AGENDA
GRANT COUNTY PUBLIC UTILITY DISTRICT
Via Conference Call
+1 509-703-5291 Conference ID: 678 050 6#
COMMISSION MEETING
Tuesday, October 13, 2020

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

9:00 a.m. Commission Convenes
Review and Sign Vouchers

10:00 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
Business Meeting

1. Consent Agenda

Approval of Vouchers

Meeting minutes of September 22, 2020

2. Regular Agenda

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10331 with Bernardo-Wills Architects PC (BWA) for Architectural and Engineering (A/E) Services in an amount not-to-exceed $2,500,000.00 and with a contract completion date of December 31, 2025. (3342)

3. Review Items For Next Business Meeting

XXXX – Resolution Accepting a Bid and Awarding Contract 430-09972R1, for Plant Power Distribution Modernization.

XXXX – Resolution Establishing Rate Schedule No. 30, Wholesale Transmission Delivery for Large Load Customers, and Rate Schedule No. 31, Wholesale Transmission Delivery for Small Load Customers
Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10632 with CDW Government, Inc. for a three-year renewal of Grant PUD’s Microsoft Enterprise Agreement in an amount not-to-exceed $1,372,037.52 to be paid in three annual installments in the amounts of $457,345.84 from August 21, 2020 through August 31, 2023. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to bind 2020-2021 property and liability policy renewals through Grant PUD’s insurance broker Beecher Carlson with estimated premiums totaling $XXXXXXXX. (xxxx)

4. Calendar

2:00 p.m. Commission President Flint to announce the opening of public input period for the 2021 Proposed Budget.

2021 Proposed Budget Public Hearing – Microsoft Teams Virtual Meeting
Video Option: Teams Meeting Video Link
Call-in Option: +1 509-703-5291 Conference ID: 955 583 634#

5. Reports from Staff (if applicable)

6. Budget Hearing

6:00 p.m. 2021 Proposed Budget Public Hearing – Microsoft Teams Virtual Meeting
Video Option: Teams Meeting Video Link
Call-in Option: +1 509-703-5291 Conference ID: 955 583 634#

Adjournment

Upcoming Budget Hearing Notice:
October 15, 2020 – 6:00 p.m. – Microsoft Teams Virtual Meeting
Video Option: Teams Meeting Video Link
Call-in Option: +1 509-703-5291 Conference ID: 955 583 634#
CONSENT AGENDA
REGULAR MEETING
OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

September 22, 2020

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 678 050 #6 with the following Commissioners present: Tom Flint, President; Larry Schaapman, Vice-President; Judy Wilson, Secretary; Dale Walker, Commissioner; and Nelson Cox, Commissioner.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:18 a.m.

The Commission resumed at 9:50 a.m.

A round table discussion was held regarding the following topics: request for status update and lessons learned report from recent Blue Lake customer issue; inquiries regarding scope, cost and timeline of the Volt Workforce Solutions and Bernardo-Wills Architects contracts; reliability concerns with Royal City substation; positive comments as a result of visual progress with fiber build out effort; request for fiber gateway demand status update report; and reminder of September 24 Employee Appreciation event.

John Price, Senior Safety Coordinator, presented the Safety Report.

Craig Bressan, Senior Manager Industrial Training & Safety, provided the Safety Health and Improvement Plan (SHIP) Programmatic Report.

Carol Mayer, Manager of Procurement & Warehouse, presented the Internal Services Procurement Overview.

Dave Churchman, CCO; Terry McKenzie, Senior Manager of Customer Service; Derin Bluhm, Chief Technology Officer; and Chris Roseburg, Manager of PMO; and Cary West, Manager of Quality Assurance; presented the Customer Cloud Service (CCS) Update.

The Commission recessed at 12:03 p.m.

The Commission resumed at 1:00 p.m.

Consent agenda motion was made Mr. Schaapman and seconded by Mr. Cox to approve the following consent agenda items:

| Payment Number | 105088 through 105430 | $12,232,166.84 |
Meeting minutes of September 8, 2020.

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

Motion was made by Mr. Schaapman and seconded by Mr. Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 2 to Contract 430-08470 with Volt Workforce Solutions, increasing the not-to-exceed contract amount by $1,500,000.00 for a new contract total of $2,350,000.00, extending the contract completion date to December 31, 2022 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. 2. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Cox and seconded by Mrs. Wilson authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 4 – GMP Amendment to Contract 130-09724 with Quanta Electric Power Construction, increasing the not-to-exceed contract amount by $51,930,956.00 for a new contract total of $58,162,251.26 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. 4. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Cox and seconded by Mr. Schaapman authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 19 to Contract 230-4249 with Andritz Hydro Corporation, increasing the not-to-exceed contract amount by $140,440.00 for a new contract total of $1,721,831.00 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. 19. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Trade Association/Committee Reports were reviewed.


Robert Lougee, Manager of Corrective Action Program; and Rey Pulido, Manager of Continuous Improvement Program; and Mark Beattie, Project Specialist IX; presented the Corrective Action Program Report.

The Commission recessed at 2:45 p.m.
The Commission resumed at 2:50 p.m.

Andrew Munro, Senior Manager External Affairs & Communications, and Chuck Allen, Public Affairs Supervisor, provided the Public Power/Industry Outreach Activity Report.

Thomas Stredwick, Senior Manager of Leadership & Organizational Development, and Nels Hanson, Manager of Learning & Development, presented the Organizational Development Report.

The Commission recessed at 3:50 p.m.

The Commission resumed at 3:55 p.m.

An executive session was announced at 3:55 p.m. to last until 4:55 p.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 4:55 p.m. and the regular session resumed.

There being no further business to discuss, the September 22, 2020 meeting officially adjourned at 4:55 p.m.

________________________________________
Tom Flint, President

ATTEST:

________________________________________
Judy Wilson, Secretary

________________________________________
Larry Schaapman, Vice President

________________________________________
Dale Walker, Commissioner

________________________________________
Nelson Cox, Commissioner
REGULAR AGENDA
Motion was made by __________ and seconded by __________ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10331 with Bernardo-Wills Architects PC (BWA) for Architectural and Engineering (A/E) Services in an amount not-to-exceed $2,500,000.00 and with a contract completion date of December 31, 2025.
TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Jeff Bishop, Chief Finance Officer
    Kevin McCarthy, Senior Manager of Internal Services
    Tim Fleisher, Facilities Manager

FROM: Maria I. Wren, Sr. Facilities Project Manager

SUBJECT: Contract 430-10331 for General Architectural/Engineering Services

**Purpose:** Request Commission award of Contract 430-10331 to Bernardo Wills Architects PC (BWA) for Architectural and Engineering (A/E) Services for a not-to-exceed Contract amount of $2,500,000.

**Discussion:** BWA has been providing A/E services to the District since 2006. In January 2020, the District issued a new Request for Proposals (RFP). Twelve firms responded to the RFP. The District’s selection committee chose BWA as the most qualified firm. BWA has developed an understanding of the needs of the District through the completion of previous Facilities planning studies and numerous projects. BWA has performed well with all the projects/tasks assigned. They are a proven resource that provides expertise and support for the District.

A/E consultant services are a normal part of our operations and provide staff with the resources needed to effectively manage our work, similar to other engineering contracts for Hydro Engineering and Environmental Affairs. This not-to-exceed Contract will be available over the next five years to complete current projects, assist with project priorities, and perform project & regulatory due diligence for future work; enabling us to function in a systematic and effective manner, ensuring that our internal resources are used wisely.

BWA will provide professional A/E services as requested by the District on an “as-needed” project by project basis for District facilities projects related to the maintenance, rehabilitation, upgrading of the existing facilities, and new facilities. A written Task Authorization containing specific scope of services will be issued with budget and duration constraints for each assignment. The Professional Services Contract is anticipated to include, but not necessarily limited to, the following services during the next five years:

1. Feasibility Studies and associated Due Diligence
2. Remodels & Additions (including site improvements)
3. New Buildings (including site improvements)
4. Interior Space Planning & Furnishings Coordination
5. Site Planning

6. Other support services as needed –
   - District staff support for Operations & Maintenance and Capital projects
• Project Management, Construction Contract Administration, Cost Estimating, and/or Scheduling
• Value Engineering, efficiency studies, and functional analysis
• Energy analysis and life cycle analysis
• Regulatory and building code reviews and analysis for new and existing facilities
• Preparation of drawings and specification for existing facilities, project presentation, or exhibits
• As-built/Record drawing preparation & conversion
• Other similar support services.

Justification: This A/E Professional Services Contract provides scalability of resource augmentation and specialized expertise on a demand/as-needed basis. BWA provides valuable knowledge, capacity, and capabilities that integrate well with District internal resources and are attributable to the successful delivery of projects since 2006. The relationship and trust forged through years of partnership minimize risks of on-boarding new resources. BWA provides professional services that identify and mitigate operational and regulatory deficiencies as well as supporting staff in development and implementation of our ongoing Facilities planning and maintenance effort.

Financial Considerations: The not-to-exceed amount for this Contract is $2,500,000. The Contract term is through December 31, 2025. BWA rates were compared with the top three ranked firms responding to the RFP, and their rates were found to be fair and reasonable. Most of the work completed with this Contract will be charged to Cost Center FD2000 and each capital project will be charged to the project’s specific PID as budgeted. As was the case in the past, the resources and expertise that BWA provides the District will be available for use by other Cost Centers.

The not-to-exceed Contract amount is estimated based on analysis of historical and anticipated future A/E general services expenditures for planning, capital, and O&M projects. Over the previous 3- years the District has and shown an average annual usage of this contract of $475,000/year.

Contract Specifics:

• This Contract will remain in effect until December 31, 2025 or District may terminate the Contractor’s services in part or in its entirety any time pursuant of Section 17 of the Contract.
• Compensation for services rendered and all reimbursable costs shall be per the rates set forth in Appendix “A” Rate Schedule.

Recommendation: Recommend Commission award of Contract No. 430-10331 to Bernardo Wills Architects PC for A/E Professional Services for a not-to-exceed Contract amount of $2,500,000.

Legal Review: See attached e-mail(s).
AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and Bernardo-Wills Architects PC (“Contractor”);

Recitals:

The District desires to obtain Professional Architectural/Engineering services for the planning and design of capital projects; and

The District's Facilities Department believes that the awarded firm will be qualified to render Architectural/Engineering services. The District requires Architectural/Engineering services and is currently involved in the planning of projects and other work as identified in Potential Services and Project Listing (Appendix “D”); and

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

The Contractor, through an established review procedure as specified by RCW Chapter 39.80, 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

Projects for which architectural and/or engineering services that may be required are set forth in Appendix “D” herein. The District will authorize the Contractor to perform specific tasks by means of a Task Authorization for Professional Services (Appendix “C”) to be signed by both the District and the Contractor. Such authorization may be issued by the District Representative. The authorization will define the scope of the task, any time requirements and budget limitations.

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

2. Independent Contractor

A. The Contractor shall operate as, and have the status of, an independent Contractor and will not be an agent or employee of the District nor will it be entitled to any employee benefits provided by the District. All the Contractor’s activities will be conducted at its own risk and be in compliance with all federal, state and local laws.

B. The Contractor shall perform its services with the level of skill, care and diligence normally provided by and expected of professional persons performing services similar to or like those to be performed hereunder. Contractor understands that the District will be relying upon the accuracy, competency, credibility and completeness of the services provided by the Contractor hereunder and that the District and its customers will be utilizing the results of such services.
C. Contractor’s services are intended for the District’s sole use and benefit and solely for the District’s use on Projects under this Agreement and shall not create any third-party rights.

3. Term - Schedule

This Agreement shall remain in full force and effect until December 31, 2025 or until terminated pursuant to Section 17.

