

A G E N D A
GRANT COUNTY PUBLIC UTILITY DISTRICT
Via Conference Call
+1 509-703-5291 Conference ID: 287 686 505#
COMMISSION MEETING
Tuesday, July 27, 2021

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

1. Consent Agenda

Approval of Vouchers

Meeting minutes of July 13, 2021

Special meeting minutes of July 23, 2021

2. Regular Agenda

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-10805A with Electrical Consultants, Inc. (ECI), in an amount not-to-exceed \$900,000.00 and with a contract completion date of December 31, 2025. (3367)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-10805B with Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc., in an amount not-to-exceed \$900,000.00 and with a contract completion date of December 31, 2025. (3368)

3. Review Items For Next Business Meeting

XXXX – Resolution in Support of Grant PUD’s Organizational Health, Employee Development and Employee Appreciation Event.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11062 with Automation Exchange (AeX), in an amount not-to-exceed \$3,200,000.00 with a contract term of five years. (xxxx)

4. Calendar

5. Reports from Staff (if applicable)

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

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

July 13, 2021

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: 287 686 505# with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; Dale Walker (morning session), Commissioner; and Tom Flint, Commissioner.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:10 a.m.

The Commission resumed at 9:30 a.m.

Commission President Schaapman announced continuation of recess to last until 9:45 a.m.

The Commission resumed at 9:45 a.m.

A round table discussion was held regarding the following topics: system update; Quincy Chute maintenance update; incident criticality level (ICL) status; recent Crescent Bar HOA meeting; Kurt Miller, NWRP visit; request for information related to recent invoicing; and a staffing inquiry.

Paul Dietz, Enterprise Risk Manager, presented the Enterprise Risk Report.

Ty Ehrman, Managing Director of Power Production, presented the Power Production Performance Report.

Shannon Lowry, Lands and Recreation Manager, presented the License Compliance and Lands Services Program Report.

Trade association and committee reports were reviewed.

The Commission recessed at 11:55 a.m.

The Commission resumed at 1:00 p.m.

Larry Lewis, Sunland Estates, addressed the Commission regarding fire protection concerns at Sunland Estates. In addition he requested modification to the shoreline management plan specific to the Sunland community.

Correspondence was noted from Larry Lewis of Sunland Estates.

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

Payment Number	112429	through	113002	\$19,853,263.76
Payroll Direct Deposit	179978	through	180739	\$2,039,978.49
Payroll Tax and Garnishments	20210701A	through	20210701B	\$889,024.02

Meeting minutes of June 22, 2021.

Special meeting minutes of July 6, 2021.

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

Resolution No. 8968 relative to the District's Priest Rapids Hydroelectric Project Junior Lien Revenue Bonds was presented to the Commission. Motion was made by Mr. Flint and seconded by Mrs. Wilson to approve Resolution No. 8968. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8968

RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF THE DISTRICT'S PRIEST RAPIDS HYDROELECTRIC PROJECT JUNIOR LIEN REVENUE BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$300,000,000 TO FINANCE IMPROVEMENTS TO THE DISTRICT'S PRIEST RAPIDS HYDROELECTRIC PROJECT; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF EACH SERIES OF BONDS

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Rich Flanigan, Senior Manager of Wholesale Marketing and Supply, provided the Slice Contract Report.

Gene Austin, Compliance Program Manager, presented the NERC/WECC R&C Program Report.

The Commission recessed at 2:15 p.m.

The Commission resumed at 2:20 p.m.

An executive session was announced at 2:20 p.m. to last until 3:00 p.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 3:00 p.m. and the regular session resumed.

An additional executive session was announced at 3:00 p.m. to last until 4:00 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 4:00 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 4:00 p.m. on July 13 and reconvened on Thursday, July 15 at 8:30 a.m. at the Grant PUD Hydro Office Building, 14353 Highway 243 South, Conference Room #117, Beverly, Washington for the purpose of holding a Commission Strategic Planning Workshop and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Larry Schaapman, Judy Wilson, Dale Walker and Nelson Cox. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the July 13, 2021 meeting officially adjourned at 4:30 p.m. on July 15, 2021.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

Dale Walker, Commissioner

Tom Flint, Commissioner

Draft - Subject to Commission Review

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

July 23, 2021

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 1:00 p.m. via Microsoft Teams with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; Tom Flint, Commissioner and Dale Walker, Commissioner.

An executive session was announced at 1:00 p.m. to last until 2:00 p.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 2:00 p.m.

The July 23, 2021 special meeting officially adjourned at 2:00 p.m.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

Dale Walker, Commissioner

Tom Flint, Commissioner

REGULAR AGENDA

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-10805A with Electrical Consultants, Inc. (ECI), in an amount not-to-exceed \$900,000.00 and with a contract completion date of December 31, 2025.

MEMORANDUM

June 25, 2021

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Rich Wallen, Chief Operating Officer
Jeff Grizzel, Managing Director of Power Delivery
Jesus Lopez, Senior Manager of Power Delivery Engineering

FROM: Rudy Perez, Electrical Engineer

SUBJECT: Award of Contracts 130-10805A and 130-10805B – Professional Services Agreement for Engineering Services

Purpose: To request Commission approval to award:

- Contract 130-10805A to Electrical Consultants, Inc. (ECI) to supply professional engineering services needed for development of new transmission system protection, control, and communication standards through December 31, 2025
- Contract 130-10805B to Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc. to supply professional engineering services needed for development of new transmission system protection, control, and communication standards through December 31, 2025

Discussion: Power Delivery needs professional engineering services to develop updated protection, control, and communication standards to be implemented on the District's 115kV and 230kV transmission system. Development of these new standards requires specialized knowledge and analytical tools that the proposed engineering contractors routinely provide.

On April 6th, 2021, the District began the evaluation process for RFP 130-10805 for Engineering Services for District Transmission Protection, Control and Automation Schemes. The District received responses from the following six firms:

- Electrical Consultants, Inc. (ECI)
- Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc.
- Burns and McDonnell
- Commonwealth Associates, Inc.
- Power Engineers, Inc.
- Black and Veatch, Inc.

An evaluation team consisting of members from Power Delivery Construction and Maintenance, CTO Telecom Network Services and Power Delivery Engineering convened virtually to review and evaluate the proposals. Each proposal was evaluated based on capability to deliver the scope of services specified, previous experience on similar projects, professional profile of key personnel, available support services and quality of project management plan.

Based on the proposals received and virtual interviews conducted, Electrical Consultants, Inc. is recommended as the primary service provider with Schweitzer Engineering Laboratories Engineering Services, Inc. recommended as the alternate service provider.

Two contractors have been selected to utilize each of the firms' technical strengths demonstrated during proposal evaluation interviews. One contractor appeared best qualified to deliver on the majority of the requirement, while the other was particularly strong on tele-communication technical development. Awarding to two contractors places the District in the advantageous position of utilizing both firms' technical strengths at no additional cost. Awarding to two firms also minimizes the District's risk against any circumstances that would prevent a single provider from completing tasks in accordance with the District's schedule requirements.

The Professional Service Contracts are structured in a "not-to-exceed" manner and each individual task shall be authorized via a written scope of work agreed to by both the service provider and District. No service provider shall be authorized to commence any work prior to the completion and execution of a work scope document. There is no guaranteed minimum amount of work for any of these services.

Justification: The protection and control equipment currently in use on the District's transmission system have reached the end of useful life. In particular, the protection relays and communication equipment are of vintage technology and, in many instances, no longer supported by the manufacturer. The lack of manufacturer customer support for the outdated schemes and equipment poses a challenge to District crews when the need arises to troubleshoot unexpected operation. An additional risk exists in the prospect of needing to scavenge parts should an unsupported device or component fail.

The engineering work expected to be assigned via these Professional Service Contracts will result in modern protection, control, and communication standards for the District's transmission system. The standards are expected to be delivered in templated format via schematic functional drawings, wiring diagrams, physical arrangement drawings, operations and maintenance manuals, configuration files, and associated training of District personnel. These templated standards will serve as the common base for development of protection, control, and communication designs for new, and improvements to existing, transmission switchyards.

Power Delivery Engineering (PDE) has elected to develop these standards through the use of consultants since this type of engineering work is not routine at Grant PUD. The proposed engineering firms are reputable companies with demonstrated experience and expertise gained developing similar standards for other utilities in the industry. PDE expects this experience will lead to development of modern schemes, utilizing proven equipment currently deployed across the power utility industry. Additionally, outsourcing some or most of this work to the proposed firms will allow in-house engineering staff to continue supporting day-to-day engineering work as well as new design work associated with system expansion to support load growth.

The timing and schedule to develop these standards is important as this design work will be incorporated into approved transmission projects included in the Quincy Transmission Expansion Plan, Design Build 2, and the Quincy Solar Interconnection Switchyard. The work is expected to be complete by mid-2022. Delay in development of these standards would directly impact the schedule of the mentioned projects already in progress.

Financial Considerations: The Contracts shall have "not to exceed" amounts of \$900,000.00 for Electrical Consultants, Inc. (ECI) and \$900,000.00 for Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc. At this time, the total amount of work is variable and the District reserves the right to scale the services of the engineering firms as appropriate to meet the desired objectives.

Additionally, the cost for these services will reduce internal labor for upcoming transmission projects, as well as provide future labor cost savings due to the templated design standards expected.

The proposed Contractor rates were reviewed and found to be consistent with rates negotiated for existing professional engineering services contracts currently in place. The costs for these services has been deemed direct design work for active capital projects and included in the 2021 capital budget and will be proposed to be extended into the 2022 budget under PID 103602, Cost Center EC4100.

Recommendation: Commission approval to award:

- Contract 130-10805A to Electrical Consultants, Inc. (ECI) to supply as needed professional engineering services for development of new transmission system protection, control and communication standards through December 31, 2025 for a not to exceed price of \$900,000.00.
- Contract 130-10805B to Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc. to supply as needed professional engineering services for development of new transmission system protection, control and communication standards through December 31, 2025 for a not to exceed price of \$900,000.00.

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

From: [Jesus Lopez](#)
To: [Jeff Grizzel](#); [Patrick Bishop](#); [Rudy Perez](#)
Cc: [Sharon Lucas](#); [Alicia Reynolds](#)
Subject: RE: 130-10805A and 130-10805B
Date: Wednesday, June 30, 2021 10:28:22 AM

I have reviewed the memo and approve as written.

Thanks Pat and Rudy for your work on this contract thus far.

Thanks,
Jesus

From: Jeff Grizzel <Jgrizzel@gcpud.org>
Sent: Wednesday, June 30, 2021 10:01 AM
To: Patrick Bishop <Pbishop@gcpud.org>; Jesus Lopez <Jlopez@gcpud.org>; Rudy Perez <Rperez1@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Alicia Reynolds <areynolds@gcpud.org>
Subject: RE: 130-10805A and 130-10805B

I approve

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Wednesday, June 30, 2021 9:17 AM
To: Jesus Lopez <Jlopez@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>; Rudy Perez <Rperez1@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Alicia Reynolds <areynolds@gcpud.org>
Subject: RE: 130-10805A and 130-10805B
Importance: High

Jeff/Jesus/Rudy,

Attached is the revised Commission Memo detailing the project completion date but leaving the flexibility for use through 2025. If you concur, please provide your approvals by return email. Thank you.

From: Patrick Bishop
Sent: Wednesday, June 30, 2021 7:00 AM
To: Jesus Lopez <Jlopez@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>; Rudy Perez <Rperez1@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Alicia Reynolds <areynolds@gcpud.org>
Subject: FW: 130-10805A and 130-10805B
Importance: High

Good morning,

Contract 130-10805A with Electrical Consultants Inc. and Contract 130-10805B with SEL

Engineering Services, Inc. have been approved for Commission Packet submission. If you could each please approve the attached memo by return email it will serve as you initialing off. The Packet deadline is 11:30 a.m. this morning. Thank you.

From: Carol Mayer <Cmayer@gcpud.org>

Sent: Tuesday, June 29, 2021 6:49 PM

To: Patrick Bishop <Pbishop@gcpud.org>

Subject: 130-10805A and 130-10805B

You have contract and legal approval to proceed with submission into the Commission packet.

Carol Mayer

Manager Procurement/Warehouse

OFFICE 509.754.5055

EXT. 2336

EMAIL cmayer@gcpud.org



grantpud.org

From: [Rudy Perez](#)
To: [Patrick Bishop](#); [Jesus Lopez](#); [Jeff Grizzel](#)
Cc: [Sharon Lucas](#); [Alicia Reynolds](#)
Subject: RE: 130-10805A and 130-10805B
Date: Wednesday, June 30, 2021 9:19:29 AM
Attachments: [image002.png](#)

Pat,

I concur and approve.

Regards,

Rudy Perez, P.E.
Standards Engineer
Grant PUD
Ephrata, WA 98823
D: 509.754.5048
C: 509.855.2976
Email:
rperez1@gcpud.org
standards@gcpud.org



From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Wednesday, June 30, 2021 9:17 AM
To: Jesus Lopez <Jlopez@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>; Rudy Perez <Rperez1@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Alicia Reynolds <areynolds@gcpud.org>
Subject: RE: 130-10805A and 130-10805B
Importance: High

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<Rperez1@gcpud.org>

Cc: Sharon Lucas <Slucas@gcpud.org>; Alicia Reynolds <areynolds@gcpud.org>

Subject: FW: 130-10805A and 130-10805B

Importance: High

Good morning,

Contract 130-10805A with Electrical Consultants Inc. and Contract 130-10805B with SEL Engineering Services, Inc. have been approved for Commission Packet submission. If you could each please approve the attached memo by return email it will serve as you initialing off. The Packet deadline is 11:30 a.m. this morning. Thank you.

From: Carol Mayer <Cmayer@gcpud.org>

Sent: Tuesday, June 29, 2021 6:49 PM

To: Patrick Bishop <Pbishop@gcpud.org>

Subject: 130-10805A and 130-10805B

You have contract and legal approval to proceed with submission into the Commission packet.

Carol Mayer

Manager Procurement/Warehouse

OFFICE 509.754.5055

EXT. 2336

EMAIL cmayer@gcpud.org



grantpud.org

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 Electrical Consultants, Inc. ("Contractor");

R e c i t a l s :

The District desires to obtain professional engineering services to develop and test protection, control, SCADA, and associated communication schemes used for protecting, controlling and automating transmission system equipment; and

The District's Senior Manager and Managing Director of Power Delivery believe professional engineering services are required to meet the District's transmission protection and automation scheme needs that are above and beyond the ability of the District to perform with the existing staff levels; and

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

Contractor shall provide the District with engineering services associated with developing and testing of control, SCADA and associated communication schemes used for protecting, controlling and automating transmission system equipment as further described in Appendix "A", Scope of Services Technical Requirements effective upon full execution.

The District will authorize the Contractor to perform specific tasks by means of a Task Authorization for Professional Services (Appendix "D") 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.

Project closeout products required of the Contractor may include one or more of the following:

- A. Provide the required number of hard and electronic copies of implementation, configuration and testing manuals for controlling and automating protection schemes of transmission system equipment and facilities.
- B. Final project report describing the history of the project from design through commissioning noting all major components of the project and including detailed descriptions of problems or unique areas of the project.
- C. Provide "as-built" drawings of the completed control and automation protection scheme topologies in electronic format.

