA. If the Contractor's, a subcontractor's, or a subconsultant's business is not certified through OMWBE, SBA, or it is self-certified, the Contractor shall provide the District's Supplier Diversity Program staff verifying tax documentation for audit purposes in order to count the business towards the small and diverse business goal commitment.
- F. If, during the progress of the work, a business listed by the Contractor in its SIP is

determined not to meet the small and diverse business eligibility criteria, the utilization of said business will not be counted toward the fulfillment of the Contractor's SIP. The Contractor shall substitute another business that meets the small and diverse business eligibility provisions outlined above to maintain its commitment to small and diverse business participation. Such substitution shall be at no additional cost to the District.

- G. During Contract performance, if the Contractor is not meeting its aspirational goals or making satisfactory progress towards the objectives identified in its SIP, the District may request submission of a corrective action plan. The Contractor shall submit a corrective action plan within ten days of a written request from the District. The correction action plan shall contain the following elements:
1. An explanation of the circumstances contributing to the aspirational goal shortfall.
 2. A summary of the impacts to small and diverse businesses on the project due to the shortfall.
 3. A detailed list of actions that the Contractor will take to correct the shortfall and meet the aspirational goals for small and diverse participation for the project.
 4. A summary of the status of activities and actions identified in its SIP and the effectiveness of each one toward meeting the aspirational goals.

If the District determines that the corrective action plan submitted by the Contractor is unsatisfactory, the District may withhold payments, or terminate the contract for default.

- H. The obligation of the Contractor is to make Good Faith Efforts to meet its aspirational goals for small and diverse business participation.

For purpose of this clause:

“Good Faith Efforts” means efforts to achieve a goal or other elements of the Contractor’s SIP that, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to meet the SIP requirements.

The Contractor can demonstrate that it has achieved this objective by either meeting its aspirational goals or documenting its Good Faith Efforts. If the Contractor does not meet its aspirational goals, the District will make a determination on whether the Contractor made adequate Good Faith Efforts to meet the stated goals. The District will consider the quality, quantity, and intensity of the documented Good Faith Efforts made by the Contractor. The District will not consider mere pro forma efforts as Good Faith Efforts.

23. Project Management Contractor Participation

- A. 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.

- B. 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.

24. 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 to 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.

25. 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.

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.

26. Protected Information

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 Appendix "D". In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the District has identified and designated certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as "Protected Information"). Because of the sensitive nature of certain District Protected Information that could be used in this Contract, Contractor is bound by the terms and conditions set forth in the Non-Disclosure Agreement (NDA) executed at the time of this Agreement (Appendix "D").

27. Background Checks

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before the District will grant such individuals access to secure areas of District facilities or electronic access to Bulk Electric System Cyber Assets 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.

In the event the District determines in its sole discretion that an individual is unsatisfactory to the District or fails to provide a background check as requested by the District, the District reserves the right to require the Contractor to remove such individual from the job site and/or to exclude such individual from having any access to SSI, Bulk Electric System Cyber Assets, CEII, or BCSI.

28. Qualification of Contractor's Access and Personnel Change Approval

The District reserves the right to deny any Contractor or employee thereof access to District facilities or Protected Information at the District's sole discretion. The District will be the sole judge of such effect. All Contractors and employees thereof shall be subject to the nondisclosure provisions of this Contract.

The District reserves the right to conduct or to require Contractor to conduct criminal background checks, provide an identity validation document (I-9, Social Security card, driver's license) and complete the District provided training for its employee(s) before the District will grant such individuals access to secure areas of District facilities. 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. Contractor shall execute one certification for each employee requiring a background check on the form provided by the District and attached hereto as Appendix "E". The cost of such background checks shall be borne by the Contractor. For access to Protected Information relating to Critical Infrastructure Protection, the District reserves the right to require a Non-Disclosure Agreement and a certificate of completion from the District-provided training for each employee before the District will grant access to such individuals.

In the event the District determines in its sole discretion that an individual or Contractor is unsatisfactory or fails to provide a background check as requested by the District, or fails to provide the information listed above, the District reserves the right to exclude such individual or Contractor from secure areas and/or from having any access to Protected Information.

29. CIP Training

All persons receiving Protected Information or having access to secured sites shall complete CIP training prior to receiving such access and periodically, but no less than annually, thereafter. CIP training is conducted by the Reliability Compliance (RC) Department through a learning management system. The learning management system privileges will be coordinated between the District Representative and the RC Department.