4. Compensation and Payment

A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in Appendix “A”, Rate Schedule, which rates and costs shall not be subject to change until two years after the effective date of this Agreement.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of $2,500,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 5 below.

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

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

C. Invoices shall include the Contract number and a detailed description of the work performed. Any Labor Categories or reimbursable expenses shall be included on the invoice (see Appendix “A”).

D. Payment will be made by the District upon completion of work following District approval of Contractor’s invoices. Invoice shall be subject to the review and approval of the District. Invoice shall be in a detailed and clear manner supported by such information the District may require. The District will make payment to Contractor within 30 days after District’s receipt and approval of said invoice.

E. The District Representative may approve additional Contractor employees, personnel categories, and/or equipment rates to be added to the Rate Schedule, if applicable, provided that any additional employees have at least equivalent training and skills and are compensated at the same or lower rates than those listed on the current approved Rate Schedule for similar work. There shall be no change in the total Contract not to exceed amount. All additions must be approved in writing prior to performing services under the Contract.

5. Change Orders

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

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

When a change is ordered by the District, as provided herein, a Change Order shall be executed by the District and the Contractor before any Change Order work is performed. When requested, Contractor shall provide a detailed proposal for evaluation by the District, including details on proposed cost. The District shall not be liable for any payment to Contractor, or claims arising there from, for Change Order work which is not first authorized in writing. All terms and conditions contained in the Contract Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as Appendix “B” and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

6. **Taxes**

   A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Contractor shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and subcontractors performing work related to this Contract.

   B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:

      1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail sales and use taxes due and Contractor shall be reimbursed by the District for the same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.

      2. If the Contractor is not required to have a valid Washington State sales tax identification number, it shall notify the District of the same. In such event, the District, after receiving proper invoices from Contractor, shall make payment of said Washington State retail sales and use taxes levied upon this Contract to the Washington State Department of Revenue.

7. **Hold Harmless and Indemnification**

   Bernardo Wills Architects and the District, to the extent permitted by applicable law, shall each indemnify the other with respect to any demand, claim, liability, costs, expenses, fines, or penalties to the extent caused by such Party’s negligent act, error, or omission in any way related to this Agreement. In the event of any claim, allegation, or demand by any third party involving the negligent performance of the scope of services or responsibilities of either Party, such Party shall promptly assume responsibility for the investigation, defense, and response to such issues.
8. **Insurance**

   A. Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Contractor shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best, as enumerated below. Any significant deductible, self-insured retention or coverage via captive 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 for ongoing operations. A waiver of subrogation will apply in favor of the District.

   2. **Workers’ Compensation and Stop Gap Employers Liability**: 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**. 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, 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 and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when 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 $4,000,000 per occurrence and in the aggregate when combined with underlying primary limits**. 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 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.

Umbrella/Excess liability insurance will include the District as additional insured on a primary and non-contributory basis for ongoing operations. 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 $2,000,000 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 three 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, 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 a copy of the endorsement naming the District as an Additional Insured for each policy where indicated in Section A.

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 or Contractor shall provide 30 days advance written notice to the District for cancellation or any material change in coverage or condition, and 10 days advance written notice for cancellation due to non-payment. Should the Contractor receive any notice of cancellation or notice of nonrenewal from its insurer(s), Contractor shall provide immediate notice to the District no later than two days following receipt of such notice from the insurer. Notice to the District shall be delivered by facsimile or email.

9. Assignment

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

10. Records - Audit

A. The results of all work and services performed by the Contractor hereunder shall become the property of the District upon completion of the work herein performed and shall be delivered to the District prior to final payment.

B. Until the expiration of three years after final acceptance by District of all the work, Contractor shall keep and maintain complete and accurate records of its costs and expenses related to the work or this Contract in accordance with sound and generally accepted accounting principles applied on a consistent basis. To the extent this Contract provided for compensation on a cost-reimbursable basis or whenever such records may, in the opinion of the District, be useful in determining any amounts payable to Contractor or District (e.g., the nature of a refund, credit or otherwise), Contractor shall provide District access to all such records for examination, copying and audit.

11. Nondisclosure

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

A. Information which is already in the Contractor’s possession not subject to any existing confidentiality provisions,

B. Information which, at the time of disclosure, is in the public domain by having been printed and published and available to the public libraries or other public places where such data is usually collected, and

C. Information required to be disclosed by court order or by an agency with appropriate jurisdiction.

12. Public Records Act

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

13. Applicable Law

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

14. Subcontracts/Purchases

The Contractor is not authorized to enter into any subcontracts or make any purchases of materials or equipment unless otherwise expressly provided in this agreement. Any purchases or subcontracts which exceed $15,000.00, even if included in the agreement, shall be approved in advance by the District Representative.

15. Notices

Any notice or other communication under this Contract given by either party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be deemed served when received and not mailed. Either party may from time to time change such address by giving the other party notice of such change.
For purposes of technical communications and work coordination only, the District designates Maria Wren as its representative. Said individual shall have no authority to authorize any activity which will result in any change in the amount payable to Contractor. Such changes, if any, must be by written Change Order issued in accordance with Section 5 to be valid and binding on the District.

16. **Ownership of Work Product/Copyright**

A. All rights in the various work produced for or under this Agreement, including but not limited to study plans, results, drafts, charts, graphs, videos, summaries and any other forms of presentation, collectively referred to as “Work Product” shall belong to and be the exclusive property of the District. Contractor shall not use the Work Product outside the scope of this Contract without express written permission from the District.

B. Contractor acknowledges and agrees that all services/work are specifically ordered under an agreement with Public Utility District No. 2 of Grant County, Washington, and shall be considered “work made for hire” and “Work Product” for purposes of copyright. All copyright interest in Work Product shall belong to and be the exclusive property of the District.

C. Contractor shall attach and require each of its subcontractors to attach the following statement to all Work Product:

©. PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON. ALL RIGHTS RESERVED UNDER U.S. AND FOREIGN LAW, TREATIES AND CONVENTIONS.

THE ATTACHED WORK WAS SPECIFICALLY ORDERED UNDER AN AGREEMENT WITH PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON. ALL RIGHTS IN THE VARIOUS WORK PRODUCED FOR OR UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO STUDY PLANS AND STUDY RESULTS, DRAFTS, CHARTS, GRAPHS AND OTHER FORMS OF PRESENTATION, SUMMARIES AND FINAL WORK PRODUCTS, ARE THE EXCLUSIVE PROPERTY OF THE DISTRICT.

D. Upon final acceptance or termination of this Agreement, Contractor shall immediately turn over to the District all Work Product. This does not prevent the Contractor from making a file copy for their records.

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

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

18. 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.

19. Physical Security

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 Contractor Security Plan Information as if fully set out herein a copy of which shall be provided to the Contractor 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 ‘Tagging on’ 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.

The Contractor and any Subcontractors shall comply with the safety requirements of these Contract Documents and all District policies pertaining to COVID-19.

20. Security and Safety Awareness 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 Security and Safety Awareness training manual is available on-line, or hard copy, and includes step by step instructions for all formats to complete the training. The Security and Safety Awareness training manual shall be issued to the Contractor at the pre-work conference (if any). If a pre-work conference is not held for any reason, the District shall provide the Security and Safety Awareness training manual to the Contractor at such time when a Notice to Proceed is issued by the District. Contractor shall ensure that its employees, subcontractor’s 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.

21. Confidential 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 “F”. 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 “Confidential Information”). Because of the sensitive nature of certain District Confidential 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 and included as Appendix “E”.

22. Approval of Personnel Changes

The Contractor shall submit to the District Representative for review and approval a proposed list of individuals who will have access to SSI, CEII, or BCSI or to restricted areas of District electronic systems and facilities. Unless otherwise required or prohibited by law, the Contractor shall supply the following information for each individual: full legal name, physical address, date of birth, qualifications, years’ of experience, lawful presence and eligibility to work in the United States of
such individuals along with their experience and qualifications for the type of work they will perform. Subject to prior written authorization of District Representative, Contractor may add or change personnel on the approved list provided that the same identifying information listed above is provided to the District Representative for review and approval. The Contractor shall submit to the District Representative all additions to the approved list of individuals along with the above listed information for review and approval. The Contractor will notify the District of any change or removal of personnel to the approved list, that result in the need for access revocation. The District reserves the right to deny approval of any proposed individual if, as determined by the District, such individual is unsatisfactory to the District. The District will be the sole judge of such effect. All personnel shall be subject to the nondisclosure provisions of this Contract which shall survive their replacement or termination as provided herein.

23. **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, electronic systems, or Confidential 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. Contractor shall execute one certification for each employee requiring a background check on the form provided by the District and attached hereto as Appendix “G”. The cost of such background checks shall be borne by the Contractor.

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, CEII, or BCSI.

24. **Qualification of Contractor’s Access Approval**

The District reserves the right to deny any Contractor or employee thereof access to District facilities or Confidential 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.

Further, the Contractor must provide the following prior to receiving Confidential Information and/or being granted access to secure areas:

A. Provide resumes of Contractor’s personnel who may have access to Confidential Information or who will be working on site in a secure area at the project facilities. The resumes shall include full legal name, physical address, date of birth, qualifications, years’ of experience, lawful presence and eligibility to work in the United States along with their qualifications for the type of work they will perform.

B. Any individual requesting access to Bulk Electric System Cyber System Information (BCSI) shall complete the District’s CIP Protected Information Training course and provide a certificate of completion prior to receiving access to BCSI or protected areas.

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 Confidential Information.
25. **BCSI Training**

In accordance with the requirements of Section 21, Confidential Information, Contractor shall ensure that its employees, subcontractors and employees of subcontractors or anyone having access shall complete the District’s CIP Security Training Program and provide the certificate of completion for each person with the executed Contract.

All persons receiving Confidential 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 through the District’s learning management system (LMS). LMS privileges will be coordinated through the District Representative.

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

By: ____________________________
Name: __________________________
Title: __________________________
Date: __________________________

Bernardo-Wills Architects PC

By: ____________________________
Name: __________________________
Title: __________________________
Date: __________________________
## APPENDIX “A”
## RATE SCHEDULE

### DIRECT EXPENSES:
### HOURLY RATES:

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### Fixed Hourly Billing Rates

Fixed hourly billing rates shall be in US Dollars and include all i) payroll, payroll taxes and fringe benefits; ii) all reproduction and printing costs including electronic media; iii) communications costs including all phones, faxes, internet, postage, shipping, delivery, couriers; iv) computer, software, printers, scanners, office machines and related costs of operations including consumables; v) insurance costs; vi) indirect and overhead burden; and vii) profit.

### Reimbursable Expenses:

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

#### Meals and Incidental Expenses:

Meals and incidental expenses will be limited to the Federal Per Diem rate for meals and incidentals established for the location where lodging is obtained. The current rate for all Grant County locations is $55.00 per day. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at [www.gsa.gov](http://www.gsa.gov).

#### Lodging:

Lodging will be billed at cost, including applicable taxes, not to exceed 200% of the Federal Per Diem maximum lodging rate for the location where the work is being performed. The current federal maximum lodging rate for all Grant County locations is $94.00. The District Representative may increase this limit in writing when circumstances require.

#### Travel:

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

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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.**

**Reimbursable expenses must be accompanied by receipts for airfare, hotel, and rental car, and any other support documentation as the District may require.**
APPENDIX “B”
CHANGE ORDER
NO. __

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

A. **Description of Change:**

B. **Time of Completion:** The revised completion date shall be ____________.
   OR
   The completion date shall remain ____________.

C. **Contract Price Adjustment:** As a result of this Change Order, the not to exceed Contract Price shall remain unchanged (be increased/decreased by the sum of $________ plus applicable sales tax). This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is $________, including changes incorporated by this Change Order.