- D. Project files in chronological order of all aspects of the project design (including design calculations) and implementation of the project.
- E. Provide reports, depositions and testimony as may be required in the course of administering projects. Perform evaluations and analysis of the operation and maintenance practices and troubleshooting of problems encountered by the District in the administration of protection for its 115kV and 230kV transmission systems.

Potential tasks the District may authorize the Contractor to perform include:

- A. Design and implementation of 115kV and 230kV transmission control and automation schemes used for protecting and ensuring continued reliable operation of the transmission systems as part of the Quincy Area Transmission Enhancement Project (QTEP).
- B. Design and implementation of 115kV and 230kV transmission control and automation schemes used for protecting and ensuring continued reliable operation of the transmission system for new transmission expansions and/or interconnections to the current system.
- C. Design and implementation of substation high voltage side protection modifications as required for ensuring continued reliable operation of the District's 115kV and 230kV transmission system.
- D. Design and implementation of transmission voltage capacitor bank control and automation schemes as required for ensuring continued reliable operation of the District's 115kV and 230kV transmission system.
- E. Design and implementation of 230kV Ring Bus control and automation schemes as required for ensuring continued reliable operation of the District's transmission system.
- F. Design and implementation of breaker and a half control and automation schemes as required for ensuring continued reliable operation of the District's 115kV and 230kV transmission system.
- G. Design and implementation of transmission motor operated disconnect switch control and automation schemes in support of ensuring continued reliable operation of the District's 115kV and 230kV transmission systems.
- H. Design and implementation of communication interconnections to motor operated disconnect switches in support of ensuring continued reliable operation of the District's 115kV and 230kV transmission systems.
- I. Development, testing, and implementation of control and automation settings and/or configurations.
- J. System protection design, review, configuration, testing and/or commissioning.
- K. Development, testing, and implementation of transfer-trip schemes for District transmission infrastructure.
- L. Substation protective relaying design.
- M. Substation communications, automation, and/or SCADA design.
- N. Substation testing, commissioning, and device configuration.
- O. Communication, automation, and/or SCADA equipment testing, configuration, factory acceptance testing (FAT).

- P. Develop control and automation protection scheme “standards” following the District’s transmission design criteria.
- Q. Other tasks as identified and approved.

The Contractor shall provide all drawings, reports and construction packages in District standard computer format. The Contractor will provide their own copies of said software packages unless the package is proprietary to the District. These packages include, but are not limited to:

- AutoCAD® Civil 3D District’s Version (Currently 2020)
- Microsoft® Project (Currently MS Project 2019)
- Microsoft® Word (Office365 or above)
- Microsoft® Excel (Office365 or above)
- Microsoft® Teams (Office365 or above)
- SEL (Schweitzer Engineering Laboratories, Inc.) Relay and IED Software
- GE Energy PSLF
- ATP (<http://www.emtp.org>)
- Power World Corp. with PV/QV tools and Available Transfer Capability options
- Aspen One Liner
- SPIDACALC

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. The District assumes that the Contractor has the following, as a minimum set of engineering tools equipment, when in the field and the costs of these shall be included by Contractor overheads (individual billings for these items will not be allowed):
 - Vehicles (of any type) for transmission systems engineering work.
 - Electronic distance meters
 - Wheel type distance meters
 - Cellular phones
 - Two-way handheld radios

- Digital cameras
- Laptops, iPads, tablets, desktops, including any and all computers, disks, printers, storage media, and other computing hardware.
- Hammers
- Range rods
- Picks
- Shovels
- Machetes
- Extension rods for measuring heights
- Flagging ribbon
- Stakes (District standard or equivalent)
- Lath (District standard or equivalent)
- Test lab equipment (for modeling and testing of relay configurations, confirmation of communication links).

The Contractor shall maintain the same version of applicable software concurrent with the District.

- D. The Contractor shall have an Internet e-mail account for the purposes of electronic file transfers and routine communications with the District. This requirement shall not eliminate the need for hard copy documentation as needed or warranted.
- E. The District will not be responsible for Contractor's local, long distance, cell phone or other telephone charges associated with carrying out any Contract work. These expenses are considered an overhead expense and included in the hourly wage.
- F. The District will not be responsible for Contractor's computer time or use of software service fees. The District considers these expenses an overhead expense and shall be included in the hourly wage.
- G. The equipment, tools, software, etc., listed above shall be included in Contractor's hourly wage overheads as an operating expense. These items shall not appear itemized on invoices. The District expects the Contractor to be fully equipped with these items, as needed, to perform the services required.

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 "B", Rate Schedule, which rates and costs shall not be subject to change until January 1, 2023. Any changes to rates and costs shall only be on a prospective basis

and shall occur no more frequently than once every calendar year thereafter. Each such change shall not exceed the lesser of i.) 5% or ii.) the percentage increase in the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding calendar year for which CPI-U data is available. Contractor shall notify the District in writing at least 30 days prior to any such rate increase going into effect. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of \$900,000.00 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 "B").
- 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 "C".

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 "C" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

6. Taxes

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

7. Hold Harmless and Indemnification

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

damages to a person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.

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

8. Insurance

A. Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Contractor shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best, 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);
 - e. Such insurance shall not exclude coverage for action-over liability claims; with the following **minimum limits:**
 - f. \$1,000,000 Each Occurrence
 - g. \$1,000,000 Personal Injury Liability
 - h. \$2,000,000 General Aggregate (per project)
 - i. \$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. **Professional Liability/Network Security Insurance:** Contractor shall obtain professional errors and omissions liability insurance in an amount of **not less than \$5,000,000 per claim and in the aggregate**. Coverage shall respond to wrongful acts in the rendering of, or failure to render, professional services under this Agreement, electronic data losses or damage or breaches of electronic data security including disclosures of private or confidential information of the District or any employee, participant or beneficiary of the Services provided by Contractor pursuant to this contract. In the event of a claim and upon the District's request, Contractor shall provide a copy of its Professional Liability/Network Security Insurance policy. The Professional Liability Insurance retroactive coverage date shall be no later than the effective date of this agreement. Contractor shall continuously maintain such insurance or purchase an extended reporting period providing that claims first made and reported to the insurance company within two years after termination of the Agreement will be deemed to have been made during the policy period.

If Contractor shall hire subcontractor for all operations and risk involving professional network 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.

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.

District
Rudy Perez
Public Utility District No. 2
of Grant County, Washington
PO Box 878
154 A Street SE
Ephrata, WA 98823
(509) 754-5088 Ext. 2966
Rperez1@gcpud.org

Contractor
Josh Doering
Electrical Consultants, Inc.
5000 Meadows Road
Suite 240
Lake Oswego, OR 97035
(503) 747-2235
Joshua.Doering@eciusa.com

For purposes of technical communications and work coordination only, the District designates Rudy Perez 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 (see Appendix "I") and all District policies pertaining to COVID-19 located at <https://www.grantpud.org/for-contractors>. At a minimum, the Contractor shall ensure its employees have the following personal protective equipment (PPE) and use it as required for any and all Contract work performed.

- Hard hat
- High visibility vests
- Safety glasses
- Other job specific gear dependent on the particular job to perform and site location.

If an emergency situation is created or observed by the Contractor, the District's Dispatch Center should be contacted immediately. To contact the Dispatch Center from:

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

The Dispatch Center is manned 24 hours per day.

20. 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) previously executed with the District during the proposal process and included as Appendix "E".

21. 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 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 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.

22. Background Checks

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

23. Qualification of Contractor's Access Approval

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

24. BCSI Training

In accordance with the requirements of Section 20, Confidential Information, Contractor shall ensure that its employees, subcontractors and employees of subcontractors or anyone having access shall complete the appropriate District 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

Electrical Consultants, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX “A”
SCOPE OF SERVICES TECHNICAL REQUIREMENTS

The following provides a summary of the technical Scope of Services to be requested via Task Authorization:

1. Develop a project plan, schedule and budget to execute the subsequent items listed in this Scope of Services list.
 - A. Develop a data specification to assist in creating a project plan, schedule, and budget for development of Protection and Control (P&C) schemes applicable on the District transmission system. Data specification shall include items such as planning, design, and CAD standards, typical design processes, and document/configuration handling procedures. Other items shall be included in the data specification as deemed necessary by the Contractor.
 - B. Acquire any additional information needed via conference call or in person meetings to formulate clear understanding of District’s standards.
 - C. Propose the plan, schedule and budget to District for review, comment and/or subsequent approval.
2. Develop a complete system of P&C schemes including SCADA, network communication, and security for implementation in future District transmission system (230 kV and 115 kV) projects.
 - A. **Bus Configurations:** The schemes shall be expandable and applicable for use in the following bus configurations:
 - i. Ring Bus
 - ii. Breaker & Half
 - iii. Double Bus – Double Breaker
 - iv. Main/Aux
 - B. **Functionality:** The design package shall include the following functions:
 - i. Protection Schemes
 - a. Line Protection using SEL-411L Relay
 - b. Bus Protection using SEL-487B Relay
 - c. Auto-Transformer Protection using SEL-487E
 - d. Shunt Capacitor Bank using SEL-487
 - e. Transfer Trip
 - ii. Transfer Trip/Remote Communications
 - a. End to End Relay Communication using Mirror Bit Transfer Trip (MBTT)
 - b. Develop specification for processor to protect three terminal lines
 - c. Develop specification for transfer trip communication Media
 - iii. SCADA Control & Monitoring
 - a. Remote Terminal Unit using SEL RTAC
 - i. Local indication and control
 - ii. Communication to SCADA Master equipment for indication and control
 - iii. Data aggregation and manipulation
 - b. Local Indication using ORIO I/O
 - i. Local annunciation
 - ii. Indication to Remote Terminal Unit
 - c. SEL Team for event capture and communication
 - d. Shunt Capacitor Bank Control
 - iv. Network & Access Management

- a. Switches using SEL-2740S Software Defined Network (SDN)
 - i. SEL-2740S Software Defined Network (SDN)
 - b. Security Gateway(s) using SEL-3620
 - c. Firewalls using Fortinet F60D
 - v. Business Access
 - a. Wireless Access Point
 - b. Local Business Switch
 - i. PC connection
 - ii. IP phone connection
 - iii. Wireless connection point
 - c. IP Phones
 - vi. Propose any other scheme or functions for District consideration. Additional schemes or functions shall be those the Contractor has successfully implemented in other projects and are of sufficient technology maturity so as to minimize the resource/effort risk associated with leading edge, early adoption.
 - C. **Deliverables:** Design package shall be sequenced in percent deliverable phases to allow for District review as specified in project plan. Design documents shall be delivered in Microsoft Word, Excel, or other software approved by the District. All design drawings shall be delivered in CAD format compatible with District CAD standards. Deliverables shall include the following at minimum:
 - i. Design specification document for each function to be developed. Specification shall be approved by the District Representative before proceeding to design.
 - ii. Templated design drawings and documents including the following:
 - a. Panel layout including parts and equipment Bill of Material (BOM)
 - b. System one line
 - c. AC & DC one-line
 - d. AC three-line
 - e. IED logic diagrams
 - f. Wiring diagrams (denote pseudo equipment connection representation))
 - iii. LAN Communications block diagrams
 - iv. Data flow diagrams
 - v. Protection Relaying Criteria document (to include all settings)
 - vi. Template IED configuration files (Protection IEDs, I/O IED and SCADA RTU)
 - vii. Template SCADA GUI screens
 - viii. Template protection IED front HMI screens
 - ix. Site Signal list
3. Support Documentation and Procedures.
- A. Pre-energization / Commissioning testing procedures.
 - B. In-service and energization check list and procedure.
 - C. Template Operator Manual covering local panel, GUI and IED HMI interfaces.
 - D. Template package instruction manual on how to use the various template documents and files.
 - E. Maintenance manual with procedures and practices for periodic checks, tests and troubleshooting guide.
4. Lab testing to validate the template design packages (allow District personnel witness).

- A. Work with District to purchase all materials and IEDs required to build the P&C, LAN and SCADA components developed in the template design package.
 - B. Build the system in a lab environment.
 - C. Test all the functions, data maps, IED logic, protection schemes, etc. in accordance with testing and commissioning procedures.
 - D. Make any corrections to designs needed based on lab testing results.
 - E. Disassemble and ship the lab test system to District.
5. Training on use of new templates
- A. Develop training materials covering new designed schemes.
 - B. Deliver training to District personnel covering template materials.
6. Any other unforeseen tasks related to development of the District's transmission P&C schemes.

**APPENDIX “B”
RATE SCHEDULE**

DIRECT EXPENSES:

Rates are stated in US Dollars.

Engineer's Classification Code	Billing Rate Job Description	Maximum Billing Hourly Rate	Classification
A	Senior Project Manager II	\$244.00	Engineering/Management
B	Senior Project Manager I	\$201.00	Engineering/Management
C	Project Manager II	\$180.00	Engineering/Management
D	Project Manager I	\$161.00	Engineering/Management
E	Senior Engineer II	\$202.00	Engineering/Management
F	Senior Engineer I	\$173.00	Engineering/Management
G	Senior Project Supervisor	\$168.00	Engineering/Management
H	Project Supervisor	\$127.00	Engineering/Management
I	Project Engineer II	\$146.00	Engineering/Management
J	Project Engineer I	139.00	Engineering/Management
K	Associate Engineer II	\$143.00	Engineering/Management
L	Associate Engineer I	\$136.00	Engineering/Management
M	Design Engineer III	\$120.00	Engineering/Management
N	Design Engineer II	\$112.00	Engineering/Management
O	Design Engineer I	\$105.00	Engineering/Management
P	Senior Designer II	\$149.00	Engineering/Management
Q	Senior Designer I	\$134.00	Engineering/Management
R	Designer III	\$118.00	Engineering/Management
S	Designer II	\$103.00	Engineering/Management
T	Designer I	\$87.00	Engineering/Management
U	Project Controls Coordinator	\$185.00	Program Management/Support Staff
V	Project Controls Specialist III	\$143.00	Program Management/Support Staff
W	Project Controls Specialist II	\$112.00	Program Management/Support Staff
X	Project Controls Specialist I	\$95.00	Program Management/Support Staff
Y	Senior Drafter II	\$103.00	Program Management/Support Staff
Z	Senior Drafter I	\$100.00	Program Management/Support Staff
AA	Drafter III	\$90.00	Program Management/Support Staff
BB	Drafter II	\$88.00	Program Management/Support Staff
CC	Drafter I	\$77.00	Program Management/Support Staff
DD	Administrative – Executive	\$118.00	Program Management/Support Staff
EE	Administrative Assistant	\$80.00	Program Management/Support Staff
FF	Senior Surveyor	\$154.00	Survey/Real Estate
GG	Surveyor II	\$125.00	Survey/Real Estate
HH	Surveyor I	\$107.00	Survey/Real Estate

Engineer's Classification Code	Billing Rate Job Description	Maximum Billing Hourly Rate	Classification
II	Survey Tech II	\$87.00	Survey/Real Estate
JJ	Survey Tech I	\$67.00	Survey/Real Estate
KK	Senior Real Estate Specialist	\$148.00	Survey/Real Estate
LL	Real Estate Specialist II	\$128.00	Survey/Real Estate
MM	Real Estate Specialist I	\$85.00	Survey/Real Estate
NN	Senior Protection & Controls Tech	\$202.00	Construction/Field Testing
OO	Protection & Controls Tech	\$140.00	Construction/Field Testing
PP	Construction Project Manager	\$200.00	Construction/Field Testing
QQ	Field Construction Manager	\$190.00	Construction/Field Testing
RR	Technician III/Inspector III	\$140.00	Construction/Field Testing
SS	Technician II/Inspector II	\$119.00	Construction/Field Testing
TT	Technician I/Inspector I	\$79.00	Construction/Field Testing
UU	Safety Specialist	\$139.00	Construction/Field Testing
VV	Principle	\$256.00	Corporate Project Mgmt./Technical Oversight
WW	Director/PhD	\$256.00	Corporate Project Mgmt./Technical Oversight

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

REIMBURSABLE EXPENSES:

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

Meals and Incidental Expenses: Meals and incidental expenses will be limited to the Federal Per Diem rate for meals and incidentals established for the location where lodging is obtained. 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.