30. 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 18.
- 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 for work within their scope. 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 three years after completion of all work.
- 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. The Contractor's Safety Information submitted during the RFQ process (see RFQ Attachment "B") is incorporated herein by reference. The District reserves the right to request updated Contractor safety information at any time during the performance of this Contract.
31. Right to Rely

The District shall furnish to the Contractor all applicable information and technical data in the District's possession or control reasonably required for the proper performance of the Services. The Contractor shall be entitled to reasonably rely upon the information and data provided by District or obtained from

generally acceptable sources within the industry without independent verification except to the extent such verification is expressly included in the Services.

32. Limitation of Liability

The total amount of all claims the District may have against the Contractor under this Agreement or arising from the performance or non-performance of the Services under any theory of law, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall be strictly limited to an amount equal to the fees paid to Contractor under the applicable Task Authorization. As the District's sole and exclusive remedy under this Agreement any claim, demand or suit shall be directed and/or asserted only against the Contractor and not against any of the Contractor's employees, officers or directors.

Neither the District nor the Contractor shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected to this Agreement or the performance of the services on this Project. This mutual waiver includes, but is not limited to, damages related to loss of use, loss of profits, loss of income, unrealized energy savings, diminution of property value or loss of reimbursement or credits from governmental or other agencies.

The limitation of liability set forth above shall not apply to claims or damages resulting from or in conjunction with any breach of any indemnification obligation set forth in this Agreement and/or claims made under any insurance placed or provided pursuant to this Agreement up to the full amount payable under such insurance policy(ies).

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

Stantec Consulting Services, Inc.

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

APPENDIX "A.1"
RATE SCHEDULE

Reference RFQ Attachment "I" Price Proposal dated November 19, 2024.

APPENDIX "A.2"**DIRECT, REIMBURSABLE EXPENSES, & OTHER DIRECT COSTS****DIRECT EXPENSES:**

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 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. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at 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 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.

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

Notes:

When applicable, monthly invoices will be reviewed to confirm allowability, reasonableness, and proper allocability according to federal cost/price principles in accordance with 2 CFR 200, Subpart E and the Rate Schedule, mutually agreed to on the execution date of this Agreement and/or the associated Task Authorization/s.

- 1. 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 6, 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

Stantec Consulting Services, Inc.

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.: | 430-12302R | 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:

Compensation is to be paid in accordance with and subject to the limitations in Section 5.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

Stantec Consulting Services, Inc.

Approved for District

Accepted by Contractor

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: District Representative

Title: _____

Date: _____

Date: _____

APPENDIX “D”
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 Stantec Consulting Services, Inc., ("Contractor"), sometimes collectively referred to as the "Parties."

RECITALS

The District has identified and designated certain information as confidential. For purposes of this Agreement, "Protected Information" includes:

- District customer information protected under RCW 19.29A, Consumers of Electricity;
- District employee information;
- District vendor information;
- 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 RCW 42.56, 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 a need to know 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 Contract 430-12302R.
 - 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.
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: Beau Schwab, PO Box 878, Ephrata, WA 98823.
- Except for Confidential Information constituting SSI, CEII, CIP and/or BCSI, Contractor may retain one copy of all Confidential Information in its confidential project file for archival and insurance purposes. Contractor will only be required to use commercially reasonable efforts to return or destroy Confidential Information stored electronically, and will not be required to return or destroy any electronic copy of Confidential Information created pursuant to its standard electronic backup and archival procedures.
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 may result in irreparable injury to the District for which there may 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 Agreement 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 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 or, mediation.

- 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: Name: _____

 Address: _____

 Phone: _____

 Email: _____

 Signature: _____

 Print Name: _____

 Title: _____

 Date: _____

EXHIBIT “A”
DEFINITIONS 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.