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington
TBD

Accepted By: ________________________   Accepted By: _________________________
Name of Authorized Signature   Name of Authorized Signature
Title   Title
Date: ______________________________   Date: ______________________________
APPENDIX “C”
TASK AUTHORIZATION FOR
PROFESSIONAL SERVICES

<table>
<thead>
<tr>
<th>Contract No.:</th>
<th>430-10331</th>
<th>Task Authorization No.:</th>
<th>Amendment No.:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 4.A of the Contract Documents. In addition, the total cost of the above described work shall not exceed $____ without advance amendment of this Task Authorization by the District.

Public Utility District No. 2
of Grant County, Washington

Approved for District

By: ________________________________
Print Name: __________________________
Title: District Representative
Date: ________________________________

Accepted by Contractor

By: ________________________________
Print Name: __________________________
Title: ______________________________
Date: ________________________________
APPENDIX “D”
POTENTIAL SERVICES & PROJECTS LISTING

Projects may include but are not limited to:

1. Local Site and Building Master Planning
2. Feasibility Studies and associated Due Diligence
3. Remodels & Additions (including site improvements)
4. New Buildings (including site improvements)
5. Interior Space Planning & Furnishings Coordination
6. Site Planning
7. Other support services as needed.
   a. District staff support for Operations & Maintenance (O&M) and Capital projects
   b. Project Management, Construction Contract Administration, Cost Estimating, and/or Scheduling
   c. Value Engineering, efficiency studies, and functional analysis
   d. Energy analysis and life cycle analysis
   e. Preparation of drawings for existing facilities, project presentation, or exhibits
   f. As-built/Record drawing preparation & conversion
   g. Other similar support services.
8. District wide projects similar or related to any of the above.
   a. Ephrata Headquarters Facility Improvements
   b. Ephrata Headquarters Remodel or New Build
   c. Ephrata Service Center Improvements
      i. Warehouse Remodel
      ii. Electric Shop Addition and Improvements
      iii. Site Improvements
   d. Moses Lake Local Office Interior and Exterior Improvements
   e. Moses Lake Service Center Improvements
      i. Warehouse Remodel
      ii. Vehicle and Electric Shop Relocation and Remodel
   f. Priest Rapids Maintenance Center Improvements
      i. Demo Existing Warehouse and Build New Warehouse
   g. Wanapum Warehouse Fire Sprinkler Replacement
   h. District Backup Power System Improvements
      i. Power Production support
      j. Power Delivery support

The District gives no guarantee as to a minimum or maximum amount of work that will be assigned from the above list.
APPENDIX “E”
NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement ("NDA") is entered into on the date shown on the signature page between Public Utility District No. 2 of Grant County, Washington ("District"), and ______________________________________________________, ("Contractor"), sometimes collectively referred to as the "Parties."

RECATALS

The District has identified and designated certain information as confidential. For purposes of this Agreement, “Confidential 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 Confidential Information; and
- Any information identified and designated by the District as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII), and/or Bulk Electric System Cyber System Information (BCSI) 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 BCSI. SSI, CEII, and BCSI are further defined in Appendix “F”.

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 Confidential 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. **Confidential Information Disclosure.** All information and drawings that are disclosed by the District to the Contractor, which are designated as confidential, SSI, CEII, and/or BCSI, shall be protected hereunder as Confidential 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 Confidential Information and shall:

A. Restrict disclosure of Confidential Information solely to its agents and employees with appropriate District authorization and not disclose such Confidential 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 Confidential Information to execute an NDA in this same form with the District prior to allowing them access to the Confidential Information; and

C. Use the Confidential Information provided hereunder only for purposes directly related to performance of the work Contract 430-10331.

D. In the event third parties attempt to obtain the Confidential Information by legal process, the Contractor agrees that it will not release or disclose any Confidential 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 Confidential Information.** All Confidential Information shall remain the property of the District. Contractor is responsible for safeguarding and returning all Confidential Information or shall certify, by signed, statement delivered to the District, the destruction of all original Confidential Information provided along with any copies made by the Contractor. Such delivery shall be to the District, Attention: Nicona Butler, PO Box 878, Ephrata, WA 98823.

5. **Compliance Audit.** The District may audit Contractor’s compliance with this NDA.

6. **Applicable Law.** This NDA is made under, and shall be construed according to, the laws of the State of Washington and the Federal Energy Regulatory Commission regulations. Venue for any action brought pursuant to this NDA shall, at the District’s option, be in Grant County Superior Court, Grant County, Washington or in the United States District Court for the Eastern District of Washington.

7. **Assignment.** This NDA may not be assigned.

8. **Violations.** Contractor understands and agrees that the District is providing the Confidential Information to Contractor in reliance upon this NDA, and Contractor will be fully responsible to the District for any damages or harm caused to the District by a breach of this NDA by Contractor or any of its officers, directors, agents, employees, subcontractors, consultants or affiliates. Contractor acknowledges and agrees that a breach of any of its promises or agreements contained herein will result in irreparable injury to the District for which there will be no adequate remedy at law, and the District shall be entitled to apply for equitable relief, including injunction and specific performance, in the event of any breach or threatened breach or intended breach of this NDA by Contractor. Such remedies, however, shall not be deemed to be the exclusive remedies for any breach of the 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 Confidential 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: _____________________________________________
APPENDIX “F”
DEFINITION OF CEII, BCSI, AND SSI

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 “BCSI”). 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.
APPENDIX “G”
BACKGROUND CHECK/IDENTITY VERIFICATION BY CONTRACTOR/VENDOR

Contractor Name: ___________________________ Date: _________________________
Contract Number: ___________________________ Procurement Officer: ____________________
Project Manager: _________________________

In accordance with NERC Reliability Standards CIP 002-011, we are providing Public Utility District No. 2 of Grant County, Washington certification of background checks performed on personnel who will require authorized Unescorted Physical Access and/or Electronic Access to District High or Medium Impact BES Cyber Systems, and their associated EACMS and PACS.

Accordingly, we certify that:

1. A background check has been conducted on the following employee(s) that includes a 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>
<thead>
<tr>
<th>Employee Name</th>
<th>Background Check Completion Date</th>
<th>Indicate Pass (P) or Fail (F)</th>
<th>Identity Verification Completion Date</th>
<th>PRA Completion Date (District use only)</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

(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@sp.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: ________________________________
RESOLUTION NO. XXXX

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 430-09972R1, FOR PLANT POWER DISTRIBUTION MODERNIZATION

Recitals

1. Bids were publicly opened on August 27, 2020 for Contract 430-09972R1, for Plant Power Distribution Modernization;

2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD’s staff;

   - Burke Electric LLC $10,963,031.00
   - Olsson Industrial Electric, Inc. $11,423,212.00
   - Potelco, Inc. $16,303,098.00

3. The bid submitted by Burke Electric LLC is technically non-compliant;

4. The second low bid, submitted by Olsson Industrial Electric is both commercially and technically compliant with Grant PUD’s contract requirements;

5. The bid is less than the Engineer’s Estimate of $11,750,000.00; and

6. Grant PUD’s Senior Manager of Power Production and Managing Director of Power Production concur with staff and recommend award to Olsson Industrial Electric, Inc. 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 430-09972R1, for Plant Power Distribution Modernization with Olsson Industrial Electric, Inc. of Springfield, Oregon in the amount of $11,423,212.00 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 13th day of October, 2020.

__________________________________________
President

ATTEST:

__________________________________________  _________________________
Secretary  Vice President
Commissioner

Commissioner
MEMORANDUM

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Richard Wallen, Chief Operations Officer
Ty Ehman, P.E., Managing Director of Power Production
Dale Campbell, P.E., Senior Manager of Power Production Engineering
Ian Jones, Manager of Power Production Electrical Engineering

FROM: Brady Brown, Power Production Electrical Engineer/Project Manager

SUBJECT: Award of Contract 430-09972R1

Purpose: To request Commission approval to award Contract 430-09972R1 Plant Power Distribution Modernization to Olsson Industrial Electric in the amount of $11,423,212.

Discussion:
The Power Plant Distribution Modernization is a replacement of station service and substation switchgear and protective relays at both Wanapum and Priest Rapids Dams. The project includes all materials and labor necessary for replacement of all the 13.8KV switchgear and relays. The project includes replacement of all 600V switchgear and relays at Priest Rapids and Wanapum.

Work is planned to begin July 2021 at Wanapum Dam and continue there to March 2022 then move to Priest Rapids Dam in July 2022 and end about April 2023.

This project is necessary to address equipment end-of-life risks and increasing failure rates of the station service switchgear at the Priest Rapids and Wanapum Dams. After all of the bids for the previous bid were rejected for technical non-compliance, contract 430-09972R was released for bids on March 4, 2020, and bids were opened on May 4, 2020. All of these bids were rejected due to a protest. Contract 430-09972R1 was released for bids on June 25, 2020, and bids were opened on August 27, 2020.

The Engineer’s estimate and bids received are summarized below:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer’s Estimate</td>
<td>$11,750,000</td>
</tr>
<tr>
<td>Burke Electric LLC</td>
<td>$10,963,031</td>
</tr>
<tr>
<td>Olsson Industrial Electric, Inc.</td>
<td>$11,423,212</td>
</tr>
<tr>
<td>Potelco, Inc.</td>
<td>$16,303,098</td>
</tr>
</tbody>
</table>

Burke was found to be technically non-compliant primarily due to their and their subcontractor’s inability to meet the experience requirements. Their Representative informed us of this deficiency after further inquiry into their proposal. The bid should, therefore, be awarded to Olsson Industrial Electric. Potelco’s bid was not evaluated because it exceeded the budget threshold.

Justification:
This work is being performed to address the equipment approaching or exceeding end-of-life. This equipment will provide confidence in its safety and reliability for many years to come.

Switchgear serves two primary roles in plant operations, life safety and equipment protection. The circuit breakers and protective relays are original equipment (~60 years old). Modern circuit breakers and protective relays will significantly improve the safety and reliability of plant equipment. This plant
equipment facilitates the production of power at Priest Rapids and Wanapum Dams by providing power to critical balance of plant equipment.

Maintenance of existing equipment has brought attention to an increasing number of problems with the ageing switchgear. Routine maintenance has shown that some breakers may not operate correctly had they been called on to do so. If significantly postponed, eventually the existing problems will culminate in a safety incident or long-duration station service power outage. The current method of addressing problems with failed breakers is to ship them out for remanufacture, a solution that is not cost effective or tenable long term. The work will also result in the reduction of hazardous materials (Asbestos, lead, mercury) reducing the impact of future activities.

Updating the protective relays will improve the speed of operation and the level of protection, both of which have significant effects on the safety of plant personnel and reduce the PPE requirements. The arc-flash rating at the Wanapum substation is currently 93 cal/cm². The arc-flash rating of the new system is less than 4 cal/cm², a reduction of 96%. This allows work in the lowest PPE level and greatly reduces the arc-flash boundary. The improved data and control offered by coordinated relays will reduce outages and provide more information to plant Operators.

A significant failure would have a corresponding impact to safety and operations. Though rare, catastrophic failure of this equipment is not beyond consideration. Such an event, may not only damage the equipment but any who happened to be nearby. The failure of an entire station service, which could result in the long-term (multiple week/month) loss of one of two station services and leaves the plant significantly more susceptible to a blackout or black-start event.

The two right bank substations are proposed for complete replacement. These two substations have a bus configuration that does not provide the redundancy of the other subs. Coupled with this are transformers that are showing their old age and an enclosure which is not as impervious to the elements as it used to be.