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 \$96.00. The District Representative may increase this limit in writing when circumstances require.

Travel: Air travel (at coach class or equivalent), airport shuttles, etc. billed at cost. Ground transportation by privately owned vehicle, if utilized, billed at the Internal Revenue Service mileage rate for privately owned vehicles in effect at the time of travel. Expenses for a rental car, at cost, in the ratio of one mid-size class rental car for each three Contractor’s personnel directly engaged in performance of the work at the

prevailing rental rates then in effect. Rental car options such as refueling fees, GPS, collision & liability insurance, etc. will not be reimbursed by the District unless such options are approved in advance by the District Representative. **Appropriate insurance coverage should be included in the Contractor's insurance policies.**

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

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

APPENDIX "C"
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

Electrical Consultants, Inc.

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

APPENDIX "D"
TASK AUTHORIZATION FOR
PROFESSIONAL SERVICES

Contract No.:	130-10805A	Task Authorization No.:		Amendment No.:	
Project Name:					

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

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

Sample Only

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

Public Utility District No. 2
of Grant County, Washington

Electrical Consultants, Inc.

Approved for District

Accepted by Contractor

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: District Representative

Title: _____

Date: _____

Date: _____

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."

RECITALS

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 a need to know 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 130-10805A.
 - 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: Patrick Bishop, 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: Sample Only

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)

Employee Name	Background Check Completion Date	Indicate Pass (P) or Fail (F)	Identity Verification Completion Date	PRA Completion Date (District use only)

(Do not send actual background check documents)

Name of company where background check was performed: _____

Certified by: _____ Title: _____

Phone No.: _____ Email: _____

Return this form to: CIPDocuments@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: _____

APPENDIX ‘H’
CIP-013 SUPPLY CHAIN RISK MANAGEMENT

A. Introduction

Public Utility District No. 2 of Grant County, Washington (herein called the "District" or "Grant PUD"), is mandated by the Federal Energy Regulatory Commission ("FERC") and the North American Electric Reliability Corporation ("NERC") to implement Critical Infrastructure Protection ("CIP") reliability standard CIP-013-1 Cyber Security – Supply Chain Risk Management (herein called "CIP-013"), as may be amended. CIP-013 requires the District to endeavor to negotiate the terms herein in order to assess the cyber security risk(s) to the Bulk Electric System ("BES")¹ from Contractor products or services resulting from procuring and installing Contractor equipment and software.

This document titled Appendix "H", CIP-013 Supply Chain Risk Management (herein called "CIP-013 Appendix"), identifies terms and conditions requested by the District to comply with CIP-013.

TBD (herein called "Contractor") is presented these terms that apply to District procurements of hardware, software (including patches/updates) and services manufactured, supplied, or performed by Contractor.

The terms of this CIP-013 Appendix are applied at the sole discretion of the District for procured Contractor hardware, software, or services that are intended for use in BES Cyber Systems subject to CIP-013 or other contractual agreements deemed necessary by the District.

Conformance to these terms influences product and service selection. Non-conformance to these terms does not disqualify a product or service from consideration.

District Contact Information

Telephone:	(509) 754-0500, ext. 4193
E-Mail:	cybersecurity@gcpud.org
Mailing Address:	Grant County PUD Cyber Security PO Box 878 Ephrata, WA 98823

B. Requirement R1.2.1

Notification by the Contractor of Contractor-identified incidents related to the products or services provided to the District that pose cyber security risk to the District.

Contract Language

Contractor agrees to notify the District as soon as reasonably possible, and no more than 48 hours, after the determination by telephone and e-mail, and subsequently via written letter, whenever a Security Incident occurs for Contractor products or services owned, licensed, or contracted by the District using the information listed in the "District Contact Information", Section A of this CIP-013 Appendix.

¹ Glossary of Terms Used in NERC Reliability Standards, describes "Bulk Electric System" and "District" definition.

The notice shall include, at a minimum, the date and time of the Security Incident occurrence (or the approximate date and time of the occurrence if the actual date and time of the occurrence is not precisely known) and a detailed summary of the facts and circumstances of the Security Incident, including a description of (a) why the Security Incident occurred (e.g., a precise description of the reason for the system failure or compromise), (b) the amount of District Information known or reasonably believed to have been subject to Information Theft and (c) the measures being taken to address and remedy the occurrence to prevent the same or a similar event from occurring in the future.

Contractor shall provide written updates of the notice to the District addressing any new facts and circumstances learned after the initial written notice and shall provide such updates within a reasonable time after learning of those new facts and circumstances.

Contractor shall cooperate with the District efforts to determine the risk to the BES posed by the Security Incident, including providing additional information regarding the Security Incident upon request from the District.

C. Requirement R1.2.2

Coordination of responses to Contractor-identified incidents related to the products or services provided to the District that pose cyber security risk to the District.

Contract Language

1. Development and Implementation of a Response Plan:

Contractor shall identify its implemented policies and procedures that address Security Incidents (“Response Plan”) by mitigating the harmful effects of Security Incidents and addressing and remedying the occurrence to prevent the recurrence of Security Incidents in the future². Contractor shall provide the District access to inspect its Response Plan. The development and implementation of the Response Plan shall follow best practices that, at a minimum, are consistent with the contingency planning requirements of the National Institute of Standards and Technology (“NIST”) Special Publication 800-61 Rev. 2³ and NIST Special Publication 800-53 Rev. 4 medium impact security controls for CP-1 through CP-10 and IR-1 through IR-10 as may be amended⁴.

Immediately upon learning of a Security Incident related to the products and services provided to the District, Contractor shall implement its Response Plan and, within 24 hours of implementing its Response Plan, shall notify the District using each communications method listed in the “District Contact Information”, Section A of this document.

2. Recurrence Prevention:

Within 30 calendar days of a Security Incident, Contractor shall:

- a. Develop and execute a plan that reduces the likelihood of the same or a similar

² Language based on 45 C.F.R. § 164.308(a)(6)(i) and (ii).

³ National Institute of Standards and Technology (NIST), Computer Security Incident Handling Guide, Special Publication 800-61 Rev. 2 (2012).

⁴ NIST, Security and Privacy Controls for Federal Information Systems and Organizations, Special Publication 800-53 Rev. 4 (2012).

Security Incident from occurring in the future consistent with the requirements of its Response Plan and NIST Special Publication 800-61 Rev. 2 and NIST Special Publication 800-184 as may be amended⁵, and shall communicate that plan to the District.

- b. Communicate recommended actions to be taken by the District on District-controlled systems to reduce the risk of a recurrence of the same or a similar Security Incident, including, as appropriate, the provision of action plans and mitigating controls.
- c. Coordinate with the District in developing those action plans and mitigating controls.
- d. Provide the District guidance and recommendations for long-term remediation of any cyber security risks posed to District Information, equipment, systems, and networks as well as any information necessary to assist the District in any recovery efforts undertaken by the District in response to the Security Incident.

3. Notification to Affected Parties:

- a. Contractor shall, at its sole cost and expense, assist and cooperate with the District with respect to any investigation of a Security Incident, disclosures to affected parties, and other remedial measures as requested by the District in connection with a Security Incident or required under any applicable laws related to a Security Incident.
- b. In the event a Security Incident results in District Information being Disclosed such that notification is required to be made to any person or entity, including without limitation any customer, shareholder, or current or former employee of the District under any applicable laws, including privacy and consumer protection laws, or pursuant to a request or directive from a governmental authority, such notification shall be provided by the District, except as required by applicable law or approved by the District in writing. The District will have sole control over the timing and method of providing such notification.

4. Unrelated Security Incidents:

In the event (a) Contractor's confidential information has been corrupted or destroyed or has been accessed, acquired, compromised, modified, used or disclosed by any unauthorized person, or by any person in an unauthorized manner or for an unauthorized purpose; (b) Contractor knows or reasonably believes that an act or omission has compromised or may reasonably compromise the cybersecurity of the products and services provided by Contractor to an entity other than the District; or (c) Contractor receives any complaint, notice, or communication which relates directly or indirectly to (i) Contractor's handling of confidential information or Contractor's compliance with applicable law in connection with confidential information or (ii) the cybersecurity of the products and services provided by Contractor to an entity other than the District ("Unrelated Security Incident"),

⁵ NIST Special Publication 800-61 (Rev. 2) (2012) and NIST, Guide for Cybersecurity Event Recovery, Special Publication 800-184 (2016).

Contractor shall provide to the District a confidential report describing, to the extent legally and contractually permissible, a detailed summary of the facts and circumstances of the Unrelated Security Incident, including a description of (1) why the Unrelated Security Incident occurred, (2) the nature of the confidential information disclosed, and (3) the measures being taken to address and remedy the occurrence to prevent the same or a similar event from occurring in the future.

D. Requirement R1.2.3

Notification by Contractors when remote or onsite access should no longer be granted to Contractor representatives.

Contract Language

1. Development and Implementation of Access Control Policy:

Contractor shall develop and implement policies and procedures to address the security of remote and on-site access to District Information, District systems and networks, and District property (an “Access Control Policy”) that is consistent with the personnel management requirements of NIST Special Publication 800-53 Rev. 4 medium impact security controls for AC-2⁶, PE-2⁷, PS-4⁸, and PS-5⁹, as may be amended, and also meets the following requirements:

2. District Access Authority:

In the course of furnishing products and services to the District under this CIP-013 Appendix, Contractor shall not access, and shall not permit its employees, agents, contractors, subcontractors, partners, affiliates, and other personnel or entities within its control (“Contractor Personnel”) to access the District’s property, systems, or networks or District Information without the District’s prior express written authorization. Such written authorization may subsequently be revoked by the District at any time in its sole discretion. Further, any Contractor Personnel access shall be consistent with, and in no case exceed the scope of, any such approval granted by the District. All District authorized connectivity or attempted connectivity to District systems or networks shall be in conformity with District security policies as may be amended from time to time with notice to the Contractor.

3. Contractor Review of Access:

Contractor shall review and verify Contractor Personnel’s continued need for access and level of access to District Information and District systems, networks and property at the time of award and every six months thereafter until termination of Contract. Contractor shall retain evidence of the reviews for two years from the date of each review and evidence of reviews shall be made readily available upon the District’s request.

4. Notification and Revocation:

Contractor shall immediately notify the District using the e-mail listed in the “District Contact Information”, Section A of this document (no later than close of business on the same day as the day of termination or change set forth below) and shall immediately

⁶ AC-2 covers Account Management.

⁷ PE-2 covers Physical Access Authorization.

⁸ PS-4 covers Personnel Termination.

⁹ PS-5 covers Personnel Transfer.

take all steps necessary to remove Contractor Personnel's access to any District Information, systems, networks, or property when:

- a. Any Contractor Personnel no longer requires such access in order to furnish the services or products provided by Contractor under this CIP-013 Appendix,
- b. Any Contractor Personnel is terminated or suspended or his or her employment is otherwise ended,
- c. Contractor reasonably believes any Contractor Personnel poses a threat to the safe working environment at or to any District property, including to employees, customers, buildings, assets, systems, networks, trade secrets, data, confidential data, and/or employee or District Information,
- d. There are any material adverse changes to any Contractor Personnel's background history, including, without limitation, any information not previously known or reported in his or her background report or record,
- e. Any Contractor Personnel fails to maintain conduct in accordance with the Contractor's internal security policies,
- f. Any Contractor Personnel loses his or her U.S. work authorization, or
- g. Contractor's provision of products and services to the District under this CIP-013 Appendix is either completed or terminated, so that the District can discontinue electronic and/or physical access for such Contractor Personnel.

Contractor shall take all steps reasonably necessary to immediately deny such Contractor Personnel electronic and physical access to District Information as well as District property, systems, or networks, including, but not limited to, removing and securing individual credentials and access badges, multifactor tokens, and laptops, as applicable, and shall return to the District any District-issued property including, but not limited to, District photo ID badge, keys, parking pass, documents, or electronic devices in the possession of such Contractor Personnel. Contractor shall notify the District using each communication method listed in the "District Contact Information", Section A of this document once access to District Information as well as District property, systems, and networks have been removed.

E. Requirement R1.2.4

Disclosure and remediation by Contractors of known vulnerabilities related to the products or services provided to the District.

Contract Language

1. Contractor shall develop and implement policies and procedures to address the disclosure and remediation by Contractor of vulnerabilities and material defects related to the products and services provided to the District under this CIP-013 Appendix including the following:
 - a. Prior to the delivery of the procured product or service, Contractor shall

provide summary documentation of publicly disclosed vulnerabilities and material defects related to the procured product or services, the potential impact of such vulnerabilities and material defects, the status of Contractor’s efforts to mitigate those publicly disclosed vulnerabilities and material defects, and Contractor’s recommended corrective actions, compensating security controls, mitigations, and/or procedural workarounds¹⁰.

- b. Contractor shall provide summary documentation of vulnerabilities and material defects in the procured product or services within 30 calendar days after such vulnerabilities and material defects become known to Contractor. This includes summary documentation on vulnerabilities that have not been publicly disclosed or have only been identified after the delivery of the product. The summary documentation shall include a description of each vulnerability and material defects and its potential impact, root cause, and recommended corrective actions, compensating security controls, mitigations, and/or procedural workarounds.¹¹
- c. Contractor shall disclose the existence of all known methods for bypassing computer authentication in the procured product or services, often referred to as backdoors, and provide written documentation that all such backdoors created by Contractor have been permanently deleted or disabled.¹²

Contractor shall implement a vulnerability detection and remediation program consistent with NIST Special Publication 800-53 Rev. 4 medium impact security controls for RA-5¹³, SA-11¹⁴, and SI-2, as may be amended¹⁵.

2. Vulnerabilities Disclosure:

Whether or not publicly disclosed by Contractor and notwithstanding any other limitation in this CIP-013 Appendix, the District may disclose any vulnerabilities or material defects in the products and services provided by Contractor to (a) the Electricity Information Sharing and Analysis Center (E-ISAC), the Industrial Control Systems Cyber Emergency Response Team (ICS-CERT), or any equivalent entity, (b) to any entity when necessary to preserve the reliability of the BES as determined by the District in its sole discretion, or (c) any entity required by applicable law.