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**

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: _____ | |

APPENDIX "F"
FEDERAL REQUIREMENTS

1. Termination for Cause
 - A. Any violation or breach of terms of this Contract on the part of the Contractor or the Contractor's subcontractors or subconsultants may result in the suspension or termination of this Contract in accordance with Section 18 or such other action that may be necessary to enforce the rights of the District, including but not limited to debarment as a contractor and a subcontractor.
 - B. Subcontracts or subconsultant agreements exceeding the federal simplified acquisition threshold, currently set at \$250,000, must contain a clause addressing administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for sanctions and penalties as appropriate. See 2 C.F.R. Part 200, Appendix II(A).
 - C. All subcontracts or subrecipient agreements in excess of \$10,000 must address termination for cause by the subcontractor and/or subconsultant, including the manner by which it will be affected and the basis for settlement. See 2 C.F.R. Part 200, Appendix II(B).
2. Termination for Convenience
 - A. The District reserves the right to terminate this Contract for convenience in accordance with Section 18 if the District believes, in its sole discretion, that it is in the best interest of the District to do so.
 - B. All subcontracts or subrecipient agreements in excess of \$10,000 must address termination for convenience by the subcontractor and/or subconsultant, including the manner by which it will be affected and the basis for settlement. See 2 C.F.R. Part 200, Appendix II(B).
3. Mediation. In the event a dispute arises between the parties regarding this Agreement, either party (first party) may submit the issue to mediation by selecting a mediator and notifying the other party (second party) of the selection. The second party shall either approve such mediator and proceed to mediation or select an alternate mediator. Second party shall notify the first party of such acceptance or selection within seven days of the first notification. Upon receiving notification of the selection of an alternate mediator, the first party shall then approve the mediator and proceed to mediation or reject the alternate mediator. First party shall notify second party of such approval or rejection within seven days of receipt of the notice from second party. In the case of rejection, the first two selected mediators shall select a third mediator. The third mediator shall mediate the dispute. The mediator shall be familiar with design and construction of electrical utilities, electrical generation plants, and commercial transactions in Grant County, Washington. The mediator shall not be related to either party by blood or marriage to a principal or owner of either party and shall have no economic interest direct or indirect with either party. Mediation shall take place within as soon as possible after the mediator has been selected. The parties shall split the cost of mediation.
4. Arbitration. In the event that a dispute is not resolved by mediation pursuant to the terms of preceding paragraph, either party (first party) may submit the issue to arbitration by selecting an arbitrator and notifying the other party (second party) of the selection. The second party shall either approve such arbitrator and proceed to arbitration or select an alternate arbitrator. Second party shall notify the first party of such acceptance or selection within seven days of the first

notification. Upon receiving notification of the selection of an alternate arbitrator, the first party shall then approve the arbitrator and proceed to arbitration or reject the alternate arbitrator. First party shall notify second party of such approval or rejection within seven days of receipt of the notice from second party. In the case of rejection, the first two selected arbitrators shall select a third arbitrator. The third arbitrator shall arbitrate the dispute. The arbitrator shall be familiar with design and construction of electrical utilities, electrical generation plants, and commercial transactions in Grant County, Washington. The arbitrator shall not be related to either party by blood or marriage to a principal or owner of either party and shall have no economic interest direct or indirect with either party. The arbitration hearing shall take place as soon as possible after the arbitrator has been named. The decision of the arbitrator shall be made within seven days after the arbitration hearing and shall be binding upon the parties. The parties shall split the cost of arbitration.

5. Conflict of Interest

By submission of its SOQ, and consistent with the District’s Code of Ethics, the Contractor certifies (and shall require each Subcontractor and/or Subconsultant to certify) that it has no direct or indirect financial or proprietary interest, and that it shall not acquire any such interest, which conflicts in any manner or degree with the work, services or materials required to be performed and/or provided under this Contract and that it shall not employ any person or agent having any such interest (see Conflict of Interest Certification executed as part of the RFQ process (RFQ Attachment “E”), which is incorporated herein by reference). In the event that the Contractor or its agents, employees or representatives hereafter acquires such a conflict of interest, the Contractor shall immediately disclose such interest in writing to the District and take action immediately to eliminate the conflict or to withdraw from this Contract, as the District may require. The Contractor shall not employ any consultant who is concurrently employed by the District or by the District’s consultants (including, but not limited to, surveyors, engineers, architects, and testing laboratories), without first obtaining the District’s approval in writing.

6. Rights to Inventions Made Under a Contract or Agreement

STANDARD PATENT RIGHTS

(a) **Definitions**

(1) Invention means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code, or any novel variety of plant which is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).

(2) Subject invention means any invention of the contractor conceived or first actually reduced to practice in the performance of work under this Contract, provided that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d)) must also occur during the period of contract performance.

(3) Practical Application means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or government regulations, available to the public on reasonable terms.

(4) Made when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) Small Business Firm means a small business concern as defined at section 2 of Pub. L. 85–

536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in government procurement and subcontracting at 13 CFR 121.3–8 and 13 CFR 121.3–12, respectively, will be used.

(6) Nonprofit Organization means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c) and exempt from taxation under section 501(a) of the Internal Revenue Code (25 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

(7) Statutory period means the one-year period before the effective filing date of a claimed invention in a patent application during which exceptions to prior art exist per 35 U.S.C. 102(b) as amended by the Leahy-Smith America Invents Act, Public Law 112–29.