<table>
<thead>
<tr>
<th>Wanapum Dam</th>
<th>Benefits:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Station Service:</td>
<td></td>
</tr>
<tr>
<td>14 Med. Voltage Breakers + 1 spare</td>
<td>Vacuum breakers require less maintenance, have no hazardous materials</td>
</tr>
<tr>
<td>16 Protective Relays</td>
<td>One multi-function relay replaces several devices and improves safety</td>
</tr>
<tr>
<td>Inter-Relay Communication System</td>
<td>Networked relays for coordinated tripping, more information to Operators</td>
</tr>
<tr>
<td>HMI</td>
<td>Local control and status indication</td>
</tr>
<tr>
<td>Grounding Transformer Panel</td>
<td>Longer life for the switch</td>
</tr>
<tr>
<td>Plant Substation:</td>
<td></td>
</tr>
<tr>
<td>12 Low Voltage Breakers + 1 Spare</td>
<td>New breakers have more reliability and no hazardous materials</td>
</tr>
<tr>
<td>16 Protective Relays</td>
<td>One multi-function relay replaces several devices and improves safety</td>
</tr>
<tr>
<td>Inter-Relay Communication System</td>
<td>Networked relays for coordinated tripping, more information to Operators</td>
</tr>
<tr>
<td>Emergency Diesel Connection</td>
<td>Improves reliability- was in original design for plant</td>
</tr>
<tr>
<td>69 Low Voltage Breakers + 3 Spare</td>
<td>New Breakers have more reliability and no hazardous materials</td>
</tr>
<tr>
<td>Right Bank Substation:</td>
<td></td>
</tr>
<tr>
<td>2 Disconnect Switches</td>
<td>Provides better protection for substation</td>
</tr>
<tr>
<td>2 Dry-type Transformers</td>
<td>Have no more oil over fish ladders, smaller to better suit actual load</td>
</tr>
<tr>
<td>14 Breakers</td>
<td>New Breakers have more reliability and no hazardous materials</td>
</tr>
<tr>
<td>4 Protective Relays</td>
<td>One multi-function relay replaces several devices and improves safety</td>
</tr>
<tr>
<td>Inter-Relay Communication System</td>
<td>Networked relays for coordinated tripping, more information to Operators</td>
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<tr>
<td>---------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Priest Rapids Dam</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Station Service:</strong></td>
<td><strong>Benefits:</strong></td>
</tr>
<tr>
<td>16 Med. Voltage Breakers + 1 spare</td>
<td>Vacuum breakers require less maintenance, have no hazardous materials</td>
</tr>
<tr>
<td>18 Protective Relays</td>
<td>One multi-function relay replaces several devices and improves safety</td>
</tr>
<tr>
<td>Inter-Relay Communication System</td>
<td>Networked relays for coordinated tripping, more information to Operators</td>
</tr>
<tr>
<td>HMI</td>
<td>Local control and status indication</td>
</tr>
<tr>
<td>Grounding Transformer Panel</td>
<td>Longer life for the switch</td>
</tr>
<tr>
<td>14 15kV Cables</td>
<td>Removes hazardous materials</td>
</tr>
<tr>
<td><strong>Plant Substation:</strong></td>
<td></td>
</tr>
<tr>
<td>82 Low Voltage Breakers + 4 Spare</td>
<td>New Breakers have more reliability and no hazardous materials</td>
</tr>
<tr>
<td>16 Protective Relays</td>
<td>One multi-function relay replaces several devices and improves safety</td>
</tr>
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<td>Inter-Relay Communication System</td>
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<td>Networked relays for coordinated tripping, more information to Operators</td>
</tr>
</tbody>
</table>

**Financial Considerations:**
The project is budgeted under capital PID's 103438, 103439, 103440, 103441 for the years 2021, 2022, and 2023.

The Engineer’s estimate was based upon similar construction projects, material, equipment and labor prices.

Four major options were evaluated to determine the best course of action.

1. Maintain status quo
2. Breaker Retro-fill
3. Like-Kind Substation Replacement
4. Expanded Functionality/Capacity Substation Replacement

Doing nothing and continuing with the present course was evaluated first and found to be expensive and hazardous. The cost to remanufacture a breaker represents a significant fraction of the cost to replace it outright. The complete replacement was found to be the most expensive of solutions. The existing enclosures, transformers, and bus were found to be in acceptable condition. Therefore, the Retro-fill option was chosen as the most cost-effective.

The low bid has been reviewed by the District and found to be unacceptable. It is recommended that the contract be awarded to the second lowest bid.

**Contract Specifications:**
The experience and submission requirements were expanded in order to prove compliance to the many requirements in the technical specification.

The contract has been divided into 4 Milestones. Milestones #1 and #2 are structured to provide hard scheduling constraints around Plant operating conditions and minimize reliability concerns due to the extensive outages required. Milestone #3 involves work that is not on the core power system and has fewer scheduling constraints. This will allow the contractor scheduling flexibility and to reduce mobilization costs. The fourth Milestone provides for any follow-up work and completion of all training and documentation. Payment will be performed on a monthly basis according to the Contractor’s schedule of values, subject to performance bonds and liquidated damages.

**Recommendation:** Commission approval to award Contract 430-09972R1 Plant Power Distribution Modernization to Olsson Industrial Electric, Inc. in the amount of $11,423,212.

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

Brady Brown
Electrical Engineer
Grant County PUD
bbrown@gcpud.org
(509)754-5088 x3314

From: Dale Campbell <Dcampbe@gcpud.org>
Sent: Wednesday, September 23, 2020 8:30 AM
To: Brady Brown <Bbrown@gcpud.org>
Cc: Ian Jones <IJones@gcpud.org>
Subject: RE: Commission memo

Brady,

I approve of the memo. Please use this email as my signature.

Regards,

Dale

From: Brady Brown <Bbrown@gcpud.org>
Sent: Thursday, September 17, 2020 5:28 PM
To: Richard Wallen <Rwallen@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>
Cc: Dale Campbell <Dcampbe@gcpud.org>
Subject: RE: Commission memo

Hi Rich,
We have expanded the scope to include all of the Wanapum switchgear and I missed that in the language from the previous. This should fix it. Let me know if there are any more questions.

Brady Brown
Electrical Engineer
Grant County PUD
bbrown@gcpud.org
(509)754-5088 x3314

From: Richard Wallen <Rwallen@gcpud.org>
Sent: Thursday, September 17, 2020 4:55 PM
To: Brady Brown <Bbrown@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>
Brady,

What piece of the 600v system at Wanapum is not being replaced and is there a reason why? Should it be highlighted in the memo?

Regards,

Rich

---

**From:** Brady Brown <Bbrown@gcpud.org>
**Sent:** Thursday, September 17, 2020 3:02 PM
**To:** Ty Ehrman <Tehrman@gcpud.org>; Richard Wallen <rwallen@gcpud.org>
**Cc:** Dale Campbell <Dcampbe@gcpud.org>

Gentlemen,

Please see the attached memo for your review. Please do not sign until we have received all comments. Let me know if you have any questions.

Thank you,

Brady Brown
Electrical Engineer

**Office:** 509.754.5088
**Ext:** 3314
**Email:** bbrown@gcpud.org

grantpud.org
Last one, I signed the pdf.

**Brady Brown**  
Electrical Engineer  
Grant County PUD  
bbrown@gcpud.org  
(509)754-5088 x3314

---

I approve. Thank you Brady.

---

**Ian Jones**  
Electrical Manager  
Power Production Engineering

---

Hi Rich,  
We have expanded the scope to include all of the Wanapum switchgear and I missed that in the language from the previous. This should fix it. Let me know if there are any more questions.
Brady Brown
Electrical Engineer
Grant County PUD
bbrown@gcpud.org
(509)754-5088 x3314

From: Richard Wallen <rwallen@gcpud.org>
Sent: Thursday, September 17, 2020 4:55 PM
To: Brady Brown <bbrown@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>
Cc: Dale Campbell <Dcampbe@gcpud.org>
Subject: RE: Commission memo

Brady,

What piece of the 600v system at Wanapum is not being replaced and is there a reason why? Should it be highlighted in the memo?

Regards,

Rich

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Subject: Commission memo

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Brady Brown
Electrical Engineer

OFFICE 509.754.5088
EXT. 3314
EMAIL bbrown@gcpud.org

grantpud.org
Melissa Leonard

From: Brady Brown
Sent: Wednesday, September 23, 2020 9:07 AM
To: Betty Snell
Subject: FW: Commission memo

Brady Brown
Electrical Engineer
Grant County PUD
bbrown@gcpud.org
(509)754-5088 x3314

From: Ty Ehrman <Tehrman@gcpud.org>
Sent: Wednesday, September 23, 2020 8:54 AM
To: Brady Brown <Bbrown@gcpud.org>; Richard Wallen <rwallen@gcpud.org>
Cc: Dale Campbell <Dcampbe@gcpud.org>
Subject: RE: Commission memo

Approved.

Ty Ehrman
DESK 509.793.1587
CELL 509.361.8201

From: Brady Brown <Bbrown@gcpud.org>
Sent: Thursday, September 17, 2020 5:28 PM
To: Richard Wallen <rwallen@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>
Cc: Dale Campbell <Dcampbe@gcpud.org>
Subject: RE: Commission memo

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Subject: Commission memo

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Brady Brown
Electrical Engineer

OFFICE 509.754.5088
EXT. 3314
EMAIL bbrown@gcpud.org

grantpud.org
Brady Brown  
Electrical Engineer  
Grant County PUD  
bbrown@gcpud.org  
(509)754-5088 x3314

From: Richard Wallen <rwallen@gcpud.org>  
Sent: Friday, September 18, 2020 9:13 AM  
To: Brady Brown <Bbrown@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>  
Cc: Dale Campbell <Dcampbe@gcpud.org>  
Subject: RE: Commission memo

I’m good with this, thanks!

Rich

Brady Brown  
Electrical Engineer  
Grant County PUD  
bbrown@gcpud.org  
(509)754-5088 x3314

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Sent: Thursday, September 17, 2020 5:28 PM  
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Cc: Dale Campbell <Dcampbe@gcpud.org>  
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Cc: Dale Campbell <Dcampbe@gcpud.org>
Subject: Commission memo

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Thank you,

Brady Brown  
Electrical Engineer  

OFFICE  509.754.5088
EXT.    3314
EMAIL   bbrown@gcpud.org

grantpud.org
Technical Evaluation 430-09972R1

Conclusion: Award to Olsson Industrial Electric

Bidder #1, Burke Electric

Statement of Experience (SOE):

1. Project #1 is not located at a hydroelectric facility per ITB 8.C, the project shows experience in 8.C.2 and 8.C.5 only and does not meet the requirement for 5 of the 8 required areas.
2. Project #2 shows experience in 8.C.1, 8.C.2, and 8.C.3 only. The project does not specify whether the switchgear was existing prior to installation. The project includes a minimal reference to commissioning of some equipment which may meet the requirement of 8.C.8 but more investigation would be required. This project does not meet the requirement for experience in 5 of the 8 required areas.
3. Project #3 shows experience in 8.C.1. Requirement 8.C.7 appears to have been met but may require further investigation to clear up the nature of the substation. This does not meet the requirement for 5 of the 8 required areas.
4. Project #4 only minimally meets the requirement to have occurred inside a hydroelectric facility per ITB 8.C as most of the work appears to have been located in a substation external to the facility. This project shows experience in area 8.C.6 only. The project does not meet the requirement for 5 of the 8 required areas.
5. Project #5 did not occur inside of a hydroelectric facility as required by 8.C. The requirement 8.C.2 may be minimally met but the switchgear example provided appears to be a new installation of outdoor equipment and not the upgrade of existing indoor equipment required. The project does not meet the requirement for 5 of the 8 required areas.
6. Project #6 appears to be mostly the same project as Project #4, the summaries for both projects are identical, and the narrative for this project references project #4, as such further investigation may be required in order to classify it as a separate project. This project minimally meets the requirement to have occurred inside a hydroelectric facility though most of the work appears to have been located in a substation external to the facility. This project shows experience in area 8.C.5 and 8.C.6. The requirement 8.C.2 may be minimally met but the switchgear example provided appears to be a new installation of outdoor equipment and not the upgrade of existing indoor equipment required. The project does not meet the requirement for 5 of the 8 required areas.
7. Subcontractor #1, ABB:
   6 projects listed for requirement 8.C.1, none of the projects occurred in hydroelectric facilities. 6 projects listed for requirement 8.C.2, two of the projects occurred in hydroelectric facilities.
8. Subcontractor #2, L&S Electric:
   Only 5 projects provided. The subcontractor’s experience is provided to meet requirement 8.C.4. However, only two of the projects explicitly state that they had manufactured the panels. None of the projects included completion dates to show that they were completed in the last 10 years per requirement. This company may have violated NERC regulations by publicly sharing photos of a BES control room.
9. Subcontractor #3, PNW Environmental:
   Only 5 projects provided, only 3 of these were at hydroelectric facilities. The subcontractor’s experience is provided to meet requirement 8.C.3.
10. Subcontractor #4, Integrity Networks:
    Only 4 projects provided, one of the 5 projects was duplicated and therefore excluded. None of the projects occurred at a hydroelectric facility. None of the projects included
completion dates to show that they were completed in the last 10 years per requirement. The subcontractor’s experience is provided to meet requirement 8.C.3.