F. Requirement R1.2.5

Verification of software integrity and authenticity of all software and patches provided by the Contractor for use in the BES Cyber System.

Contract Language

1. Hardware, Firmware, Software, and Patch Integrity and Authenticity:

¹⁰ Based on language in Energy Sector Control Systems Working Group (ESCSWG) Procurement Guidance § 3.2.1.

¹¹ Based on language in ESCSWG Procurement Guidance § 3.2.2.

¹² Based on language in ESCSWG Procurement Guidance § 2.1.5.

¹³ RA-5 covers Vulnerability Scanning.

¹⁴ SA-11 covers Developer Security Testing and Evaluation.

¹⁵ SI-2 covers Flaw Remediation.

- a. Contractor shall establish, document, and implement risk management practices for supply chain delivery of hardware, software (including patches), and firmware provided under this CIP-013 Appendix. Contractor shall provide documentation on its: chain-of-custody practices, inventory management program (including the location and protection of spare parts), information protection practices, integrity management program for components provided by sub-suppliers, instructions on how to request replacement parts, commitment to ensure that for 10 years from the date of purchase, spare parts shall be made available by Contractor.
- b. Contractor shall specify how digital delivery for procured products (e.g., software and data), including patches, shall be validated and monitored to ensure the digital delivery remains as specified. If the District deems that it is warranted, Contractor shall apply encryption to protect procured products throughout the delivery process.
- c. Contractor shall specify how physical delivery for procured products (e.g., software and data on physical media) including patches shall be secured to ensure that delivery remains as specified. If the District deems that it is warranted, Contractor shall apply encryption to protect procured products throughout the delivery process.
 - 1) If Contractor provides software or patches to the District, Contractor shall publish or provide a hash conforming to the Federal Information Processing Standard (“FIPS”) 140-3¹⁶ or similar standard information on the software and patches to enable the District to use the hash value as a checksum to independently verify the integrity of the software and patches and avoid downloading the software or patches from Contractor’s website that has been surreptitiously infected with a virus or otherwise corrupted without the knowledge of Contractor.
 - 2) Contractor shall identify the country (or countries) of origin of the procured product and its components (including hardware, software, and firmware). Contractor shall identify the countries where the development, manufacturing, maintenance, and service for the product are provided. Contractor shall notify the District of changes in the list of countries where product maintenance or other services are provided in support of the procured product. This notification shall occur 180 calendar days prior to initiating a change in the list of countries or within 7 calendar days of Contractor identifying that a country of origin list change for procured products and components has occurred without their prior knowledge.
 - 3) Contractor shall use trusted channels to ship procured products, such as U.S. registered mail.
 - 4) Contractor shall demonstrate a capability for detecting unauthorized access throughout the delivery process.
 - 5) Contractor shall demonstrate chain-of-custody documentation for procured products as determined by the District in its sole discretion and require tamper-evident packaging for the delivery of this

¹⁶ Federal Information Processing Standard (“FIPS”) 140-2, *Security Requirements for Cryptographic Modules*

hardware, including software delivered on physical media.

2. Patching Governance:

- a. Prior to the delivery of any products and services to the District or any connection of electronic devices, assets or equipment to the District's electronic equipment, Contractor shall provide documentation regarding its patch management and vulnerability management/mitigation programs and update process (including third-party hardware, software, and firmware) for products, services, and any electronic device, asset, or equipment required to be connected to District assets during the provision of products and services under this CIP-013 Appendix. This documentation shall include information regarding:
 - 1) The resources and technical capabilities to sustain this program and process such as Contractor's method or recommendation for how the integrity of a patch is validated by the District; and
 - 2) Contractor's approach and capability to remediate newly reported zero-day vulnerabilities.
- b. Unless otherwise approved by the District in writing, current or supported version of Contractor products and services shall not require the use of out-of-date, unsupported, or end-of-life version of third-party components (e.g., Java, Flash, Apache, web browser, DLLs, databases, etc.).
- c. Contractor shall verify and provide documentation that procured products (including third-party hardware, software, firmware, and services) have appropriate updates and patches installed prior to delivery to the District.
- d. In providing the products and services described in this CIP-013 Appendix Contractor shall provide appropriate software and firmware updates to remediate newly discovered non-critical vulnerabilities or weaknesses within 45 calendar days from the Contractor's date of discovery. Updates to remediate critical vulnerabilities shall be provided to the District within 30 calendar days. If updates cannot be made available by Contractor within the specified time period, Contractor shall provide mitigations and/or workarounds for the respective non-critical or critical vulnerability remediation within 15 calendar days of the Contractor's date of discovery.
- e. When third-party hardware, software (including open-source software), and firmware is provided by Contractor to the District, Contractor shall provide appropriate hardware, software, and firmware updates to remediate newly discovered non-critical vulnerabilities or weaknesses within 90 calendar days. Updates to remediate critical vulnerabilities shall be provided within a shorter period than other updates, within 30 calendar days. If updates cannot be made available by Contractor within the specified time period, Contractor shall provide mitigations and/or workarounds within 30 calendar days after the respective non-critical or critical vulnerability remediation time period elapses.

3. Viruses, Firmware and Malware:

- a. Contractor shall use reasonable efforts to investigate whether computer viruses or malware are present in any software or patches before providing

such software or patches to the District.

- b. Contractor warrants that it has no knowledge of any computer viruses or malware coded or introduced into any software or patches, and Contractor shall not insert any code which would have the effect of disabling or otherwise shutting down all or a portion of such software, damaging information or functionality, propagating malicious code to other District assets, applying security bypass mechanisms (i.e., backdoors), or compromising any other cyber security mechanism.
- c. When install files, scripts, firmware, or other Contractor delivered software solutions are flagged as malicious, infected, or suspicious by an anti-virus Contractor through open source solutions like “Virus Total,” Contractor must provide technical proof as to why the “false positive” hit has taken place to ensure their code’s supply chain has not been compromised.
- d. If a virus or other malware is found to have been coded or otherwise introduced as a result of Contractor’s breach of its obligations under this CIP-013 Appendix, Contractor shall immediately and at its own cost:
 - 1) Take all necessary remedial actions and provide assistance to the District to eliminate the virus or other malware throughout the District’s information networks, computer systems, and information systems, regardless of whether such systems or networks are operated by or on behalf of the District; and
 - 2) If the virus or other malware causes a loss of operational efficiency or any loss of data (a) where Contractor is obligated under this CIP-013 Appendix to back up such data, take all steps necessary and provide all assistance required by the District and its affiliates, and (b) where Contractor is not obligated under this CIP-013 Appendix to back up such data, use commercially reasonable efforts, in each case to mitigate the loss of or damage to such data and to restore the efficiency of such data.

4. End of Life Operating Systems:

- a. Contractor-delivered solutions shall not be allowed to reside on end-of-life operating systems, or any operating system that will go end-of-life in under 12 months from the date of installation.
- b. Contractor solutions shall support the latest versions of workstation-class operating systems on which Contractor-provided software functions within six months from official public release of the operating system version.
- c. Contractor solutions shall support the latest versions of server-class operating systems on which Contractor-provided software functions within nine months from official public release of the operating system version.

5. Cryptographic Requirements:

- a. Contractor shall document how the cryptographic system protects the confidentiality, data integrity, authentication, and non-repudiation of devices and data flows in the underlying system as specified by the District. This documentation shall include, but not be limited to, the following:
 - 1) The cryptographic methods (hash functions, symmetric key

algorithms, or asymmetric key algorithms) and primitives (e.g., Secure Hash Algorithm [SHA]- 256, Advanced Encryption Standard [AES]-128, RSA, and Digital Signature Algorithm [DSA]-2048) that are implemented in the system, and how these methods are to be implemented.

- 2) The preoperational and operational phases of key establishment, deployment, ongoing validation, and revocation.
 - a) Contractor shall use only “approved” cryptographic methods as defined in the FIPS 140- 2 Standard when enabling encryption on its products.
 - b) Contractor shall provide an automated remote key-establishment (update) method that protects the confidentiality and integrity of the cryptographic keys.
 - c) Contractor shall ensure that:
 - i. The system implementation includes the capability for configurable cryptoperiods (the life span of cryptographic key usage) in accordance with the Suggested Cryptoperiods for Key Types found in Table 1 of NIST 800-57 Part 1 Rev. 4 [6], as may be amended.
 - ii. The key update method supports remote re-keying of all devices within 48 hours as part of normal system operations.
 - iii. Emergency re-keying of all devices can be remotely performed within 24 hours.
 - d) Contractor shall provide a method for updating cryptographic primitives or algorithms.

G. Requirement R1.2.6

Coordination of controls for (i) Contractor-initiated Interactive Remote Access, and (ii) system-to-system remote access with a Contractor(s).

Contract Language

Contractor shall coordinate with the District on all remote access to District systems and networks, regardless of interactivity, and shall comply with any controls for interactive remote access and system-to-system remote access sessions requested by the District.

1. Controls for Remote Access: Contractors that directly, or through any of their affiliates, subcontractors or service providers, connect to the District’s systems or networks agree to the additional following protective measures:
 - a. Contractor shall not access, and shall not permit any other person or entity to access District systems or networks without District authorization and any such actual or attempted access shall be consistent with any such authorization.
 - b. Contractor shall implement processes designed to protect credentials as they travel throughout the network and shall ensure that network devices have encryption enabled for network authentication to prevent possible exposure

of credentials.

- c. Contractor shall ensure Contractor Personnel do not use any virtual private network or other device to simultaneously connect machines on any District system or network to any machines on any Contractor or third-party systems, without
 - 1) using only a remote access method consistent with the District’s remote access control policies,
 - 2) providing the District with the full name of each individual who uses any such remote access method and the phone number and email address at which the individual may be reached while using the remote access method, and
 - 3) ensuring that any computer used by Contractor Personnel to remotely access any District system or network will not simultaneously access the Internet or any other third-party system or network while logged on to District systems or networks.
- d. Contractor shall ensure Contractor Personnel accessing District networks are uniquely identified and that accounts are not shared between Contractor Personnel.

H. Supporting Provisions

Contract Language

1. Contractor Cybersecurity Policy:

Contractor shall provide to the District the Contractor’s cybersecurity policy, which shall be consistent with NIST Special Publication 800-53 (Rev. 4) as may be amended. Contractor shall implement and comply with that cybersecurity policy.

Any changes to Contractor’s cybersecurity policy as applied to products and services provided to the District under this CIP-013 Appendix and District Information that are inconsistent with the security requirements of NIST Special Publication 800-53 (Rev. 4) as may be amended shall be subject to review and approval by the District prior to implementation by Contractor.

2. Return or Destruction of District Information:

Upon completion of the delivery of the products and services to be provided under this CIP-013 Appendix, or at any time upon the District’s request, Contractor shall return to the District all hardware and removable media provided by the District containing District Information. District Information in such returned hardware and removable media shall not be removed or altered in any way. The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by the District. If the hardware or removable media containing District Information is owned by Contractor or a third-party, a notarized statement detailing the destruction method used and the data sets involved, the date of destruction, and the entity or individual who performed the destruction shall be sent to the District using the e-mail listed in the “District Contact Information”, Section A of this document within 15 calendar days after completion of the delivery of the products and services to be provided under this CIP-013 Appendix, or at any time upon the District’s request. Contractor’s destruction or erasure of District Information pursuant

to this Section shall comply with best industry practices (*e.g.*, Department of Defense 5220-22-M Standard, as may be amended).

3. Audit Rights:

The District or its third-party designee may, but is not obligated to, perform audits and security tests of Contractor’s IT or systems environment and procedural controls to determine Contractor’s compliance with the system, network, data, and information security requirements of this CIP-013 Appendix. These audits and tests may include coordinated security tests, interviews of relevant personnel, review of documentation, and technical inspection of systems and networks as they relate to the receipt, maintenance, use, retention, and authorized destruction of District Information. Contractor shall provide all information reasonably requested by the District in connection with any such audits and shall provide reasonable access and assistance to the District upon request. Contractor shall comply, within reasonable timeframes at its own cost and expense, with all reasonable recommendations that result from such inspections, tests, and audits. The District reserves the right to view, upon request, any original security reports that Contractor has undertaken or commissioned to assess Contractor’s own network security. If requested, copies of these reports shall be sent via bonded courier to the District mailing address listed in the “District Contact Information”, Section A of this document. Contractor shall notify the District e-mail listed in the “District Contact Information”, Section A of this document of any such security reports or similar assessments once they have been completed. Any regulators of the District or its affiliates shall have the same rights of audit as described herein upon request.

4. Regulatory Examinations:

Contractor agrees that any regulator or other governmental entity with jurisdiction over the District and its affiliates may examine Contractor’s activities relating to the performance of its obligations under this CIP-013 Appendix to the extent such authority is granted to such entities under the law. Contractor shall promptly cooperate with and provide all information reasonably requested by the regulator or other governmental entity in connection with any such examination and provide reasonable assistance and access to all equipment, records, networks, and systems reasonably requested by the regulator or other governmental entity. Contractor agrees to comply with all reasonable recommendations that result from such regulatory examinations within reasonable timeframes at Contractor’s sole cost and expense. The foregoing cooperation and assistance shall be rendered at Contractor’s then-current time and materials rates, subject to the District’s prior written authorization.

I. Definitions

1. Business Days – Monday through Friday from 8:00 a.m. to 5:00 p.m. Pacific Time.
2. Information Theft – The unauthorized transfer or storage of any information to a recipient other than those with explicit authorization from the information owner.
3. District Information - Any data specific to a District product or service, including but not limited to logs, configurations, Contractor product versions, documentation, or other information that may be used to specifically identify District use of a product or service.
4. Security Incident - An event resulting in the compromise of a system, software,

hardware, or data due to the failure of applied protection measures.

J. References

1. North American Electric Reliability Corporation (“NERC”), *CIP-013-1 – Cyber Security – Supply Chain Risk Management*, October 2018.
<https://www.nerc.com/pa/Stand/Reliability%20Standards/CIP-013-1.pdf>
 2. North American Electric Reliability Corporation (“NERC”), *Glossary of Terms Used in NERC Reliability Standards*, May 2019.
https://www.nerc.com/pa/Stand/Glossary%20of%20Terms/Glossary_of_Terms.pdf
 3. National Institute of Standards and Technology (“NIST”), *Special Publication 800-61 Rev. 2, Computer Security Incident Handling Guide*, August 2012.
<https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-61r2.pdf>
 4. National Institute of Standards and Technology (“NIST”), *Special Publication 800-53 Rev. 4, Security Controls and Assessment Procedures for Federal Information Systems and Organizations*, April 2013.
<https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf>
 5. National Institute of Standards and Technology (“NIST”), *Special Publication 800-184, Guide for Cybersecurity Event Recovery*, December 2016.
<https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-184.pdf>
 6. National Institute of Standards and Technology (“NIST”), *Special Publication 800-57 Part 1 Rev. 4, Recommendations for Key Management*, January 2016.
<https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-57pt1r4.pdf>
- Federal Information Processing Standard (“FIPS”) 140-2, *Security Requirements for Cryptographic Modules*, March 2019.