(8) Contractor means any person, small business firm, or nonprofit organization, or, as set forth in section 1, paragraph (b)(4) of Executive Order 12591, as amended, any business firm regardless of size, which is a party to a funding agreement.

(b) Allocation of Principal Rights

The Contractor may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the Contractor retains title, the Federal government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

(c) Invention Disclosure, Election of Title and Filing of Patent Application by Contractor

(1) The Contractor will disclose each subject invention to the Federal agency within two months after the inventor discloses it in writing to Contractor personnel responsible for patent matters. The disclosure to the agency shall be in the form of a written report and shall identify the contract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention, and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the agency, the Contractor will promptly notify the agency of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the Contractor. If required by the Federal agency, the Contractor will provide periodic (but no more frequently than annual) listings of all subject inventions which were disclosed to the agency during the period covered by the report, and will provide a report prior to the close-out of a funding agreement listing all subject inventions or stating that there were none.

(2) The Contractor will elect in writing whether or not to retain title to any such invention by notifying the Federal agency within two years of disclosure to the Federal agency. However, in any case where a patent, a printed publication, public use, sale, or other availability to the public has initiated the one-year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by the agency to a date that is no more than 60 days prior to the end of the statutory period.

(3)(i) The Contractor will file its initial patent application on a subject invention to which it

elects to retain title within one year after election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use.

(ii) If the Contractor files a provisional application as its initial patent application, it shall file a nonprovisional application within 10 months of the filing of the provisional application. So long as there is a pending patent application for the subject invention and the statutory period wherein valid patent protection can be obtained in the United States has not expired, additional provisional applications may be filed within the initial 10 months or any extension period granted under paragraph (c)(5) of this clause. If an extension(s) is granted under paragraph (c)(5) of this clause, the Contractor shall file a nonprovisional patent application prior to the expiration of the extension(s) or notify the agency of any decision not to file a nonprovisional application prior to the expiration of the extension(s), or if earlier, 60 days prior to the end of any statutory period wherein valid patent protection can be obtained in the United States.

(iii) The Contractor will file patent applications in additional countries or international patent offices within either ten months of the first filed patent application or six months from the date permission is granted by the Commissioner of Patents to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(iv) If required by the Federal agency, the Contractor will provide the filing date, patent application number and title; a copy of the patent application; and patent number and issue date for any subject invention in any country in which the Contractor has applied for a patent.

(4) For any subject invention with Federal agency and Contractor co-inventors, where the Federal agency employing such co-inventor determines that it would be in the interest of the government, pursuant to 35 U.S.C. 207(a)(3), to file an initial patent application on the subject invention, the Federal agency employing such co-inventor, at its discretion and in consultation with the Contractor, may file such application at its own expense, provided that the Contractor retains the ability to elect title pursuant to 35 U.S.C. 202(a).

(5) Requests for extension of the time for disclosure, election, and filing under paragraphs (1), (2), and (3) of this clause may, at the discretion of the Federal agency, be granted. When a Contractor has requested an extension for filing a non-provisional application after filing a provisional application, a one-year extension will be granted unless the Federal agency notifies the Contractor within 60 days of receiving the request.

(6) In the event a subject invention is made under funding agreements of more than one agency, at the request of the Contractor or on their own initiative the agencies shall designate one agency as responsible for administration of the rights of the government in the invention.

(d) Conditions When the Government May Obtain Title

(1) A Federal agency may require the Contractor to convey title to the Federal agency of any subject invention -

(i) If the Contractor fails to disclose or elect title to the subject invention within the times specified in paragraph (c) of this clause or elects not to retain title.

(ii) In those countries in which the contractor fails to file patent applications within the times specified in paragraph (c) of this clause; provided, however, that if the Contractor has filed a patent application in a country after the times specified in paragraph (c) of this clause, but prior to its receipt of the written request of the Federal agency, the Contractor shall continue

to retain title in that country.

(iii) In any country in which the contractor decides not to continue the prosecution of any nonprovisional patent application for, to pay a maintenance, annuity or renewal fee on, or to defend in a reexamination or opposition proceeding on, a patent on a subject invention.

(2) A Federal agency, at its discretion, may waive the requirement for the Contractor to convey title to any subject invention.

(e) Minimum Rights to Contractor and Protection of the Contractor Right to File

(1) The Contractor will retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the Contractor fails to disclose the invention within the times specified in (c), above. The Contractor's license extends to its domestic subsidiary and affiliates, if any, within the corporate structure of which the Contractor is a party and includes the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of the Federal agency except when transferred to the successor of that party of the Contractor's business to which the invention pertains.