**Resumes:**
11. Of the personnel expected to be on site, there is a considerable disconnect between the bidder’s reference projects and the work performed by the personnel. The project manager appears to have not worked on any of the reference projects and has very little experience in hydroelectric facilities.

**Project Management Plan:**
12. Section 8.d.iii.3 references a subcontractor for concrete work on the Right Bank Substations who is not listed in the SOE or the Bid Form in violation of ITB 8.B. This work is projected to take 5 days at each plant per the submitted project schedule (lines 25 and 169). Asked of this omission, the bidder states that use Pro Cut Concrete Cutting and Breaking will be the subcontractor performing this work.

**Bid Submittals:**
13. The primary equipment supplier excludes applicability of TS-5.B.5, the bidding contractor provides no provision to make up for this deficiency. Asked of this omission, the bidder states that Coffman Engineers will be performing the necessary seismic calculation. This subcontractor was not listed on the Bid Form in violation of ITB 8.B.
14. The panel door manufacturer provided incorrect number of doors with SEL-787 relays per TS-2.A.7. There are 2 of these per plant (716, 726 at each plant), only one was specified. This also resulted in an overcount of the number of feeder doors required.
15. The panel door manufacturer did not provide for the SEL-2703M in the substation panels. There is one per substation for a total of 8.
16. The panel door manufacturer provided 4 panels for TS-10 even though these are provided for in an earlier part of the Submittal for a different manufacturer.
17. The panel door manufacturer provided 24 blank doors for the Wanapum substations. The correct count should be 4, one per substation. This is an overcount of 20.

**Amended Statement of Experience**
When questioned regarding their SOE, Burke supplied additional information regarding their experience. The addendum supplied 9 additional reference projects.
18. Project #1 occurred in 2005 and does not meet the requirement to have occurred within the last 10 years. The project shows no experience in any required area.
19. Project #2 may show experience in 8.C.1 or 8.C.2 or 8.C.5 though there is insufficient detail to make a determination. This work appears to be entirely new construction and does not meet the requirement for 8.C.1 and 8.C.2 to have occurred on existing switchgear nor does it meet the requirement to have occurred in an operating hydroelectric facility. The project does not meet the requirement for 5 of the 8 required areas.
20. Project #3 shows experience in areas 8.C.1, 8.C.2 and 8.C.5. The project does not meet the requirement for 5 of the 8 required areas.
21. Project #4 shows experience in 8.C.1 or 8.C.2, though there is insufficient detail to determine which. This work appears to be entirely new construction and does not meet the requirement for 8.C.1 and 8.C.2 to have occurred on existing switchgear nor does it meet the requirement to have occurred in an operating hydroelectric facility. The project does not meet the requirement for 5 of the 8 required areas.
22. Project #5 shows experience in areas 8.C.5 and 8.C.2, area 8.C.8 may also apply though there is insufficient detail make a determination. This work appears to be entirely new construction and does not meet the requirement for 8.C.2 to have occurred on existing
switchgear nor does it meet the requirement to have occurred in an operating hydroelectric facility. The project does not meet the requirement for 5 of the 8 required areas.

23. Project #6 may show experience in areas 8.C.5 and 8.C.8 though there is insufficient detail to make a determination. The project does not meet the requirement for 5 of the 8 required areas.

24. Project #7 occurred in 2008 and does not meet the requirement to have occurred within the last 10 years. The project shows no experience in any required area.

25. Project #8 shows no experience in any required area. The project summary shows a completion date of 2010 however, a later list of projects has the completion date as 2007 which is outside of the 10 year requirement.

26. Project #9 is the same as shown above in item #4.

27. Project #10 occurred in 2001 and does not meet the requirement to have occurred within the last 10 years. The project shows no experience in any required area.

Disposition:
Burke Electric has submitted a considerably deficient Statement of Experience. It failed to establish the scope of the work as meeting the required areas of experience. The addition of project #6 appears to have been a rewrite of project #4 in order to meet the minimum number of reference projects. The SOE provides #2, #3, #20, and #23 above as the only projects to meet the operating hydroelectric plant experience requirement and were not excluded for other reasons. Of these, all failed to meet the requirement that 5 of the 8 areas of experience be included. The completion date for #25 is an issue that may be interpreted as a deliberate manipulation of information in order to meet the criteria. Another issue appears to be a lack of diligence in correcting errors in the submittals provided by their subcontractors. Burke needed the experience of the subcontractors in order to meet the experience requirement and the subcontractors’ SOE then failed to meet the minimum requirements. Burke’s representative was able to provide an additional project for their fiber subcontractor. The representative also stood by the SOE provided by the Abatement subcontractor, stating that all of the projects were at hydroelectric facilities. However, two of the projects occurred at BPA owned facilities who operate no hydroelectric facilities. This has resulted in a proposal that failed to meet the requirements of the Bid Documents. Item 12 and 13 are clear exceptions to the requirement of ITB 8.B such that the bidder has failed to list a subcontractor on the Bid Form. The bidder attempted to mitigate these omissions by explaining that the cost involved was minimal, however, the contract documents make no allowances for an exception in this regard. Burke’s representative stated that additional subcontractors will be required to perform the contract requirements. It is entirely conceivable that Burke Electric has underbid in an effort to influence a decision to overlook the shortcomings in their SOE. Burke Electric’s representative has stated that they have only 2 projects that meet our criteria. Burke’s bid is considerably lower than what is anticipated, the increase in the scope of the supplied material, due to Addendum #3, should have a corresponding increase in the cost of the bid but this does not appear to be reflected in Burke’s bid price. Item 13 represents a clear exception to the terms of the Technical Specification. This omission fails to uphold the terms of ITB Section 8.G.1. This would further compound concerns about the cost of the proposal as the bidder may later press for an increase in the bid price to correct the deficiency. This proposal is technically noncompliant and should be rejected. Given these concerns, it is apparent that Burke Electric has failed to establish itself as a responsible bidder. These concerns further indicate that Burke has failed to meet the standards of ITB Sections 7.E.1 and 7.E.2.
Bidder #2, Olsson Industrial Electric

Statement of Experience:
1. Project #3 explicitly meets 4 of the 8 areas required under ITB 8.C. Further inquiry of the bidder confirmed that 8.C.1, 8.C.3, 8.C.4, 8.C.5, 8.C.6, 8.C.7, and 8.C.8 are applicable, meeting the requirement.
2. Project #4 shows experience in 8.C.1, 8.C.4, and 8.C.6. Further inquiry of the bidder confirmed that 8.C.1, 8.C.3, 8.C.4, 8.C.6, and 8.C.8 are applicable, meeting the requirement.
3. Project #5 shows experience in 8.C.1, 8.C.2, 8.C.4, and 8.C.7. Further inquiry of the bidder confirmed that 8.C.3, 8.C.5, and 8.C.8 are also applicable, meeting the requirement.
4. Project #6 shows experience in 8.C.4 and 8.C.8. Further inquiry of the bidder confirmed that 8.C.3, 8.C.5, 8.C.6, and 8.C.8 are also applicable, meeting the requirement.
5. Subcontractor #1, ABB:
   An SOE is not required as Olsson is experienced in switchgear rehabilitation and testing as shown in their own SOE and do not need the subcontractor to make up for a lack of experience in requirement 8.C.1, 8.C.2, or 8.C.8.
6. Subcontractor #2, PNW Environmental:
   An SOE is not required as Olsson has stated their personnel have training and experience in asbestos abatement themselves as shown in their own SOE, regardless of their intent to use a subcontractor for the work. This is further supported by their statement that they do not intend for the contractor to handle all aspects of the abatement and clarified upon further inquiry that the primary function of the subcontractor is to address some of the unique circumstances found in the plants.
7. Subcontractor #3, Smith Monroe Gray:
   An SOE is not required as the subcontractor is performing a service outside the scope of requirement 8.C.

Disposition:
Olsson Industrial Electric was able to clear up any potential omissions in their SOE upon further investigation. There was a considerable alignment between the previous projects and experience of the project personnel at operational hydroelectric facilities and the referenced projects and this project’s objectives. No omissions were discovered in the equipment submittals.

Bidder #3, Potelco

Not evaluated because this bid exceeded the budgetary threshold.

Result:
The requirement was that all of the SOE reference projects meet 5 of the 8 required areas of experience, it further holds this standard to subcontractor’s whose experience is needed to rectify any deficit. A request for further clarification effectively eliminated all of the objections or missed requirements in Olsson’s proposal. However, several considerable problems would remain in Burke Electric’s proposal. These would then require rejecting Burke as being a responsible bidder and raise serious concerns whether Burke has the character and integrity necessary to perform the terms of the contract. It is the opinion of the District Representative that Olsson Industrial Electric should be awarded the contract.
## COMMERCIAL EVALUATION

<table>
<thead>
<tr>
<th>Contract No.:</th>
<th>430-09972R1</th>
<th>Contract Title:</th>
<th>Plant Power Distribution Modernization</th>
</tr>
</thead>
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<tr>
<td>Bid Opening Date</td>
<td>August 27, 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total No. of Bidders:</td>
<td>3</td>
<td></td>
<td></td>
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<tr>
<td>Was prequalification required for bidding?</td>
<td>No</td>
<td></td>
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<tr>
<td>No. of potential Bidders notified via ProcureWare of Bid opportunity:</td>
<td>828</td>
<td></td>
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<tr>
<td>No. of potential Bidders who obtained the Bid documents:</td>
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<tr>
<td>Was this Bid advertised in the newspaper?</td>
<td>Yes</td>
<td>If yes, where?</td>
<td>Grant County Journal</td>
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<tr>
<td>Addenda issued?</td>
<td>Yes</td>
<td>If yes, how many</td>
<td>4</td>
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### Cost Estimate: $11,750,000.00

## Bidders

### Burke Electric, LLC

<table>
<thead>
<tr>
<th>Name of Bidder:</th>
<th>Burke Electric, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bid Price:</td>
<td>$10,963,031.00</td>
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<tr>
<td>Bid Security:</td>
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<tr>
<td>Signature Certification:</td>
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<tr>
<td>Delivery / Completion:</td>
<td>As required</td>
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<tr>
<td>Addendum Received:</td>
<td>Yes</td>
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<tr>
<td>Bidder’s Data Provided:</td>
<td>Yes</td>
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<tr>
<td>Commerically Compliant?:</td>
<td>Yes</td>
</tr>
<tr>
<td>Technically Compliant?:</td>
<td>No (see add'l information)</td>
</tr>
</tbody>
</table>

**Additional Information:**
Burke Electric did not meet the required experience requirements as required in the Contract Documents.