APPENDIX ‘T’
CONTRACTOR SAFETY REQUIREMENTS

CS-1. PURPOSE

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

CS-2. GENERAL

- A. Initial/Warning Notice: Any District employee may notify the Contractor of any safety or health concern. The notice may be delivered verbally to any Contractor employee or subcontractor and the District employee shall notify the District Representative of the Notice. Written notification may be provided to the Contractor at the discretion of the District Representative. The notice shall have the same effect on the Contractor regardless of format or recipient. The Contractor shall take immediate action to mitigate the safety and health concerns identified in the District’s notice.
- B. Stop Work Order: District employees also have the authority to immediately stop a work activity without issuing the Initial/Warning Notice. The District employee will immediately notify the District Representative of the Stop Work Order. The District Representative may direct the Contractor to stop work due to safety and health concerns. The Stop Work Order may cover all work on the Contract or only a portion of the work. After the District issues a Stop Work Order, the Contractor shall meet with the District Representatives (as directed by the District Representative) to present a written statement outlining specific changes and/or measures the Contractor will make to work procedures and/or conditions to improve safety and health. A Stop Work Order can be rescinded only with the written approval of the District Representative.
1. The Contractor shall not be entitled to any adjustment of the Contract price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor’s, Subcontractor’s, or supplier’s control.
 2. The District’s conduct does not alter or waive the Contractor’s safety and health obligations.
 3. Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
 4. Non-compliance with safety requirements could lead to termination of the contract in accordance with Section 17.
- C. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Contract while working within the District’s service territory.
1. The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative

measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.

2. In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, subcontractor, and their workers shall fully cooperate with the District in this investigation.
 3. All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.
 4. For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- D. The Contractor/subcontractor shall conduct and document job briefings each morning with safety as an integral part of the briefing. The Contractor/Subcontractor shall provide an equivalent job briefing to personnel and/or visitors entering the job site after the original job briefing has been completed. Immediately upon request, the Contractor shall provide copies of the daily job briefing and any other safety meeting notes to the District Representative. The notes, at a minimum, shall include date, time, topics, and attendees and shall be retained by the Contractor for the duration of the Contractor's warranty period.
- E. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to the work being performed by the District that may impact the Contractor's work.
- F. Site Specific Safety Plan (SSSP): The Contractor shall prepare, implement, and enforce a SSSP for all work included in this Contract. The SSSP shall be delivered to and accepted by the District Representative prior to the start of any on-site work.
1. The SSSP shall, at a minimum, identify and provide mitigation measures for any recognized hazards or conditions. Site and adjacent conditions shall be considered. All significant hazards, including unusual or unique hazards or conditions specific to the Contract work shall be identified and mitigated. The Contractor shall provide a clear delegation of authority for the work site(s). The Contractor shall identify, locate, and provide direction to the nearest emergency medical facilities. This shall include telephone numbers for emergency services in the area.
 2. The Contractor shall make available to all workers at the site(s) the SSSP and ensure that all workers are familiar with the content and requirements of the SSSP. Any subcontractors shall adhere to the Contractor's SSSP.
 3. Any emergent hazards not identified in the SSSP shall require a Job Hazard Analysis prior to starting work on the associated job.

In lieu of the SSSP, the District Representative may, at their discretion, accept an Accident Prevention Program implemented and maintained in accordance with Washington state law.

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-10805B with Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc., in an amount not-to-exceed \$900,000.00 and with a contract completion date of December 31, 2025.

MEMORANDUM

June 25, 2021

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Rich Wallen, Chief Operating Officer
Jeff Grizzel, Managing Director of Power Delivery
Jesus Lopez, Senior Manager of Power Delivery Engineering

FROM: Rudy Perez, Electrical Engineer

SUBJECT: Award of Contracts 130-10805A and 130-10805B – Professional Services Agreement for Engineering Services

Purpose: To request Commission approval to award:

- Contract 130-10805A to Electrical Consultants, Inc. (ECI) to supply professional engineering services needed for development of new transmission system protection, control, and communication standards through December 31, 2025
- Contract 130-10805B to Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc. to supply professional engineering services needed for development of new transmission system protection, control, and communication standards through December 31, 2025

Discussion: Power Delivery needs professional engineering services to develop updated protection, control, and communication standards to be implemented on the District's 115kV and 230kV transmission system. Development of these new standards requires specialized knowledge and analytical tools that the proposed engineering contractors routinely provide.

On April 6th, 2021, the District began the evaluation process for RFP 130-10805 for Engineering Services for District Transmission Protection, Control and Automation Schemes. The District received responses from the following six firms:

- Electrical Consultants, Inc. (ECI)
- Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc.
- Burns and McDonnell
- Commonwealth Associates, Inc.
- Power Engineers, Inc.
- Black and Veatch, Inc.

An evaluation team consisting of members from Power Delivery Construction and Maintenance, CTO Telecom Network Services and Power Delivery Engineering convened virtually to review and evaluate the proposals. Each proposal was evaluated based on capability to deliver the scope of services specified, previous experience on similar projects, professional profile of key personnel, available support services and quality of project management plan.

Based on the proposals received and virtual interviews conducted, Electrical Consultants, Inc. is recommended as the primary service provider with Schweitzer Engineering Laboratories Engineering Services, Inc. recommended as the alternate service provider.

Two contractors have been selected to utilize each of the firms' technical strengths demonstrated during proposal evaluation interviews. One contractor appeared best qualified to deliver on the majority of the requirement, while the other was particularly strong on tele-communication technical development. Awarding to two contractors places the District in the advantageous position of utilizing both firms' technical strengths at no additional cost. Awarding to two firms also minimizes the District's risk against any circumstances that would prevent a single provider from completing tasks in accordance with the District's schedule requirements.

The Professional Service Contracts are structured in a "not-to-exceed" manner and each individual task shall be authorized via a written scope of work agreed to by both the service provider and District. No service provider shall be authorized to commence any work prior to the completion and execution of a work scope document. There is no guaranteed minimum amount of work for any of these services.

Justification: The protection and control equipment currently in use on the District's transmission system have reached the end of useful life. In particular, the protection relays and communication equipment are of vintage technology and, in many instances, no longer supported by the manufacturer. The lack of manufacturer customer support for the outdated schemes and equipment poses a challenge to District crews when the need arises to troubleshoot unexpected operation. An additional risk exists in the prospect of needing to scavenge parts should an unsupported device or component fail.

The engineering work expected to be assigned via these Professional Service Contracts will result in modern protection, control, and communication standards for the District's transmission system. The standards are expected to be delivered in templated format via schematic functional drawings, wiring diagrams, physical arrangement drawings, operations and maintenance manuals, configuration files, and associated training of District personnel. These templated standards will serve as the common base for development of protection, control, and communication designs for new, and improvements to existing, transmission switchyards.

Power Delivery Engineering (PDE) has elected to develop these standards through the use of consultants since this type of engineering work is not routine at Grant PUD. The proposed engineering firms are reputable companies with demonstrated experience and expertise gained developing similar standards for other utilities in the industry. PDE expects this experience will lead to development of modern schemes, utilizing proven equipment currently deployed across the power utility industry. Additionally, outsourcing some or most of this work to the proposed firms will allow in-house engineering staff to continue supporting day-to-day engineering work as well as new design work associated with system expansion to support load growth.

The timing and schedule to develop these standards is important as this design work will be incorporated into approved transmission projects included in the Quincy Transmission Expansion Plan, Design Build 2, and the Quincy Solar Interconnection Switchyard. The work is expected to be complete by mid-2022. Delay in development of these standards would directly impact the schedule of the mentioned projects already in progress.

Financial Considerations: The Contracts shall have "not to exceed" amounts of \$900,000.00 for Electrical Consultants, Inc. (ECI) and \$900,000.00 for Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc. At this time, the total amount of work is variable and the District reserves the right to scale the services of the engineering firms as appropriate to meet the desired objectives.

Additionally, the cost for these services will reduce internal labor for upcoming transmission projects, as well as provide future labor cost savings due to the templated design standards expected.

The proposed Contractor rates were reviewed and found to be consistent with rates negotiated for existing professional engineering services contracts currently in place. The costs for these services has been deemed direct design work for active capital projects and included in the 2021 capital budget and will be proposed to be extended into the 2022 budget under PID 103602, Cost Center EC4100.

Recommendation: Commission approval to award:

- Contract 130-10805A to Electrical Consultants, Inc. (ECI) to supply as needed professional engineering services for development of new transmission system protection, control and communication standards through December 31, 2025 for a not to exceed price of \$900,000.00.
- Contract 130-10805B to Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc. to supply as needed professional engineering services for development of new transmission system protection, control and communication standards through December 31, 2025 for a not to exceed price of \$900,000.00.

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

From: [Jesus Lopez](#)
To: [Jeff Grizzel](#); [Patrick Bishop](#); [Rudy Perez](#)
Cc: [Sharon Lucas](#); [Alicia Reynolds](#)
Subject: RE: 130-10805A and 130-10805B
Date: Wednesday, June 30, 2021 10:28:22 AM

I have reviewed the memo and approve as written.

Thanks Pat and Rudy for your work on this contract thus far.

Thanks,
Jesus

From: Jeff Grizzel <Jgrizzel@gcpud.org>
Sent: Wednesday, June 30, 2021 10:01 AM
To: Patrick Bishop <Pbishop@gcpud.org>; Jesus Lopez <Jlopez@gcpud.org>; Rudy Perez <Rperez1@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Alicia Reynolds <areynolds@gcpud.org>
Subject: RE: 130-10805A and 130-10805B

I approve

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Wednesday, June 30, 2021 9:17 AM
To: Jesus Lopez <Jlopez@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>; Rudy Perez <Rperez1@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Alicia Reynolds <areynolds@gcpud.org>
Subject: RE: 130-10805A and 130-10805B
Importance: High

Jeff/Jesus/Rudy,

Attached is the revised Commission Memo detailing the project completion date but leaving the flexibility for use through 2025. If you concur, please provide your approvals by return email. Thank you.

From: Patrick Bishop
Sent: Wednesday, June 30, 2021 7:00 AM
To: Jesus Lopez <Jlopez@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>; Rudy Perez <Rperez1@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Alicia Reynolds <areynolds@gcpud.org>
Subject: FW: 130-10805A and 130-10805B
Importance: High

Good morning,

Contract 130-10805A with Electrical Consultants Inc. and Contract 130-10805B with SEL

Engineering Services, Inc. have been approved for Commission Packet submission. If you could each please approve the attached memo by return email it will serve as you initialing off. The Packet deadline is 11:30 a.m. this morning. Thank you.

From: Carol Mayer <Cmayer@gcpud.org>

Sent: Tuesday, June 29, 2021 6:49 PM

To: Patrick Bishop <Pbishop@gcpud.org>

Subject: 130-10805A and 130-10805B

You have contract and legal approval to proceed with submission into the Commission packet.

Carol Mayer

Manager Procurement/Warehouse

OFFICE 509.754.5055

EXT. 2336

EMAIL cmayer@gcpud.org



grantpud.org

From: [Rudy Perez](#)
To: [Patrick Bishop](#); [Jesus Lopez](#); [Jeff Grizzel](#)
Cc: [Sharon Lucas](#); [Alicia Reynolds](#)
Subject: RE: 130-10805A and 130-10805B
Date: Wednesday, June 30, 2021 9:19:29 AM
Attachments: [image002.png](#)

Pat,

I concur and approve.

Regards,

Rudy Perez, P.E.
Standards Engineer
Grant PUD
Ephrata, WA 98823
D: 509.754.5048
C: 509.855.2976
Email:
rperez1@gcpud.org
standards@gcpud.org



From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Wednesday, June 30, 2021 9:17 AM
To: Jesus Lopez <Jlopez@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>; Rudy Perez <Rperez1@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Alicia Reynolds <areynolds@gcpud.org>
Subject: RE: 130-10805A and 130-10805B
Importance: High

Jeff/Jesus/Rudy,

Attached is the revised Commission Memo detailing the project completion date but leaving the flexibility for use through 2025. If you concur, please provide your approvals by return email. Thank you.

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Sent: Wednesday, June 30, 2021 7:00 AM
To: Jesus Lopez <Jlopez@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>; Rudy Perez

<Rperez1@gcpud.org>

Cc: Sharon Lucas <Slucas@gcpud.org>; Alicia Reynolds <areynolds@gcpud.org>

Subject: FW: 130-10805A and 130-10805B

Importance: High

Good morning,

Contract 130-10805A with Electrical Consultants Inc. and Contract 130-10805B with SEL Engineering Services, Inc. have been approved for Commission Packet submission. If you could each please approve the attached memo by return email it will serve as you initialing off. The Packet deadline is 11:30 a.m. this morning. Thank you.

From: Carol Mayer <Cmayer@gcpud.org>

Sent: Tuesday, June 29, 2021 6:49 PM

To: Patrick Bishop <Pbishop@gcpud.org>

Subject: 130-10805A and 130-10805B

You have contract and legal approval to proceed with submission into the Commission packet.

Carol Mayer

Manager Procurement/Warehouse

OFFICE 509.754.5055

EXT. 2336

EMAIL cmayer@gcpud.org



grantpud.org

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 SEL Engineering Services, Inc. (“Contractor”);

R e c i t a l s :

The District desires to obtain professional engineering services to develop and test protection, control, SCADA, and associated communication schemes used for protecting, controlling and automating transmission system equipment; and

The District's Senior Manager and Managing Director of Power Delivery believe this professional engineering services are required to meet the District's transmission protection and automation scheme needs that are above and beyond the ability of the District to perform with the existing staff levels; and

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

Contractor shall provide the District with engineering services associated with developing and testing of control, SCADA and associated communication schemes used for protecting, controlling and automating transmission system equipment as further described in Appendix “A”, Scope of Services Technical Requirements effective upon full execution.

The District will authorize the Contractor to perform specific tasks by means of a Task Authorization for Professional Services (Appendix “D”) 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.

Project closeout products required of the Contractor may include one or more of the following:

- A. Provide the required number of hard and electronic copies of implementation, configuration and testing manuals for controlling and automating protection schemes of transmission system equipment and facilities.
- B. Final project report describing the history of the project from design through commissioning noting all major components of the project and including detailed descriptions of problems or unique areas of the project.
- C. Provide "as-built" drawings of the completed control and automation protection scheme topologies in electronic format.

- D. Project files in chronological order of all aspects of the project design (including design calculations) and implementation of the project.
- E. Provide reports, depositions and testimony as may be required in the course of administering projects. Perform evaluations and analysis of the operation and maintenance practices and troubleshooting of problems encountered by the District in the administration of protection for its 115kV and 230kV transmission systems.