(2) The Contractor's domestic license may be revoked or modified by the funding Federal agency to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 CFR part 404 and agency licensing regulations (if any). This license will not be revoked in that field of use or the geographical areas in which the Contractor has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the funding Federal agency to the extent the Contractor, its licensees, or the domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, the funding Federal agency will furnish the Contractor a written notice of its intention to revoke or modify the license, and the contractor will be allowed thirty days (or such other time as may be authorized by the funding Federal agency for good cause shown by the Contractor) after the notice to show cause why the license should not be revoked or modified. The Contractor has the right to appeal, in accordance with applicable regulations in 37 CFR part 404 and agency regulations (if any) concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of the license.

(f) Contractor Action to Protect the Government's Interest

(1) The Contractor agrees to execute or to have executed and promptly deliver to the Federal agency all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the contractor elects to retain title, and (ii) convey title to the Federal agency when requested under paragraph (d) above and to enable the government to obtain patent protection throughout the world in that subject invention.

(2) The Contractor agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Contractor each subject invention made under Contract in order that the Contractor can comply with the disclosure provisions of paragraph (c) of this clause, to assign to the Contractor the entire right,

title and interest in and to each subject invention made under Contract, and to execute all papers necessary to file patent applications on subject inventions and to establish the government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by paragraph (c)(1) of this clause. The Contractor shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) For each subject invention, the Contractor will, no less than 60 days prior to the expiration of the statutory deadline, notify the Federal agency of any decision: Not to continue the prosecution of a non-provisional patent application; not to pay a maintenance, annuity or renewal fee; not to defend in a reexamination or opposition proceeding on a patent, in any country; to request, be a party to, or take action in a trial proceeding before the Patent Trial and Appeals Board of the U.S. Patent and Trademark Office, including but not limited to post-grant review, review of a business method patent, *inter partes* review, and derivation proceeding; or to request, be a party to, or take action in a non-trial submission of art or information at the U.S. Patent and Trademark Office, including but not limited to a pre-issuance submission, a post-issuance submission, and supplemental examination.

(4) The Contractor agrees to include, within the specification of any United States patent applications and any patent issuing thereon covering a subject invention, the following statement, "This invention was made with government support under (identify the contract, when applicable) awarded by (identify the Federal agency, when applicable). The government has certain rights in the invention."

(g) Subcontracts

(1) The Contractor will include this clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work to be performed by a subcontractor. The subcontractor will retain all rights provided for the Contractor in this clause, and the Contractor will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(2) The Contractor will include in all other subcontracts, regardless of tier, for experimental developmental or research work the patent rights clause required by (cite section of agency implementing regulations or FAR).

(3) In the case of subcontracts, at any tier, when the prime award with the Federal agency was a contract (but not a grant or cooperative agreement), the agency, subcontractor, and the Contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and the Federal agency with respect to the matters covered by the clause; provided, however, that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (j) of this clause.

(h) Reporting on Utilization of Subject Inventions

The Contractor agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the Contractor or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the contractor, and such other data and information as the agency may reasonably specify. The Contractor also agrees to provide additional reports as may be requested by the agency in connection with any march-in proceeding undertaken by the agency in accordance with

paragraph (j) of this clause. As required by 35 U.S.C. 202(c)(5), the agency agrees it will not disclose such information to persons outside the government without permission of the Contractor.

(i) Preference for United States Industry

Notwithstanding any other provision of this clause, the Contractor agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject inventions in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the Federal agency upon a showing by the contractor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(j) March-in Rights

The Contractor agrees that with respect to any subject invention in which it has acquired title, the Federal agency has the right in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of the agency to require the Contractor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such a request the Federal agency has the right to grant such a license itself if the Federal agency determines that:

- (1) Such action is necessary because the Contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.
- (2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the Contractor, assignee or their licensees;
- (3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the Contractor, assignee or licensees; or
- (4) Such action is necessary because the agreement required by paragraph (i) of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

(k) Special Provisions for Contracts with Nonprofit Organizations

If the Contractor is a nonprofit organization, it agrees that:

- (1) Rights to a subject invention in the United States may not be assigned without the approval of the Federal agency, except where such assignment is made to an organization which has as one of its primary functions the management of inventions, provided that such assignee will be subject to the same provisions as the Contractor;
- (2) The Contractor will share royalties collected on a subject invention with the inventor, including Federal employee co-inventors (when the agency deems it appropriate) when the subject invention is assigned in accordance with 35 U.S.C. 202(e) and 37 CFR 401.10;