### Olsson Industrial Electric, Inc.

<table>
<thead>
<tr>
<th>Name of Bidder:</th>
<th>Olsson Industrial Electric, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bid Price:</td>
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</tr>
</tbody>
</table>

**Additional Information:**
<table>
<thead>
<tr>
<th><strong>Name of Bidder:</strong></th>
<th>Potelco, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Bid Price:</strong></td>
<td>$16,303,098.00</td>
</tr>
<tr>
<td><strong>Bid Security:</strong></td>
<td>Bid Bond</td>
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</tr>
<tr>
<td><strong>Commercially Compliant?</strong></td>
<td>No (see below)</td>
</tr>
<tr>
<td><strong>Technically Compliant?</strong></td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Additional Information:**

- Total Bid Price exceeded the cost estimate by more than 115%.
- Pricing for asbestos abatement in Total Bid Price is not firm. Anything over $100,000 would be charged.
- Didn’t list the percent of bid on the list of subcontractors on the Bid Form.
- Technical evaluation not completed.
RESOLUTION NO. XXXX

A RESOLUTION ESTABLISHING RATE SCHEDULE NO. 30, WHOLESALE TRANSMISSION DELIVERY FOR LARGE LOAD CUSTOMERS, AND RATE SCHEDULE NO. 31, WHOLESALE TRANSMISSION DELIVERY FOR SMALL LOAD CUSTOMERS

Recitals

1. Pursuant to RCW 54.16.040, Grant PUD is authorized to regulate and control the use, distribution, rates, service, charges, and price of electric energy;

2. Effective January 1, 2021, Rate Schedule No. 30 will reflect the current effective wholesale transmission rates pursuant to the current approved USBR MOA. Previously, these rates were not documented in a Rate Schedule to facilitate their applicability to other customers but have been charged to USBR since July 1, 2017. These rates will be so marked;

3. Effective January 1, 2022, Rate Schedule No. 30 will be modified to reflect the Transmission Cost of Service Study (COSS) wholesale transmission delivery rates developed for Transmission and Distribution charges applicable to transmission wheeling customers. In May 2019, Grant PUD engaged stakeholders to develop an updated Transmission COSS in accordance with Federal Regulatory Energy Commission (FERC) policies and guidelines. The Transmission COSS was calculated using a Return on Equity of 7%, which compensates Grant PUD’s retail customers for their payments for the transmission construction builds and to ensure all customers pay their fair share;

4. Effective January 1, 2021, Rate Schedule No. 31 will reflect the current effective wholesale transmission rates pursuant to the current rates in the approved USBR MOA, subject to future Commission modification; and

5. Grant PUD’s General Manager and Grant PUD staff recommend establishing Rate Schedule No. 30 and Rate Schedule No. 31 as set forth in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that effective January 1, 2021, Rate Schedule No. 30, Transmission Wholesale Delivery for Large Load Customers, and Rate Schedule No. 31, Transmission Wholesale Delivery for Small Load Customers, are hereby established as set forth in Exhibit A hereto.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27th day of October, 2020.

________________________________________
President

ATTEST:

________________________________________  ________________________________
Secretary  Vice President
RATE SCHEDULE NO. 30
Wholesale Transmission Delivery for Large Load Customers

Rates shown on this Rate Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Available: To eligible transmission customers delivering power to a Grant PUD point of receipt for service to 115kV and 13.2 kV and voltages below 13.2 kV as determined by Grant PUD. Customers under Rate Schedule 30 are wholesale transmission delivery Large Load Customers within Grant PUD’s electric system that are not Grant PUD retail loads.

Effective: For service beginning January 1, 2021 through December 31, 2021.

Services Received: Delivery of energy from the point of receipt to the customer load and the necessary Ancillary Services required to serve these Large Loads connected to the Grant PUD electric system.

Monthly Billing Rates based on Load Type:

30-A: For loads that take delivery at a nominal voltage of 115 kV
   Basic Charge: $32 per month
   Delivery: $1.90 per kW of Billing Demand

30-B: For loads that utilize only the Districts 13.2 kV system
   Basic Charge: $32 per month
   Delivery: $3.12 per kW of Billing Demand

30-C: For loads that utilize the District’s 115/230 kV system and take delivery at a nominal voltage of 13.2 kV and for loads at voltages below 13.2 kV as determined by Grant PUD.
   Basic Charge: $32 per month
   Delivery: $5.02 per kW of Billing Demand

Applicable Ancillary Services to 30-A, 30-B, and 30-C

1) Regulation and Frequency Response $0.00013/kWh
2) Operating Reserves $0.00033/kWh

Billing Demand: The Billing Demand under this schedule shall be the highest 60-minute demand during the month as determined by the load’s demand meter, adjusted for losses and power factor. If a customer
subject to this rate schedule has language in their delivery contract to utilize a ratchet concept or other concept to determine and utilize a monthly billing demand, then the rates in this Schedule 30 will apply to the demand used for billing purposes as determined in the customer’s contract.

**Power Factor Adjustment:** If the power factor (pf) for the month is less than 0.95 leading or lagging, the peak demand will be multiplied by the term 0.95/pf. The power factor will be determined using the total kWh and kVARh for the billing period.

**Loss Adjustment:** The peak demand will be increased by the applicable Transmission Loss Factor.

**Service:** Service under this Schedule is subject to the terms and conditions in Grant PUD’s Customer Service Policies which may be amended from time to time by Grant PUD, and contracts between Grant PUD and customer.

**Tax Adjustment:** The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

**Definitions:**

*Ancillary Services:* those services necessary to support the transmission of electric power from resources to loads given the obligations of balancing authorities and transmitting utilities within those balancing authorities to maintain reliable operations of the interconnected transmission system. These include but are not limited to:

- Regulation and Frequency Response service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz).

- Operating Reserve service is needed to serve load in the balancing authority area in the event of a system contingency.

*Transmission Loss Factor:* A value that compensates for the loss of power and energy on the Grant PUD system to facilitate delivery. If Customer’s contract does not contain the applicable loss factors, the loss factors in the Grant PUD Ancillary Services Rate Schedule will apply.

*Large Load Customer:* 115kV and 13.2 kV wholesale transmission delivery customers, and customers that take delivery below 13.2 kV as determined by Grant PUD, within Grant PUD’s electric system that are not Grant PUD retail loads.
RATE SCHEDULE NO. 30
Wholesale Transmission Delivery for Large Load Customers

Rates shown on this Rate Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Available: To eligible transmission customers delivering power to a Grant PUD point of receipt for service to 115kV and 13.2 kV and voltages below 13.2 kV as determined by Grant PUD. Customers under Rate Schedule 30 are wholesale transmission delivery Large Load Customers within Grant PUD’s electric system that are not Grant PUD retail loads.

Effective: For service beginning January 1, 2022.

Services Received: Delivery of energy from the point of receipt to the customer load and the necessary Ancillary Services required to serve these Large Loads connected to the Grant PUD electric system.

Monthly Billing Rates based on Load Type:

30-A: For loads that take delivery at a nominal voltage of 115 kV

Basic Charge: $32 per month
Delivery: $2.51 per kW of Billing Demand

30-B: For loads that utilize only the Districts 13.2 kV system

Basic Charge: $32 per month
Delivery: $4.36 per kW of Billing Demand

30-C: For loads that utilize the District’s 115/230 kV system and take delivery at a nominal voltage of 13.2 kV and for loads at voltages below 13.2 kV as determined by Grant PUD.

Basic Charge: $32 per month
Delivery: $6.87 per kW of Billing Demand

Applicable Ancillary Services to 30-A, 30-B, and 30-C

1) Regulation and Frequency Response $0.00013/kWh
2) Operating Reserves $0.00033/kWh

Billing Demand: The Billing Demand under this schedule shall be the highest 60-minute demand during the month as determined by the load’s demand meter, adjusted for losses and power factor. If a customer subject to this rate schedule has language in their delivery contract to utilize a ratchet concept or other
concept to determine and utilize a monthly billing demand, then the rates in this Schedule 30 will apply to the demand used for billing purposes as determined in the customer’s contract.

**Power Factor Adjustment:** If the power factor (pf) for the month is less than 0.95 leading or lagging, the peak demand will be multiplied by the term 0.95/pf. The power factor will be determined using the total kWh and kVARh for the billing period.

**Loss Adjustment:** The peak demand will be increased by the applicable Transmission Loss Factor.

**Service:** Service under this Schedule is subject to the terms and conditions in Grant PUD’s Customer Service Policies which may be amended from time to time by Grant PUD, and contracts between Grant PUD and customer.

**Tax Adjustment:** The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

**Definitions:**

**Ancillary Services:** those services necessary to support the transmission of electric power from resources to loads given the obligations of balancing authorities and transmitting utilities within those balancing authorities to maintain reliable operations of the interconnected transmission system. These include but are not limited to:

- Regulation and Frequency Response service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz).

- Operating Reserve service is needed to serve load in the balancing authority area in the event of a system contingency.

**Transmission Loss Factor:** A value that compensates for the loss of power and energy on the Grant PUD system to facilitate delivery. If Customer’s contract does not contain the applicable loss factors, the loss factors in the Grant PUD Ancillary Services Rate Schedule will apply.

**Large Load Customer:** 115kV and 13.2 kV wholesale transmission delivery customers, and customers that take delivery below 13.2 kV as determined by Grant PUD, within Grant PUD’s electric system that are not Grant PUD retail loads.
RATE SCHEDULE NO. 31
Wholesale Transmission Delivery for Small Load Customers

Rates shown on this Rate Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Available: To eligible transmission customers delivering power to a Grant PUD point of receipt for service to Small Load Customers within Grant PUD’s electric system that are not Grant PUD retail loads.

Effective: For service beginning January 1, 2021.

Services Received: Delivery of energy from the point of receipt to Small Load customers and the necessary Ancillary Services required to serve these small loads within the Grant PUD electric system.

Monthly Billing Rates based on Load Type:

31-A: For residential service customers for single-phase service

Delivery: $0.03873 per kWh

Basic Charge: Currently no charge

31-B: For loads not exceeding 500 kW (as measured by Billing Demand) for general service, commercial, multi-residential and miscellaneous outbuilding lighting, heating and power (excepting irrigation service) requirements.

Delivery: $0.02432 per kWh

Basic Charge: Currently no charge

31-C: For pumping loads not exceeding 2,500 horsepower and other miscellaneous power needs including lighting.

Delivery: $0.02622 per kWh

Basic Charge: Currently no charge

Service: Service under this Schedule is subject to the terms and conditions in Grant PUD’s Customer Service Policies which may be amended from time to time by Grant PUD.

Tax Adjustment: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.
Definitions:

Ancillary Services: those services necessary to support the transmission of electric power from resources to loads given the obligations of balancing authorities and transmitting utilities within those balancing authorities to maintain reliable operations of the interconnected transmission system.

Small Load Customers: residential, small commercial, and pumping loads that receive wholesale delivery service.
ME M O R A N D U M

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Dave Churchman, Chief Customer Officer

FROM: Bob Brill, Economist
Rod Noteboom, Manager of Transmission Services
Nate Manning, Interim Rates and Load Forecasting Analyst

SUBJECT: Establish Rate Schedule Nos. 30 and 31

Purpose: To request Commission approval of Rate Schedule No. 30, Transmission Wholesale Delivery for Large Load Customers, and Rate Schedule No. 31, Transmission Wholesale Delivery for Small Load Customers, which are residential, small commercial and pumping loads.