Potential tasks the District may authorize the Contractor to perform include:

- A. Design and implementation of 115kV and 230kV transmission control and automation schemes used for protecting and ensuring continued reliable operation of the transmission systems as part of the Quincy Area Transmission Enhancement Project (QTEP).
- B. Design and implementation of 115kV and 230kV transmission control and automation schemes used for protecting and ensuring continued reliable operation of the transmission system for new transmission expansions and/or interconnections to the current system.
- C. Design and implementation of substation high voltage side protection modifications as required for ensuring continued reliable operation of the District's 115kV and 230kV transmission system.
- D. Design and implementation of transmission voltage capacitor bank control and automation schemes as required for ensuring continued reliable operation of the District's 115kV and 230kV transmission system.
- E. Design and implementation of 230kV Ring Bus control and automation schemes as required for ensuring continued reliable operation of the District's transmission system.
- F. Design and implementation of breaker and a half control and automation schemes as required for ensuring continued reliable operation of the District's 115kV and 230kV transmission system.
- G. Design and implementation of transmission motor operated disconnect switch control and automation schemes in support of ensuring continued reliable operation of the District's 115kV and 230kV transmission systems.
- H. Design and implementation of communication interconnections to motor operated disconnect switches in support of ensuring continued reliable operation of the District's 115kV and 230kV transmission systems.
- I. Development, testing, and implementation of control and automation settings and/or configurations.
- J. System protection design, review, configuration, testing and/or commissioning.
- K. Development, testing, and implementation of transfer-trip schemes for District transmission infrastructure.
- L. Substation protective relaying design.
- M. Substation communications, automation, and/or SCADA design.
- N. Substation testing, commissioning, and device configuration.
- O. Communication, automation, and/or SCADA equipment testing, configuration, factory acceptance testing (FAT).

- P. Develop control and automation protection scheme “standards” following the District’s transmission design criteria.
- Q. Other tasks as identified and approved.

The Contractor shall provide all drawings, reports and construction packages in District standard computer format. The Contractor will provide their own copies of said software packages unless the package is proprietary to the District. These packages include, but are not limited to:

- AutoCAD® Civil 3D District’s Version (Currently 2020)
- Microsoft® Project (Currently MS Project 2019)
- Microsoft® Word (Office365 or above)
- Microsoft® Excel (Office365 or above)
- Microsoft® Teams (Office365 or above)
- SEL (Schweitzer Engineering Laboratories, Inc.) Relay and IED Software
- GE Energy PSLF
- ATP (<http://www.emtp.org>)
- Power World Corp. with PV/QV tools and Available Transfer Capability options
- Aspen One Liner
- SPIDACALC

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. The District assumes that the Contractor has the following, as a minimum set of engineering tools equipment, when in the field and the costs of these shall be included by Contractor overheads (individual billings for these items will not be allowed):
 - Vehicles (of any type) for transmission systems engineering work.
 - Electronic distance meters
 - Wheel type distance meters
 - Cellular phones
 - Two-way handheld radios

- Digital cameras
- Laptops, iPads, tablets, desktops, including any and all computers, disks, printers, storage media, and other computing hardware.
- Hammers
- Range rods
- Picks
- Shovels
- Machetes
- Extension rods for measuring heights
- Flagging ribbon
- Stakes (District standard or equivalent)
- Lath (District standard or equivalent)
- Test lab equipment (for modeling and testing of relay configurations, confirmation of communication links).

The Contractor shall maintain the same version of applicable software concurrent with the District.

- D. The Contractor shall have an Internet e-mail account for the purposes of electronic file transfers and routine communications with the District. This requirement shall not eliminate the need for hard copy documentation as needed or warranted.
- E. The District will not be responsible for Contractor's local, long distance, cell phone or other telephone charges associated with carrying out any Contract work. These expenses are considered an overhead expense and included in the hourly wage.
- F. The District will not be responsible for Contractor's computer time or use of software service fees. The District considers these expenses an overhead expense and shall be included in the hourly wage.
- G. The equipment, tools, software, etc., listed above shall be included in Contractor's hourly wage overheads as an operating expense. These items shall not appear itemized on invoices. The District expects the Contractor to be fully equipped with these items, as needed, to perform the services required.

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 "B", Rate Schedule, which rates and costs shall not be subject to change until two years after the effective date of this Agreement. Any changes to rates and costs

shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter. Each such change shall not exceed the lesser of i.) 5% or ii.) the percentage increase in the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding 12 month period for which CPI-U data is available. Contractor shall notify the District in writing at least 30 days prior to any such rate increase going into effect. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of \$900,000.00 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 "B").
- 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 "C".

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 "C" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

6. Taxes

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

7. Hold Harmless and Indemnification

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

damages to a person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.

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

Whether as a result of breach of Contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, Contractor's liability to the District or its insurers for any loss or damage shall be limited as follows: i) for those claims covered by Contractor's insurance, Contractor's liability shall be limited to the amount of the applicable insurance policy; ii) for all other claims, Contractor's liability shall in no event exceed the lesser of two times the amount of this Contract amount or \$1,000,000. In no event, whether as a result of breach of Contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall Contractor be liable for any special, incidental, consequential or punitive damages, including without limitation any loss or profit or revenues, loss of use of associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement power, nor downtime costs or claims of the District's customer for such damages.

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);
- e. Such insurance shall not exclude coverage for action-over liability claims; with the following **minimum limits:**
- f. \$1,000,000 Each Occurrence

- g. \$1,000,000 Personal Injury Liability
- h. \$2,000,000 General Aggregate (per project)
- i. \$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. **Professional Liability/Network Security Insurance:** Contractor shall obtain professional errors and omissions liability insurance in an amount of **not less than \$2,000,000 per claim and in the aggregate**. Coverage shall respond to wrongful acts in the rendering of, or failure to render, professional services under this Agreement, electronic data losses or damage or breaches of electronic data security including disclosures of private or confidential information of the District or any employee, participant or beneficiary of the Services provided by Contractor pursuant to this contract. In the event of a claim and upon the District's request, Contractor shall provide a copy of its Professional Liability/Network Security Insurance policy. The Professional Liability Insurance retroactive coverage date shall be no later than the effective date of this agreement. Contractor shall continuously maintain such insurance or purchase an extended reporting period providing that claims first made and reported to the insurance company within two years after termination of the Agreement will be deemed to have been made during the policy period.

If Contractor shall hire subcontractor for all operations and risk involving professional network 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. District shall not have access to Contractor's composition of fixed rates or lump sums, the financial make up of payroll burdens or to any costs expressed as a percentage of direct labor rates.

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.

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.

District

Rudy Perez
Public Utility District No. 2
of Grant County, Washington
PO Box 878
154 A Street SE
Ephrata, WA 98823
(509) 754-5088 Ext. 2966
Rperez1@gcpud.org

Contractor

Brian Thomas
Schweitzer Engineering Services, Inc.
2350 NE Hopkins Court
Pullman, WA 99163
(509) 334-8099
Brian_Thomas@selinc.com

For purposes of technical communications and work coordination only, the District designates Rudy Perez 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. Contractor retains all intellectual property rights to anything created, owned, conceived, reduced to practice, or fixed in a tangible medium by Contractor before the specific task order/project or outside of the scope of the task order/project and any improvement based solely thereon ("Contractor Background Technology").
- B. The District shall own all intellectual property rights to improvements which are made (fixed in a tangible medium of expression or conceived and reduced to practice) and delivered to the District under the specific task order/project, subject to Contractor's ownership of Contractor Background Technology.
- C. 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 not be considered "work made for hire" and "Work Product" for purposes of copyright. Contractor grants the District a perpetual, worldwide, non-exclusive, non-transferable, personal, revocable, limited license to use and modify Contractor Background Technology

that are integrated into the project only for the purpose of operation, repair, modification, extension, and maintenance of the project.

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, provided Contractor has reasonable time to cure or commence to cure breach, 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 (see Appendix "I") and all District policies pertaining to COVID-19 located at <https://www.grantpud.org/for-contractors>. At a minimum, the Contractor shall ensure its employees have the following personal protective equipment (PPE) and use it as required for any and all Contract work performed.

- Hard hat
- High visibility vests
- Safety glasses
- Other job specific gear dependent on the particular job to perform and site location.

If an emergency situation is created or observed by the Contractor, the District's Dispatch Center should be contacted immediately. To contact the Dispatch Center from:

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

The Dispatch Center is manned 24 hours per day.

20. 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) previously executed with the District during the proposal process and included as Appendix "E".

21. 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 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 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.

22. Background Checks

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

23. Qualification of Contractor's Access Approval

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

24. BCSI Training

In accordance with the requirements of Section 20, Confidential Information, Contractor shall ensure that its employees, subcontractors and employees of subcontractors or anyone having access shall complete the appropriate District 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.

25. Contractor’s Warranty

Contractor shall perform the project in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Contractor shall re-perform (or, at Contractor’s option, pay a third party to re-perform) any defective services at no cost upon receipt of notice detailing the defect(s) within one (1) year of performance of the original services. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THIS WARRANTY SHALL BE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS, VERBAL OR IMPLIED (INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE).

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

SEL Engineering Services, Inc.

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

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

APPENDIX “A”
SCOPE OF SERVICES TECHNICAL REQUIREMENTS

The following provides a summary of the technical Scope of Services to be requested via Task Authorization:

1. Develop a project plan, schedule and budget to execute the subsequent items listed in this Scope of Services list.
 - A. Develop a data specification to assist in creating a project plan, schedule, and budget for development of Protection and Control (P&C) schemes applicable on the District transmission system. Data specification shall include items such as planning, design, and CAD standards, typical design processes, and document/configuration handling procedures. Other items shall be included in the data specification as deemed necessary by the Contractor.
 - B. Acquire any additional information needed via conference call or in person meetings to formulate clear understanding of District’s standards.
 - C. Propose the plan, schedule and budget to District for review, comment and/or subsequent approval.
2. Develop a complete system of P&C schemes including SCADA, network communication, and security for implementation in future District transmission system (230 kV and 115 kV) projects.
 - A. **Bus Configurations:** The schemes shall be expandable and applicable for use in the following bus configurations:
 - i. Ring Bus
 - ii. Breaker & Half
 - iii. Double Bus – Double Breaker
 - iv. Main/Aux
 - B. **Functionality:** The design package shall include the following functions:
 - i. Protection Schemes
 - a. Line Protection using SEL-411L Relay
 - b. Bus Protection using SEL-487B Relay
 - c. Auto-Transformer Protection using SEL-487E
 - d. Shunt Capacitor Bank using SEL-487
 - e. Transfer Trip
 - ii. Transfer Trip/Remote Communications
 - a. End to End Relay Communication using Mirror Bit Transfer Trip (MBTT)
 - b. Develop specification for processor to protect three terminal lines
 - c. Develop specification for transfer trip communication Media
 - iii. SCADA Control & Monitoring
 - a. Remote Terminal Unit using SEL RTAC
 - i. Local indication and control
 - ii. Communication to SCADA Master equipment for indication and control
 - iii. Data aggregation and manipulation
 - b. Local Indication using ORIO I/O
 - i. Local annunciation
 - ii. Indication to Remote Terminal Unit
 - c. SEL Team for event capture and communication
 - d. Shunt Capacitor Bank Control
 - iv. Network & Access Management

- a. Switches using SEL-2740S Software Defined Network (SDN)
 - i. SEL-2740S Software Defined Network (SDN)
 - b. Security Gateway(s) using SEL-3620
 - c. Firewalls using Fortinet F60D
 - v. Business Access
 - a. Wireless Access Point
 - b. Local Business Switch
 - i. PC connection
 - ii. IP phone connection
 - iii. Wireless connection point
 - c. IP Phones
 - vi. Propose any other scheme or functions for District consideration. a Additional schemes or functions shall be those the Contractor has successfully implemented in other projects and are of sufficient technology maturity so as to minimize the resource/effort risk associated with leading edge, early adoption.
 - C. **Deliverables:** Design package shall be sequenced in percent deliverable phases to allow for District review as specified in project plan. Design documents shall be delivered in Microsoft Word, Excel, or other software approved by the District. All design drawings shall be delivered in CAD format compatible with District CAD standards. Deliverables shall include the following at minimum:
 - i. Design specification document for each function to be developed. Specification shall be approved by the District Representative before proceeding to design.
 - ii. Templated design drawings and documents including the following:
 - a. Panel layout including parts and equipment Bill of Material (BOM)
 - b. System one line
 - c. AC & DC one-line
 - d. AC three-line
 - e. IED logic diagrams
 - f. Wiring diagrams (denote pseudo equipment connection representation))
 - iii. LAN Communications block diagrams
 - iv. Data flow diagrams
 - v. Protection Relaying Criteria document (to include all settings)
 - vi. Template IED configuration files (Protection IEDs, I/O IED and SCADA RTU)
 - vii. Template SCADA GUI screens
 - viii. Template protection IED front HMI screens
 - ix. Site Signal list
3. Support Documentation and Procedures.
- A. Pre-energization / Commissioning testing procedures.
 - B. In-service and energization check list and procedure.
 - C. Template Operator Manual covering local panel, GUI and IED HMI interfaces.
 - D. Template package instruction manual on how to use the various template documents and files.
 - E. Maintenance manual with procedures and practices for periodic checks, tests and troubleshooting guide.
4. Lab testing to validate the template design packages (allow District personnel witness).

- A. Work with District to purchase all materials and IEDs required to build the P&C, LAN and SCADA components developed in the template design package.
 - B. Build the system in a lab environment.
 - C. Test all the functions, data maps, IED logic, protection schemes, etc. in accordance with testing and commissioning procedures.
 - D. Make any corrections to designs needed based on lab testing results.
 - E. Disassemble and ship the lab test system to District.
5. Training on use of new templates
- A. Develop training materials covering new designed schemes.
 - B. Deliver training to District personnel covering template materials.
6. Any other unforeseen tasks related to development of the District's transmission P&C schemes.

**APPENDIX “B”
RATE SCHEDULE**

DIRECT EXPENSES:

Rates are stated in US Dollars.

Engineer's Classification Code	Billing Rate Job Description	Maximum Hourly Billing Rate*	Classification
A	Consultant	\$285.00	Engineering/Management/Admin
B	Principal Engineer	\$285.00	Engineering/Management/Admin
C	Senior Engineer	\$210.00	Engineering/Management/Admin
D	Project Engineer III	\$175.00	Engineering/Management/Admin
E	Project Engineer II	\$160.00	Engineering/Management/Admin
F	Senior Specialist	\$160.00	Engineering/Management/Admin
G	Senior Relay Commissioning Tech	\$160.00	Engineering/Management/Admin
H	Project Engineer I	\$140.00	Engineering/Management/Admin
I	Specialist III	\$140.00	Engineering/Management/Admin
J	Relay Commissioning Tech III	\$140.00	Engineering/Management/Admin
K	Project Controller II & III	\$140.00	Engineering/Management/Admin
L	Senior Designer	\$140.00	Engineering/Management/Admin
M	Designer III	\$125.00	Engineering/Management/Admin
N	Specialist II	\$125.00	Engineering/Management/Admin
O	Project Controller I	\$125.00	Engineering/Management/Admin
P	Associate Project Engineer	\$120.00	Engineering/Management/Admin
Q	Relay Commissioning Tech II	\$120.00	Engineering/Management/Admin
R	Field Service Tech III	\$120.00	Engineering/Management/Admin
S	Designer II	\$115.00	Engineering/Management/Admin
T	Specialist I	\$115.00	Engineering/Management/Admin
U	Designer I	\$95.00	Engineering/Management/Admin
V	Relay Commissioning Tech I	\$95.00	Engineering/Management/Admin
W	Drafter	\$85.00	Engineering/Management/Admin
X	Account Administrator III	\$85.00	Engineering/Management/Admin
Y	Field Service Tech II	\$85.00	Engineering/Management/Admin
Z	Account Administrator I & II	\$75.00	Engineering/Management/Admin
AA	Administrative Field Service Tech I	\$75.00	Engineering/Management/Admin
BB	Engineering Intern	\$75.00	Engineering/Management/Admin
CC	Security Engineer	\$220.00	Cybersecurity & Networking
DD	Senior Security Specialist	\$185.00	Cybersecurity & Networking
EE	Security Specialist	\$175.00	Cybersecurity & Networking
N/A	Reimbursable Expenses & Travel Time – Expenses incurred to Contractor travel shall be reimbursed in accordance with the Reimbursable Expenses language below. Travel time shall be reimbursed at the corresponding Maximum Hourly Billing Rate shown in this Rate Schedule.		