(3) The balance of any royalties or income earned by the Contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific research or education; and

(4) It will make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms and that, when appropriate, it will give a preference to a small business firm when licensing a subject invention;

(5) The Federal agency may review the Contractor's licensing program and decisions regarding small business applicants, and the Contractor will negotiate changes to its licensing policies, procedures, or practices with the Federal agency when the Federal agency's review discloses that the Contractor could take reasonable steps to more effectively implement the requirements of paragraph (k)(4) of this clause; and

(6) The Federal agency may take into consideration concerns presented by small businesses in making such determinations in paragraph (k)(5) of this clause.

(l) Communication

The District Representative is the central point of contact for communications on matters relating to the clause. Contact information for this person is listed below.

Kevin Marshall
Public Utility District No. 2
of Grant County, Washington
PO Box 878
Ephrata, WA 98823
509-760-9046
kmarsha@gcpud.org

(m) Electronic Filing

(1) Unless otherwise requested or directed by the Federal agency -

(i) The written disclosure required in (c)(1) of this clause shall be electronically filed;

(ii) The written election required in (c)(2) of this clause shall be electronically filed; and

(iii) If required by the agency to be submitted, the close-out report in paragraph (c)(1) of this clause and the patent information and periodic reporting identified in paragraph (c)(3) of this clause shall be electronically filed.

(2) Other written notices required in this clause may be electronically delivered to the agency or the Contractor through an electronic database used for reporting subject inventions, patents, and utilization reports to the funding agency.

7. Clean Air Act and Federal Water Pollution Control Act

“Clean Air Act”

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

The Contractor agrees to report each violation to the District and understands and agrees that the District will, in turn, report each violation as required to assure notification to the federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by the federal awarding agency.

“Federal Water Pollution Control Act”

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.

The Contractor agrees to report each violation to the District and understands and agrees that the District will, in turn, report each violation as required to assure notification to the pass-through entity, if applicable and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by the federal awarding agency.

8. Debarment and Suspension

This Contract is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 3000. As such, the Contractor is required to verify that none of the Contractor’s principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

The Contractor must comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

Contractor’s certification, executed as part of the RFQ process (RFQ Attachment “F”) and incorporated herein by reference, is a material representation of fact relied upon by the District. If it is later determined that the Contractor did not comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, in addition to remedies available to the District, the federal government may pursue available remedies, including but not limited to suspension and/or debarment.

9. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of more than \$100,000 shall file the required certification with Grant PUD as part of the RFQ process (RFQ Attachment “D”), which is incorporated herein by reference. Each tier certifies to the tier above that it will not and has not used federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the federal awarding agency.

10. Procurement of Recovered Materials

In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:

- A. Competitively within a timeframe providing for compliance with the Contract performance schedule,
- B. Meeting Contract performance requirements, or
- C. At a reasonable price.

Information about this requirement, along with the list of EPA-designated items, is available at EPA's webpage, [Comprehensive Procurement Guideline \(CPG\) Program | US EPA](#).

The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

11. Affirmative Socioeconomic Steps

If subcontracts are to be let, the Contractor is required to take all necessary steps identified in 2 CFR part 200.321(b)(1)-(5) to ensure that small and minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

12. Access to Records

A. General

The Contractor agrees to provide the federal awarding agency, pass-through entity, if applicable, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.

The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

The Contractor agrees to provide the federal awarding agency, pass-through entity, if applicable or their authorized representatives access to construction or other work sites pertaining to the work being completed under the Contract.

B. Under a Major Disaster or Emergency Declaration

In compliance with section 1225 of the Disaster Recovery Reform Act of 2018, and when applicable, the District and the Contractor acknowledge and agree that no language in this Contract is intended to prohibit audits or internal reviews by the federal awarding agency, FEMA Administrator, or the Comptroller General of the United States.

13. Compliance with Federal Law, Regulations, and Executive Orders and Acknowledgement of Federal Funding

Contractor acknowledges that the federal awarding agency financial assistance will be used to fund all or a portion of the Contract. The Contractor will comply with all applicable federal law, regulations, executive orders, federal awarding agency policies, procedures, and directives.

14. No Obligation by Federal Government

The Federal government is not a party to this Contract and is not subject to any obligations or liabilities to the District, contractor, or any other party pertaining to any matter resulting from the

Contract.

15. Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Contract.