Discussion:
Beginning in the spring of 2019, PUD staff initiated a public process to review the recently completed Transmission Cost of Service Study (COSS). Based upon that comprehensive effort staff proposes implementing two new wholesale transmission and distribution rate schedules – Rate Schedule No. 30 for large loads taking service at 115 kV, 13.2 kV and below 13.2 kV as determined by Grant PUD, and Rate Schedule No. 31 for small loads.

Initially Rate Schedule Nos. 30 and 31 rates would be equivalent to the rate in the current USBR Memorandum of Agreement (MOA) (For RS 30, see Table 1, Column A). Effective January 1, 2022, Rate Schedule No. 30 would reflect the rates resulting from the recent Transmission COSS reflecting an ROE at 7% (see Table 1, Column B). To consider the regulatory lag differences between an investor owned and public utilities, the 9.8% ROE from May 12, 2020 Transmission COSS was adjusted to 7%. Rate Schedule 31 for small loads would be set at the rates reflected in the current USBR MOA but could change in the future at Commission direction (see Table 2).

Rate Schedule Nos. 30 and 31 would apply to all eligible network transmission customers. Applicability to existing customers under contract will be evaluated on a case to case basis.

Table 1: Current and Proposed Transmission Rates for Rate Schedule 30

<table>
<thead>
<tr>
<th>Rate Schedule 30 Rates at $ per kW-month</th>
<th>Column A</th>
<th>Column B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Schedule 30 Rates Effective 1/1/2021</td>
<td>Transmission COSS Proposed Rates (ROE at 7%) Effective 1/1/2022</td>
<td></td>
</tr>
<tr>
<td>Current USBR MOA</td>
<td>Effective 1/1/2022</td>
<td></td>
</tr>
<tr>
<td>115kV Service</td>
<td>$1.90</td>
<td>$2.51</td>
</tr>
<tr>
<td>13.2kV Service</td>
<td>$3.12</td>
<td>$4.36</td>
</tr>
<tr>
<td>Combined Service</td>
<td>$5.02</td>
<td>$6.87</td>
</tr>
</tbody>
</table>
Table 2: Summary of Small Load Rates for Rate Schedule 31

<table>
<thead>
<tr>
<th>Services Rendered Through Rate Schedule No. 31</th>
<th>Current USBR MOA Rates Effective 1/1/2021</th>
<th>Current Basic Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS 31a – Residential customers such as single-family dwellings</td>
<td>$0.03873 per kWh</td>
<td>Currently no charge</td>
</tr>
<tr>
<td>RS 31b – For loads not exceeding 500 kW</td>
<td>$0.02432 per kWh</td>
<td>Currently no charge</td>
</tr>
<tr>
<td>RS 31c – For pumping loads not to exceed 2,500 horsepower</td>
<td>$0.02622 per kWh</td>
<td>Currently no charge</td>
</tr>
</tbody>
</table>

In 2017, PUD and USBR staff negotiated a contract defining the terms and conditions of transmission service, other than rates. At that time, the terms and conditions in the contract were agreed to by both the USBR and the PUD, but never executed. The contract covers items such as billing, metering, losses, and some ancillary services. Staff anticipates working with USBR to review and execute this (or similar) contract for service commencing no later than December 31, 2021. Until that time, services rendered would continue under the current MOA.

On October 1, 2020, the PUD and USBR executed an MOA for 2021 with similar terms and pricing to the 2020 MOA (see Table 1, Column A and Table 2). Going forward, staff will work with USBR to agree on a contract beginning January 1, 2022 that contains the terms and conditions of transmission service with rates determined by the applicable rate schedule (see Table 1, Column B).

**Recommendation:** Approve Rate Schedule 30 and Rate Schedule 31 effective immediately. Rates would be phased in over two years as described above.

**Legal Review:** To be provided for the October 13, 2020 Commission Meeting.
This email is to approve for submission the documents provided for the Transmission COSS scheduled for the October 13, 2020.

Thanks

bob

Bob Brill
Economist

(c) 540-270-3703
Motion was made by __________ and seconded by __________ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10632 with CDW Government, Inc. for a three-year renewal of Grant PUD’s Microsoft Enterprise Agreement in an amount not-to-exceed $1,372,037.52 to be paid in three annual installments in the amounts of $457,345.84 from August 21, 2020 through August 31, 2023.
TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Jeffrey Bishop, Chief Financial Officer

FROM: Derin Bluhm, Chief Technology Officer

SUBJECT: Award of Contract 430-10632

Purpose:

To request Commission approval to award Contract No. 430-10632 to CDW Government, Inc. for a three-year renewal of Grant PUD’s Microsoft Enterprise Agreement. This reseller agreement covers nearly all Microsoft software products and cloud services used across Grant PUD enterprise and all business units.

Discussion:

Businesses and government entities with significant Microsoft product deployment leverage an Enterprise Agreement to spread software costs over a 3-year period. Grant PUD has maintained Enterprise Agreements with Microsoft on this rolling 3-year basis for some time with this renewal continues that best practice.

In 2018, Grant PUD made a strategic decision to migrate many services to “the cloud” to enable rapid adoption of modern technology and minimize reliance on constrained internal data center services and operations. The value of this decision was demonstrated in the ability of Grant PUD to rapidly enable a work from home model in the pandemic era.

This agreement includes costs for subscription-based services, in addition to software deployed through the legacy license/software assurance model. Pricing of the agreement is governed by the state government negotiated agreement “Washington NVP Software (ADSPO16-130652 06016)”.

For absolute clarity, subscription-based products like Office 365 (e.g. Teams, SharePoint, Email, etc.) will no longer operate if this agreement is not renewed or an alternative contract is not implemented.

Justification:

Approving this contract and maintaining our Software Assurance benefit provides significant value to business operations and aligns with Grant PUD’s Mission Statement to generate and deliver energy to our customers efficiently and reliably. The agreement is emblematic of Grant PUD’s value to innovate, delivering outcomes supporting key District objectives to 1) Maintain a Strong Financial Position, 2) Provide Long Term Low Rates, and 3) Provide Outstanding Service to Our Customers.

This is achieved through securing the best prices available to us for our Microsoft software needs, implementing an effective technology roadmap and life-cycling plan, reducing the labor and overhead involved in license renewals, project and life-cycle planning, and procurement for current and future software needs.
The Enterprise Agreement approach is the least cost option to acquire and maintain most Microsoft products and subscriptions. The 3-year term minimizes the procurement overhead while allowing us to control cost with an annual “true up” to realign licensing count to demand changes.

The agreement provides for software licensing and “software assurance” allowing Grant PUD the right to update software as new versions are released and new capabilities are available. Without software assurance, there would be no path to new versions of the software except to repurchase that software at considerable expense.

Software Assurance is a substantial benefit when paired with the technology roadmap and regularly scheduled life cycling of products. Instead of purchasing new product versions as we do in an alternative “Select” model, we can leverage upgrades as they become available without additional purchases or procurement overhead. This results in a more stable enterprise computing environment and lower total-cost-of-ownership over the long term.

Microsoft has a variety of sourcing models¹ available depending upon the size of the enterprise. For organizations larger than 250 users or devices who intend to continue to utilize Microsoft products and services, the Enterprise Agreement offers the best available pricing tiers.

**Financial Considerations:**

The contract pricing will be $1,372,037.52, to be paid in three annual installments in the amount of $457,345.84 from August 31, 2020 through August 31, 2023.

The pricing is tied to the state negotiated agreement to achieve reliable savings at the maximum discount rate.

A comparison of the prior Annual Microsoft spend year over year is provided below for comparison:

<table>
<thead>
<tr>
<th></th>
<th>Old</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Annual Spend</td>
<td>$231,000</td>
<td>$265,000</td>
</tr>
</tbody>
</table>

**Key drivers for the cost increases:**

- 2019 - We migrated to a model where we license users instead of devices, so we allow individuals to access the services from up to 5 devices, including personal devices enabling broader access and support for flexible use.
- 2020 - We added 250 user subscriptions to O365 to cover 3rd party users, benefitting overall integration. Greatly expanded access to PowerBI for enterprise reporting and analytics.

The following table illustrates the shift away from on-off tools to a consolidated approach within the Microsoft 365 environment. The Enterprise Agreement enables all these tools to be eliminated through

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various 3rd party renewals. There are tangible benefits of leveraging a single environment that are not quantified, but the intent of the table is to describe the shift of costs to the new environment, clarifying

<table>
<thead>
<tr>
<th>Eliminated Legacy Product</th>
<th>Replacing Microsoft Tool</th>
<th>Annual Cost of Legacy Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>WebEx</td>
<td>Teams</td>
<td>$21,000</td>
</tr>
<tr>
<td>Slack</td>
<td>Teams</td>
<td>$1,200</td>
</tr>
<tr>
<td>Airwatch</td>
<td>InTune</td>
<td>$7,900</td>
</tr>
<tr>
<td>R-Directory</td>
<td>Delve</td>
<td>$3,200</td>
</tr>
<tr>
<td>Metalogic ControlPoint</td>
<td>SharePoint Online</td>
<td>$9,500</td>
</tr>
<tr>
<td>Metalogic StoragePoint</td>
<td>SharePoint Online</td>
<td>$7,000</td>
</tr>
<tr>
<td>MPlus Archive for Exchange</td>
<td>Exchange Online</td>
<td>$21,000</td>
</tr>
<tr>
<td>McAfee email gateway</td>
<td>Exchange Online</td>
<td>$11,000</td>
</tr>
<tr>
<td>SPDocket</td>
<td>SharePoint Online</td>
<td>$5,200</td>
</tr>
<tr>
<td>Misc SharePoint tools</td>
<td>SharePoint Online</td>
<td>$5,000</td>
</tr>
<tr>
<td>Nintex Forms (drop in 2022)</td>
<td>PowerApps</td>
<td>$35,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$127,000</td>
</tr>
</tbody>
</table>

NOTE: All numbers are exclusive of sales tax.

Intangible benefits:
- Accelerated migration to Microsoft Teams ahead of the pandemic likely avoided >$10M in lost work time by preventing furlough of office workers.
- Enterprise mobility gives much greater access to business data from anywhere without VPN
- We avoid replacement of all the hardware required to operate the legacy on-premise servers
- Real-time shared document editing helps improve overall efficiency
- Replaced the legacy Travel Database with PowerApps
- Replaced Buyers Report with PowerApps
- Enabled migration of CMApp to Contracts365
- Enables single sign-on in cloud partner environments for improved usability and security
- Enables IT to perform higher order work

The migration to cloud hosted services is the primary delivery model for Microsoft products going forward. While adding a subscription does require a 12-month commitment, those subscriptions are transferable. Further, unneeded subscriptions can be reduced annually as business conditions change.

Contract Specifics:

<table>
<thead>
<tr>
<th>Term</th>
<th>36 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td>$1,372,037.52 total cost paid in three annual installments of $457,345.84</td>
</tr>
<tr>
<td>Procurement</td>
<td>Sole source provider</td>
</tr>
<tr>
<td>Contract</td>
<td>Microsoft standard terms and form</td>
</tr>
</tbody>
</table>

Recommendation:

Commission approval to award Contract No. 430-10632 to CDW Government, Inc. for a three-year renewal of the Microsoft Enterprise Agreement.
Legal Review: See attached e-mail(s).
### Purchase Order

**Vendor:** CDW GOVERNMENT INC  
230 N MILWAUKEE AVE  
VERNON HILLS IL 60061

**Ship To:**  
154 A ST SE  
EPHRATA WA 98823

**Contract / Quote No.** LQJS402

<table>
<thead>
<tr>
<th>L/N</th>
<th>Item Number</th>
<th>Bin</th>
<th>Req. Date</th>
<th>U/M</th>
<th>Ordered</th>
<th>Unit Price</th>
<th>Ext. Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/31/2021</td>
<td>MICROSOFT COMPONENT ENTERPRISE</td>
<td>EA</td>
<td>457,345.84</td>
<td>$1.00</td>
<td>$457,345.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/31/2022</td>
<td>MICROSOFT COMPONENT ENTERPRISE</td>
<td>EA</td>
<td>457,345.84</td>
<td>$1.00</td>
<td>$457,345.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/31/2023</td>
<td>MICROSOFT COMPONENT ENTERPRISE</td>
<td>EA</td>
<td>457,345.84</td>
<td>$1.00</td>
<td>$457,345.84</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Authorized**

Kristin Fleisher 509-793-1542

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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.