*Any overtime work shall be approved in advance by the District Representative. Overtime shall be reimbursed at a maximum of 150% of the corresponding rate shown in the Rate Schedule above.

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

REIMBURSABLE EXPENSES:

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

Meals and Incidental Expenses: Meals and incidental expenses will be limited to the Federal Per Diem rate for meals and incidentals established for the location where lodging is obtained. 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.

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 \$96.00. The District Representative may increase this limit in writing when circumstances require.

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

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

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

APPENDIX "C"
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
County, Washington

Schweitzer Engineering Services, Inc. of Grant

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

APPENDIX "D"
TASK AUTHORIZATION FOR
PROFESSIONAL SERVICES

Contract No.:	130-10805B	Task Authorization No.:		Amendment No.:	
Project Name:					

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

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

Sample Only

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

Public Utility District No. 2
of Grant County, Washington

Schweitzer Engineering Services, Inc.

Approved for District

Accepted by Contractor

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: District Representative

Title: _____

Date: _____

Date: _____

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."

RECITALS

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 a need to know 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 130-10805B.
 - 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: Patrick Bishop, 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 with 5 columns: Employee Name, Background Check Completion Date, Indicate Pass (P) or Fail (F), Identity Verification Completion Date, PRA Completion Date (District use only)

(Do not send actual background check documents)

Name of company where background check was performed: _____

Certified by: _____ Title: _____

Phone No.: _____ Email: _____

Return this form to: CIPDocuments@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: _____

APPENDIX “H”
CIP-013 SUPPLY CHAIN RISK MANAGEMENT

A. Introduction

Public Utility District No. 2 of Grant County, Washington (herein called the "District" or "Grant PUD"), is mandated by the Federal Energy Regulatory Commission ("FERC") and the North American Electric Reliability Corporation ("NERC") to implement Critical Infrastructure Protection ("CIP") reliability standard CIP-013-1 Cyber Security – Supply Chain Risk Management (herein called "CIP-013"), as may be amended. CIP-013 requires the District to endeavor to negotiate the terms herein in order to assess the cyber security risk(s) to the Bulk Electric System ("BES")¹ from Contractor products or services resulting from procuring and installing Contractor equipment and software.

This document titled Appendix "H", CIP-013 Supply Chain Risk Management (herein called "CIP-013 Appendix"), identifies terms and conditions requested by the District to comply with CIP-013.

TBD (herein called "Contractor") is presented these terms that apply to District procurements of hardware, software (including patches/updates) and services manufactured, supplied, or performed by Contractor.

The terms of this CIP-013 Appendix are applied at the sole discretion of the District for procured Contractor hardware, software, or services that are intended for use in BES Cyber Systems subject to CIP-013 or other contractual agreements deemed necessary by the District.

Conformance to these terms influences product and service selection. Non-conformance to these terms does not disqualify a product or service from consideration.

District Contact Information

Telephone:	(509) 754-0500, ext. 4193
E-Mail:	Cybersecurity@gcpud.org
Mailing Address:	Grant County PUD Cyber Security PO Box 878 Ephrata, WA 98823

B. Requirement R1.2.1

Notification by the Contractor of Contractor-identified incidents related to the products or services provided to the District that pose cyber security risk to the District.

Contract Language

Contractor agrees to notify the District as soon as reasonably possible, and no more than 72 hours, after the determination by telephone and e-mail, and subsequently via written letter, whenever a Security Incident occurs for Contractor products or services owned, licensed, or contracted by the District using the information listed in the "District Contact Information", Section A of this CIP-013 Appendix.

¹ Glossary of Terms Used in NERC Reliability Standards, describes "Bulk Electric System" and "District" definition.

The notice shall include, at a minimum, the date and time of the Security Incident occurrence (or the approximate date and time of the occurrence if the actual date and time of the occurrence is not precisely known) and a detailed summary of the facts and circumstances of the Security Incident, including a description of (a) why the Security Incident occurred (e.g., a precise description of the reason for the system failure or compromise), (b) the amount of District Information known or reasonably believed to have been subject to Information Theft and (c) the measures being taken to address and remedy the occurrence to prevent the same or a similar event from occurring in the future.

Contractor shall provide written updates of the notice to the District addressing any new facts and circumstances learned after the initial written notice and shall provide such updates within a reasonable time after learning of those new facts and circumstances.

Contractor shall cooperate with the District efforts to determine the risk to the BES posed by the Security Incident, including providing additional information regarding the Security Incident upon request from the District.

C. Requirement R1.2.2

Coordination of responses to Contractor-identified incidents related to the products or services provided to the District that pose cyber security risk to the District.

Contract Language

1. Development and Implementation of a Response Plan:

Contractor shall identify its implemented policies and procedures that address Security Incidents (“Response Plan”) by mitigating the harmful effects of Security Incidents and addressing and remedying the occurrence to prevent the recurrence of Security Incidents in the future². Contractor shall provide the District access to inspect a summary of its Response Plan. The development and implementation of the Response Plan shall follow best practices that, at a minimum, are consistent with the contingency planning requirements of the National Institute of Standards and Technology (“NIST”) Special Publication 800-61 Rev. 2³ and NIST Special Publication 800-53 Rev. 4 medium impact security controls for CP-1 through CP-10 and IR-1 through IR-10 as may be amended⁴.

Immediately upon learning of a Security Incident related to the products and services provided to the District, Contractor shall implement its Response Plan and, within 24 hours of implementing its Response Plan, shall notify the District using each communications method listed in the “District Contact Information”, Section A of this document.

2. Recurrence Prevention:

Within 30 calendar days of a Security Incident, Contractor shall:

² Language based on 45 C.F.R. § 164.308(a)(6)(i) and (ii).

³ National Institute of Standards and Technology (NIST), Computer Security Incident Handling Guide, Special Publication 800-61 Rev. 2 (2012).

⁴ NIST, Security and Privacy Controls for Federal Information Systems and Organizations, Special Publication 800-53 Rev. 4 (2012).

- a. Develop and execute a plan that reduces the likelihood of the same or a similar Security Incident from occurring in the future consistent with the requirements of its Response Plan and NIST Special Publication 800-61 Rev. 2 and NIST Special Publication 800-184 as may be amended⁵, and shall communicate that plan to the District.
 - b. Communicate recommended actions to be taken by the District on District-controlled systems to reduce the risk of a recurrence of the same or a similar Security Incident, including, as appropriate, the provision of action plans and mitigating controls.
 - c. Coordinate with the District in developing those action plans and mitigating controls.
 - d. Provide the District guidance and recommendations for long-term remediation of any cyber security risks posed to District Information, equipment, systems, and networks as well as any information necessary to assist the District in any recovery efforts undertaken by the District in response to the Security Incident.
3. Notification to Affected Parties:
- a. Contractor shall, at its sole cost and expense, assist and cooperate with the District with respect to any investigation of a Security Incident, disclosures to affected parties, and other remedial measures as requested by the District in connection with a Security Incident or required under any applicable laws related to a Security Incident.
 - b. In the event a Security Incident results in District Information being Disclosed such that notification is required to be made to any person or entity, including without limitation any customer, shareholder, or current or former employee of the District under any applicable laws, including privacy and consumer protection laws, or pursuant to a request or directive from a governmental authority, such notification shall be provided by the District, except as required by applicable law or approved by the District in writing. The District will have sole control over the timing and method of providing such notification.
4. Unrelated Security Incidents:
- In the event
- (a) Contractor's Proprietary Information, as such information relates to the products and/or services provided to The District under this Agreement, has been corrupted or destroyed without authorization or has been accessed, acquired, compromised, modified, used or disclosed by any unauthorized person, or by any person in an unauthorized manner or for an unauthorized purpose;
 - (b) Contractor knows or reasonably believes that an act or omission has compromised or may reasonably compromise the cybersecurity of the products and services

⁵ NIST Special Publication 800-61 (Rev. 2) (2012) and NIST, Guide for Cybersecurity Event Recovery, Special Publication 800-184 (2016).

provided by Contractor to an entity other than The District”), and the Unrelated Security Incident has or may have a material impact to The District; or

(c) Contractor receives any valid complaint, notice, or communication which relates to

(i) Contractor’s handling of Contractor Proprietary Information or Contractor’s compliance with applicable law in connection with Contractor Proprietary Information or

(ii) the cybersecurity of the products and services provided by Contractor to an entity other than The District (“Unrelated Security Incident”), and the Unrelated Security Incident has or may have a material impact to The District,

D. Contractor shall provide to The District a confidential report describing, to the extent legally permissible, a detailed summary of the facts and circumstances of the Unrelated Security Incident, including a description of (1) why the Unrelated Security Incident occurred, (2) the nature of the Contractor's Proprietary Information disclosed, and (3) the measures being taken to address and remedy the occurrence to prevent the same or a similar event from occurring in the future.

E. Requirement R1.2.3

Notification by Contractors when remote or onsite access should no longer be granted to Contractor representatives.

Contract Language

1. Development and Implementation of Access Control Policy:

Contractor shall develop and implement policies and procedures to address the security of remote and on-site access to District Information, District systems and networks, and District property (an “Access Control Policy”) that is consistent with the personnel management requirements of NIST Special Publication 800-53 Rev. 4 medium impact security controls for AC-2⁶, PE-2⁷, PS-4⁸, and PS-5⁹, as may be amended, and also meets the following requirements:

2. District Access Authority:

In the course of furnishing products and services to the District under this CIP-013 Appendix, Contractor shall not access, and shall not permit its employees, agents, contractors, subcontractors, partners, affiliates, and other personnel or entities within its control (“Contractor Personnel”) to access the District’s property, systems, or networks or District Information without the District’s prior express written authorization. Such written authorization may subsequently be revoked by the District at any time in its sole discretion. Further, any Contractor Personnel access shall be consistent with, and in no case exceed the scope of, any such approval granted by the District. All District authorized connectivity or attempted connectivity to District systems or networks shall be in conformity with District security policies as may be amended from time to time

⁶ AC-2 covers Account Management.

⁷ PE-2 covers Physical Access Authorization.

⁸ PS-4 covers Personnel Termination.

⁹ PS-5 covers Personnel Transfer.

with notice to the Contractor.

3. Contractor Review of Access:

Contractor shall review and verify Contractor Personnel's continued need for access and level of access to District Information and District systems, networks and property at the time of award and annually thereafter until termination of Contract. Contractor shall retain evidence of the reviews for two years from the date of each review and evidence of reviews shall be made readily available upon the District's request.

4. Notification and Revocation:

Contractor shall immediately notify the District using the e-mail listed in the "District Contact Information", Section A of this document (no later than close of business on the same day as the day of termination or change set forth below) and shall immediately take all steps necessary to remove Contractor Personnel's access to any District Information, systems, networks, or property when:

- a. Any Contractor Personnel no longer requires such access in order to furnish the services or products provided by Contractor under this CIP-013 Appendix,
- b. Any Contractor Personnel is terminated or suspended or his or her employment is otherwise ended,
- c. Contractor reasonably believes any Contractor Personnel poses a threat to the safe working environment at or to any District property, including to employees, customers, buildings, assets, systems, networks, trade secrets, data, confidential data, and/or employee or District Information,
- d. There are any material adverse changes to any Contractor Personnel's background history, including, without limitation, any information not previously known or reported in his or her background report or record,
- e. Any Contractor Personnel fails to maintain conduct in accordance with the Contractor's internal security policies,
- f. Any Contractor Personnel loses his or her U.S. work authorization, or
- g. Contractor's provision of products and services to the District under this CIP-013 Appendix is either completed or terminated, so that the District can discontinue electronic and/or physical access for such Contractor Personnel.

Contractor shall take all steps reasonably necessary to immediately deny such Contractor Personnel electronic and physical access to District Information as well as District property, systems, or networks, including, but not limited to, removing and securing individual credentials and access badges, multifactor tokens, and laptops, as applicable, and shall return to the District any District-issued property including, but not limited to, District photo ID badge, keys, parking pass, documents, or electronic devices in the possession of such Contractor Personnel. Contractor shall notify the District using each communication method listed in the "District Contact Information", Section A of this document once access to District Information as well as District property, systems, and networks have been removed.

F. Requirement R1.2.4

Disclosure and remediation by Contractors of known vulnerabilities related to the products or services provided to the District.

Contract Language

1. Contractor shall develop and implement policies and procedures to address the disclosure and remediation by Contractor of vulnerabilities and material defects related to the products and services provided to the District under this CIP-013 Appendix including the following:
 - a. Prior to the delivery of the procured product or service, Contractor shall provide summary documentation of publicly disclosed vulnerabilities and material defects related to the procured product or services, the potential impact of such vulnerabilities and material defects, the status of Contractor's efforts to mitigate those publicly disclosed vulnerabilities and material defects, and Contractor's recommended corrective actions, compensating security controls, mitigations, and/or procedural workarounds¹⁰.
 - b. For critical vulnerabilities which are likely to be or are being actively exploited, Contractor shall immediately provide mitigations which may include methods of exploit detection and/or workarounds, followed by appropriate software and firmware updates.
 - c. Contractor shall disclose the existence of all known methods for bypassing computer authentication in the procured product or services, often referred to as backdoors, and provide written documentation that no undocumented authentication bypass methods allowing unauthorized access exist.¹¹

Contractor shall implement a vulnerability detection and remediation program consistent with NIST Special Publication 800-53 Rev. 4 medium impact security controls for RA-5¹², SA-11¹³, and SI-2, as may be amended¹⁴.

2. Vulnerabilities Disclosure:

Whether or not publicly disclosed by Contractor and notwithstanding any other limitation in this CIP-013 Appendix, the District may disclose any vulnerabilities or material defects in the products and services provided by Contractor to (a) the Electricity Information Sharing and Analysis Center (E-ISAC), the Industrial Control Systems Cyber Emergency Response Team (ICS-CERT), or any equivalent entity, (b) to any entity when necessary to preserve the reliability of the BES as determined by the District in its sole discretion, or (c) any entity required by applicable law.

G. Requirement R1.2.5

¹⁰ Based on language in Energy Sector Control Systems Working Group (ESCSWG) Procurement Guidance § 3.2.1.

¹¹ Based on language in ESCSWG Procurement Guidance § 2.1.5.

¹² RA-5 covers Vulnerability Scanning.