Warehouse Receiving Hours: Monday - Thursday, 6:30 AM - 12:00 PM & 12:30 PM - 3:30 PM.
Motion was made by ____________ and seconded by ____________ authorizing the General Manager/CEO, on behalf of Grant PUD, to bind 2020-2021 property and liability policy renewals through Grant PUD’s insurance broker Beecher Carlson with estimated premiums totaling $XXXXXXX.
DATE: September 30, 2020

TO: Kevin Nordt, CEO

VIA: Jeffrey Bishop, Chief Financial Officer

FROM: Paul Dietz, Manager, Enterprise Risk Management

SUBJECT: 2020-2021 Insurance Renewals

Overview

The District renews its property and liability replacement value insurance coverage annually November 1st. The District’s insurance broker, Beecher Carlson, is currently engaged in marketing for the District’s insurance coverage and will provide a proposal detailing quoted premiums for the District’s various insurance policies. Several factors are discussed below that will have an effect on the quoted premiums for insurance coverage based on current market trends. Significant changes to the District’s property values are noted below. Further, the District’s Risk department is requesting your approval to allow Kevin Nordt, CEO, to make the final approval for binding insurance coverages.

Discussion

The total premiums for insurance coverage for the 2019-2020 insurance renewals totaled $2,155,550 as quoted to replace the 2018-2019’s coverage, this represented a roughly 14.85% increase. This coming year, the Risk department is estimating an insurance renewal total cost of $2,527,018 expecting significant increases (15-25%) in insurance premiums for property and some liability coverages based on several market trends and factors. The first factor affecting rate increases is overall hard market conditions resulting from large claim pay-outs, business interruptions contributed to COVID-19, and increased property losses due to natural disasters. Secondly, market conditions have tightened specifically in the global power industry due to continued loss in the sector, income constraints imposed on underwriters, and withdrawal of some insurers in the class. Lastly, the District’s loss history from the previous years will likely have a negative impact on premiums as well.

The following table outlines the budgeted pricing for coverage for the 2020-2021 renewal assuming a 20% increase in some premiums. (still subject to change with further negotiation):

<table>
<thead>
<tr>
<th>Policy</th>
<th>Carrier(s)</th>
<th>Deductible</th>
<th>Coverage Limit</th>
<th>2019 Premium</th>
<th>Est 2021 Premium</th>
<th>Difference**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>Multiple</td>
<td>$2.5M</td>
<td>$200M</td>
<td>$1,223,164</td>
<td>$1,435,954</td>
<td>$212,790</td>
</tr>
<tr>
<td>Directors &amp; Officers</td>
<td>AEGIS</td>
<td>$500K</td>
<td>$10M</td>
<td>$63,819</td>
<td>$68,416</td>
<td>$4,597</td>
</tr>
<tr>
<td>Excess Liability – 1st Layer</td>
<td>AEGIS</td>
<td>$2M</td>
<td>$35M</td>
<td>$640,034</td>
<td>$696,121</td>
<td>$56,087</td>
</tr>
<tr>
<td>Excess Liability – 2nd Layer</td>
<td>EIM</td>
<td>$25M</td>
<td></td>
<td>$119,809</td>
<td>$175,895</td>
<td>$56,086</td>
</tr>
<tr>
<td>Fiduciary Liability</td>
<td>AEGIS</td>
<td>$10K</td>
<td>$10M</td>
<td>$20,500</td>
<td>$23,100</td>
<td>$2,600</td>
</tr>
<tr>
<td>Employment Practices Liability</td>
<td>OneBeacon</td>
<td>$100K</td>
<td>$2M</td>
<td>$16,715</td>
<td>$19,222</td>
<td>$2,507</td>
</tr>
<tr>
<td>Crime</td>
<td>Hiscox</td>
<td>$15K</td>
<td>$3M</td>
<td>$9,688</td>
<td>$12,000</td>
<td>$2,312</td>
</tr>
</tbody>
</table>

(Still subject to change with further negotiation)
Because the District uses replacement value insurance, its Statement of Values (SOV) must be reviewed, updated, and submitted annually. Risk contacted stakeholders for each of the listed classes of assets for review of the asset replacement values in their respective areas, with the results of this process summarized in Table 1. In many cases, annually updated factors (dependent on the asset class) have been applied to the prior year’s value for each respective asset, with the factors sourced from Marshall Swift, BUREC, and Handy Whitman indices.

The largest portion of the District’s coverage is in our property insurance premiums. The value of the District’s property portfolio increased 1.52% from last year’s reported values based on the below changes. The most significant changes in this year’s property values are for coverage of fiber huts and mobile equipment (vehicles). While evaluating risks and probability of lost property, the Risk Department recommended to only cover fiber huts in the Ephrata flood zone. Given the District’s $2.5M self-insured retention, it is not prudent to include the additional fiber huts due to the widespread location of the huts and the low likelihood of losing enough fiber huts to meet our self-insured retention. Additionally, due to the location of district vehicles and the relatively low replacement values, any vehicle with a replacement value of less than $100,000 was removed from coverage. Any losses for property not included in the District’s SOV is to be covered by the District’s self-insured retention.

<table>
<thead>
<tr>
<th>Location</th>
<th>Description of Changes</th>
<th>2019 Value</th>
<th>2020 Value</th>
<th>Change in Value</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro/Dams</td>
<td>Wanapum Dam reflects the largest increase for Hydro with the final replacement of the spillway gates, continued replacement of generators, and the complete reroof of the powerhouse. Priest Rapids saw increases for the continued improvements on the spillway control panels, new control systems, and the continued replacement of the turbine/generators.</td>
<td>$2.424B</td>
<td>$2.480B</td>
<td>$56.2M</td>
<td>2.32%</td>
</tr>
<tr>
<td>Substations</td>
<td>Values increased due to substation upgrades at multiple locations.</td>
<td>$309.4MM</td>
<td>$315MM</td>
<td>$5.6MM</td>
<td>1.82%</td>
</tr>
<tr>
<td>Service Centers/Warehouse</td>
<td>Increased values reflect changes in inventory.</td>
<td>$113MM</td>
<td>$113.8MM</td>
<td>$818K</td>
<td>0.72%</td>
</tr>
<tr>
<td>Office Buildings</td>
<td>Modeled trend applied, no significant changes.</td>
<td>$40.43MM</td>
<td>$40.47MM</td>
<td>$46K</td>
<td>0.11%</td>
</tr>
<tr>
<td>Residential</td>
<td>Values increased based on current housing price index values to reflect replacement value.</td>
<td>$7.2MM</td>
<td>$7.36MM</td>
<td>$144K</td>
<td>2%</td>
</tr>
<tr>
<td>Recreation/Cultural</td>
<td>New office building on Crescent Bar.</td>
<td>$42.5MM</td>
<td>$42.7MM</td>
<td>$200K</td>
<td>0.47%</td>
</tr>
<tr>
<td>Hatcheries/Fish Acclimation</td>
<td>Modeled trend applied, no significant changes.</td>
<td>$34.3MM</td>
<td>$34.38MM</td>
<td>$87K</td>
<td>0.26%</td>
</tr>
</tbody>
</table>

*Premiums are estimated net cost to the District after broker commissions are credited back. **Please note, premiums noted above are quoted figures and are subject to change prior to binding coverage.
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Initial</th>
<th>Final</th>
<th>Change</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Fiber Huts</td>
<td>Based on thorough analysis, all fiber huts were removed from property coverage, excluding those located in the flood zone.</td>
<td>$14.3M</td>
<td>$1MM</td>
<td>-$13.4M</td>
<td>-93.03%</td>
</tr>
<tr>
<td>Switchyards/Radio Sites</td>
<td>Modeled trend applied, no significant changes.</td>
<td>$25.6M</td>
<td>$26.3M</td>
<td>$781K</td>
<td>3.05%</td>
</tr>
<tr>
<td>Mobile Equipment</td>
<td>All passenger vehicles removed and any vehicle under $100,000 in value.</td>
<td>$16.9M</td>
<td>$12.6M</td>
<td>-$4.3M</td>
<td>-25.71%</td>
</tr>
<tr>
<td>Mobile Substations</td>
<td>No changes.</td>
<td>$3.25M</td>
<td>$3.25M</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Fine Arts</td>
<td>No changes.</td>
<td>$1.75M</td>
<td>$1.75M</td>
<td>$0</td>
<td>0%</td>
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<tr>
<td><strong>Total Property Portfolio Changes:</strong></td>
<td></td>
<td><strong>$3.033B</strong></td>
<td><strong>$3.079B</strong></td>
<td><strong>$46.2MM</strong></td>
<td><strong>1.52%</strong></td>
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**Conclusion and Recommendations**

As discussed above, we are estimating between 15-25% premium increases for the upcoming year. Although we do not know the final total premium, we feel that this is a fair estimate. We will not have final figures until the end of October; therefore, we are requesting approval to allow Kevin Nordt, CEO, to make the final approval for binding insurance coverages so the District can meet the deadline of November 1, 2020. Furthermore, as invoices for premiums are received, we request approval to allow Kevin Nordt, CEO, to authorize payment to complete the renewal process. The Commission will be informed of the final insurance renewal premiums after binding coverage is complete.
This looks great Paul. I included a few edits for your consideration. Please submit as final if you are comfortable with the edits. Thanks
Hi Melissa,

Please include this memo for inclusion in the Oct 13th packet. Thanks!

Paul

Paul Dietz, FRM
Manager, Enterprise Risk Management

Cell  785-213-9238
EMAIL  pdietz@gcpud.org

grantpud.org
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<th>SUNDAY</th>
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- **12:00pm Melissa Leonard 1:1 GM/Commissioners Virtual Lunch with Kevin/Dale (Microsoft Teams Meeting)** -
- **10:00am Randalynn Hovland Commission Meeting (Teams Meeting) - Randalynn Hovland**
- **12:00pm Melissa Leonard 1:1 GM/Commissioners Virtual Lunch with Kevin/Nelson (Microsoft Teams Virtual Meeting)** -
- **9:00am WPUDA Budget Committee Meeting (Zoom Meeting) - Commission Meetings**
- **6:00pm Public Budget Hearing (Microsoft Teams Virtual Meeting) - Commission Meetings**
- **8:00am Energy Northwest Executive Board Meeting & Board of Directors Meeting (Tri-Cities, WA)**
- **8:00am Energy Northwest Executive Board Meeting & Board of Directors Meeting (Tri-Cities, WA)**

Commission Meetings
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<td>10:00am Randalynn Hovland Commission Meeting (HQ-Commission) - Randalynn Hovland</td>
<td>8:00am Randalynn Hovland Commission Meeting (HQ-Commission) - Randalynn Hovland</td>
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<td>31</td>
<td>Jan 1, 21</td>
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- 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Tom
- 8:00am WPUDA Annual Meeting (Zoom or Similar Virtual Platform) - Commission Meetings
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- Randalynn Hovland Commission Meeting (HQ-Commission) - Randalynn Hovland
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- 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Nelson
- 8:00am Randalynn Hovland HOLIDAY - Randalynn Hovland
- 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Dale

Commission Meetings