¹³ SA-11 covers Developer Security Testing and Evaluation.

¹⁴ SI-2 covers Flaw Remediation.

Verification of software integrity and authenticity of all software and patches provided by the Contractor for use in the BES Cyber System.

Contract Language

1. Hardware, Firmware, Software, and Patch Integrity and Authenticity:
 - a. Contractor shall establish, document, and implement risk management practices for supply chain delivery of hardware, software (including patches), and firmware provided under this CIP-013 Appendix. Contractor shall provide documentation on its: chain-of-custody practices, inventory management program (including the location and protection of spare parts), information protection practices, integrity management program for components provided by sub-suppliers, instructions on how to request replacement parts, commitment to ensure that for 10 years from the date of purchase, spare parts shall be made available by Contractor.
 - b. Contractor shall specify how digital delivery for procured products (e.g., software and data), including patches, shall be validated and monitored to ensure the digital delivery remains as specified. If the District deems that it is warranted, Contractor shall apply encryption to protect procured products throughout the delivery process.
 - c. Contractor shall specify how physical delivery for procured products (e.g., software and data on physical media) including patches shall be secured to ensure that delivery remains as specified. If the District deems that it is warranted, Contractor shall apply encryption to protect procured products throughout the delivery process.
 - 1) If Contractor provides software or patches to the District, Contractor shall publish or provide a hash conforming to the Federal Information Processing Standard (“FIPS”) 140-2¹⁵ or similar standard information on the software and patches to enable the District to use the hash value as a checksum to independently verify the integrity of the software and patches and avoid downloading the software or patches from Contractor’s website that has been surreptitiously infected with a virus or otherwise corrupted without the knowledge of Contractor.
 - 2) Contractor shall identify the country (or countries) of origin of the procured product. Contractor shall identify the countries where the development, manufacturing, maintenance, and service for the product are provided. Contractor shall notify the District of changes in the list of countries where product maintenance or other services are provided in support of the procured product. This notification shall occur prior to initiating a change in the list of countries.
 - 3) Contractor shall use trusted channels to ship procured products, such as U.S. registered mail.
 - 4) Contractor shall demonstrate a capability for detecting unauthorized access throughout the delivery process.
 - 5) Contractor shall demonstrate chain-of-custody documentation for

¹⁵ Federal Information Processing Standard (“FIPS”) 140-2, *Security Requirements for Cryptographic Modules*

procured products as determined by the District and require tamper-evident packaging as an option for the delivery of this hardware, including software delivered on physical media.

2. Patching Governance:

- a. Prior to the delivery of any products and services to the District or any connection of electronic devices, assets or equipment to the District's electronic equipment, Contractor shall provide documentation regarding its patch management and vulnerability management/mitigation programs and update process (including third-party hardware, software, and firmware) for products, services, and any electronic device, asset, or equipment required to be connected to District assets during the provision of products and services under this CIP-013 Appendix. This documentation shall include information regarding:
 - 1) The resources and technical capabilities to sustain this program and process such as Contractor's method or recommendation for how the integrity of a patch is validated by the District; and
 - 2) Contractor's approach and capability to remediate newly reported zero-day vulnerabilities.
- b. Unless otherwise approved by the District in writing, current or supported version of Contractor products and services shall not require the use of out-of-date, unsupported, or end-of-life version of third-party components (e.g., Java, Flash, Apache, web browser, DLLs, databases, etc.).
- c. Contractor shall verify and provide documentation that procured products (including third-party hardware, software, firmware, and services) have appropriate updates and patches installed prior to delivery to the District.
- d. In providing the products and services described in this Agreement, Contractor shall provide or arrange for the provision of appropriate updates (including third party and open-source hardware and/or software) to remediate newly discovered vulnerabilities for Contractor products within 180 days. Updates to remediate critical vulnerabilities shall be provided within a shorter period than other updates, within 60 days. If updates to remediate critical vulnerabilities cannot be made available by Contractor within these time periods, Contractor shall provide mitigations, methods of exploit detection, and/or workarounds within 30 days. For critical vulnerabilities which are likely to be or are being actively exploited, Contractor shall immediately provide mitigations which may include methods of exploit detection and/or workarounds, followed by appropriate software and firmware updates.

3. Viruses, Firmware and Malware:

- a. Contractor shall use reasonable efforts to investigate whether computer viruses or malware are present in any software or patches before providing such software or patches to the District.
- b. Contractor warrants that it has no knowledge of any computer viruses or malware coded or introduced into any software or patches, and Contractor

shall not insert any code which would have the effect of disabling or otherwise shutting down all or a portion of such software, damaging information or functionality, propagating malicious code to other District assets, applying security bypass mechanisms (i.e., backdoors), or compromising any other cyber security mechanism.

- c. When install files, scripts, firmware, or other Contractor delivered software solutions are flagged as malicious, infected, or suspicious by an anti-virus Contractor through open source solutions like “Virus Total,” Contractor must provide technical proof as to why the “false positive” hit has taken place to ensure their code’s supply chain has not been compromised.
- d. If a virus or other malware is found to have been coded or otherwise introduced as a result of Contractor’s breach of its obligations under this CIP-013 Appendix, Contractor shall immediately and at its own cost:
 - 1) Take all necessary remedial actions and provide assistance to the District to eliminate the virus or other malware throughout the District’s information networks, computer systems, and information systems, regardless of whether such systems or networks are operated by or on behalf of the District; and
 - 2) If the virus or other malware causes a loss of operational efficiency or any loss of data (a) where Contractor is obligated under this CIP-013 Appendix to back up such data, take all steps necessary and provide all assistance required by the District and its affiliates, and (b) where Contractor is not obligated under this CIP-013 Appendix to back up such data, use commercially reasonable efforts, in each case to mitigate the loss of or damage to such data and to restore the efficiency of such data.

4. End of Life Operating Systems:

- a. Contractor-delivered solutions shall not be allowed to reside on end-of-life operating systems, or any operating system that will go end-of-life in under 12 months from the date of installation.
- b. Contractor solutions shall support the latest versions of workstation-class operating systems on which Contractor-provided software functions within six months from official public release of the operating system version.
- c. Contractor solutions shall support the latest versions of server-class operating systems on which Contractor-provided software functions within nine months from official public release of the operating system version.

5. Cryptographic Requirements:

- a. Contractor shall document how the cryptographic system protects the confidentiality, data integrity, authentication, and non-repudiation of devices and data flows in the underlying system as specified by the District. This documentation shall include, but not be limited to, the following:
 - 1) The cryptographic methods (hash functions, symmetric key algorithms, or asymmetric key algorithms) and primitives (e.g., Secure Hash Algorithm [SHA]- 256, Advanced Encryption Standard [AES]-128, RSA, and Digital Signature Algorithm [DSA]-2048) that

are implemented in the system, and how these methods are to be implemented.

- 2) The preoperational and operational phases of key establishment, deployment, ongoing validation, and revocation.
 - a) Contractor shall use only “approved” cryptographic methods as defined in the FIPS 140- 2 Standard when enabling encryption on its products.
 - b) Contractor shall provide an automated remote key-establishment (update) method that protects the confidentiality and integrity of the cryptographic keys.
 - c) Contractor shall ensure that:
 - i. The system implementation includes the capability for configurable cryptoperiods (the life span of cryptographic key usage) in accordance with the Suggested Cryptoperiods for Key Types found in Table 1 of NIST 800-57 Part 1 Rev. 4 [6], as may be amended.
 - ii. The key update method supports remote re-keying of all devices within 48 hours as part of normal system operations.
 - iii. Emergency re-keying of all devices can be remotely performed within 24 hours.
 - d) Contractor shall provide a method for updating cryptographic primitives or algorithms.

H. Requirement R1.2.6

Coordination of controls for (i) Contractor-initiated Interactive Remote Access, and (ii) system-to-system remote access with a Contractor(s).

Contract Language

Contractor shall coordinate with the District on all remote access to District systems and networks, regardless of interactivity, and shall comply with any controls for interactive remote access and system-to-system remote access sessions requested by the District.

1. Controls for Remote Access: Contractors that directly, or through any of their affiliates, subcontractors or service providers, connect to the District’s systems or networks agree to the additional following protective measures:
 - a. Contractor shall not access, and shall not permit any other person or entity to access District systems or networks without District authorization and any such actual or attempted access shall be consistent with any such authorization.
 - b. Contractor shall implement processes designed to protect credentials as they travel throughout the network and shall ensure that network devices have encryption enabled for network authentication to prevent possible exposure of credentials.
 - c. Contractor shall ensure Contractor Personnel do not use any virtual private

network or other device to simultaneously connect machines on any District system or network to any machines on any Contractor or third-party systems, without

- 1) using only a remote access method consistent with the District’s remote access control policies,
 - 2) providing the District with the full name of each individual who uses any such remote access method and the phone number and email address at which the individual may be reached while using the remote access method, and
 - 3) ensuring that any computer used by Contractor Personnel to remotely access any District system or network will not simultaneously access the Internet or any other third-party system or network while logged on to District systems or networks.
- d. Contractor shall ensure Contractor Personnel accessing District networks are uniquely identified and that accounts are not shared between Contractor Personnel.

I. Supporting Provisions

Contract Language

1. Contractor Cybersecurity Policy:

Contractor shall provide to the District a summary of the Contractor’s cybersecurity policy, which shall be consistent with NIST Special Publication 800-53 (Rev. 4) as may be amended. Contractor shall implement and comply with that cybersecurity policy.

Any changes to Contractor’s cybersecurity policy as applied to products and services provided to the District under this CIP-013 Appendix and District Information that are inconsistent with the security requirements of NIST Special Publication 800-53 (Rev. 4) as may be amended shall be subject to review and approval by the District prior to implementation by Contractor.

2. Return or Destruction of District Information:

Upon completion of the delivery of the products and services to be provided under this CIP-013 Appendix, or at any time upon the District’s request, Contractor shall return to the District all hardware and removable media provided by the District containing District Information. District Information in such returned hardware and removable media shall not be removed or altered in any way. The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by the District. If the hardware or removable media containing District Information is owned by Contractor or a third-party, a notarized statement detailing the destruction method used and the data sets involved, the date of destruction, and the entity or individual who performed the destruction shall be sent to the District using the e-mail listed in the “District Contact Information”, Section A of this document within 15 calendar days after completion of the delivery of the products and services to be provided under this CIP-013 Appendix, or at any time upon the District’s request. Contractor’s destruction or erasure of District Information pursuant to this Section shall comply with best industry practices (*e.g.*, Department of Defense 5220-22-M Standard, as may be amended).

3. Audit Rights:

The District or its third-party designee may, but is not obligated to, perform audits and security tests of Contractor's IT or systems environment and procedural controls to determine Contractor's compliance with the system, network, data, and information security requirements of this CIP-013 Appendix. These audits and tests may include coordinated security tests, interviews of relevant personnel, review of documentation, and technical inspection of systems and networks as they relate to the receipt, maintenance, use, retention, and authorized destruction of District Information. Contractor shall provide all information reasonably requested by the District in connection with any such audits and shall provide reasonable access and assistance to the District upon request. Contractor shall comply, within reasonable timeframes at its own cost and expense, with all reasonable recommendations that result from such inspections, tests, and audits. The District reserves the right to view, upon request, summaries of any original security reports that Contractor has undertaken or commissioned to assess Contractor's own network security. If requested, copies of these summary reports shall be sent via bonded courier to the District mailing address listed in the "District Contact Information", Section A of this document. Contractor shall notify the District e-mail listed in the "District Contact Information", Section A of this document of any such security reports or similar assessments once they have been completed. Any regulators of the District or its affiliates shall have the same rights of audit as described herein upon request.

4. Regulatory Examinations:

Contractor agrees that any regulator or other governmental entity with jurisdiction over the District and its affiliates may examine Contractor's activities relating to the performance of its obligations under this CIP-013 Appendix to the extent such authority is granted to such entities under the law. Contractor shall promptly cooperate with and provide all information reasonably requested by the regulator or other governmental entity in connection with any such examination and provide reasonable assistance and access to all equipment, records, networks, and systems reasonably requested by the regulator or other governmental entity. Contractor agrees to comply with all reasonable recommendations that result from such regulatory examinations within reasonable timeframes at Contractor's sole cost and expense. The foregoing cooperation and assistance shall be rendered at Contractor's then-current time and materials rates, subject to the District's prior written authorization.

J. Definitions

1. Business Days – Monday through Friday from 8:00 a.m. to 5:00 p.m. Pacific Time.
2. Information Theft – The unauthorized transfer or storage of any information to a recipient other than those with explicit authorization from the information owner.
3. District Information - Any data specific to a District product or service, including but not limited to logs, configurations, Contractor product versions, documentation, or other information that may be used to specifically identify District use of a product or service.
4. Security Incident - An event resulting in the compromise of a system, software, hardware, or data due to the failure of applied protection measures.

K. References

1. North American Electric Reliability Corporation (“NERC”), *CIP-013-1 – Cyber Security – Supply Chain Risk Management*, October 2018.
<https://www.nerc.com/pa/Stand/Reliability%20Standards/CIP-013-1.pdf>
 2. North American Electric Reliability Corporation (“NERC”), *Glossary of Terms Used in NERC Reliability Standards*, May 2019.
https://www.nerc.com/pa/Stand/Glossary%20of%20Terms/Glossary_of_Terms.pdf
 3. National Institute of Standards and Technology (“NIST”), *Special Publication 800-61 Rev. 2, Computer Security Incident Handling Guide*, August 2012.
<https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-61r2.pdf>
 4. National Institute of Standards and Technology (“NIST”), *Special Publication 800-53 Rev. 4, Security Controls and Assessment Procedures for Federal Information Systems and Organizations*, April 2013.
<https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf>
 5. National Institute of Standards and Technology (“NIST”), *Special Publication 800-184, Guide for Cybersecurity Event Recovery*, December 2016.
<https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-184.pdf>
 6. National Institute of Standards and Technology (“NIST”), *Special Publication 800-57 Part 1 Rev. 4, Recommendations for Key Management*, January 2016.
<https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-57pt1r4.pdf>
- Federal Information Processing Standard (“FIPS”) 140-2, *Security Requirements for Cryptographic Modules*, March 2019.

APPENDIX ‘T’
CONTRACTOR SAFETY REQUIREMENTS

CS-1. PURPOSE

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

CS-2. GENERAL

- A. Initial/Warning Notice: Any District employee may notify the Contractor of any safety or health concern. The notice may be delivered verbally to any Contractor employee or subcontractor and the District employee shall notify the District Representative of the Notice. Written notification may be provided to the Contractor at the discretion of the District Representative. The notice shall have the same effect on the Contractor regardless of format or recipient. The Contractor shall take immediate action to mitigate the safety and health concerns identified in the District’s notice.
- B. Stop Work Order: District employees also have the authority to immediately stop a work activity without issuing the Initial/Warning Notice. The District employee will immediately notify the District Representative of the Stop Work Order. The District Representative may direct the Contractor to stop work due to safety and health concerns. The Stop Work Order may cover all work on the Contract or only a portion of the work. After the District issues a Stop Work Order, the Contractor shall meet with the District Representatives (as directed by the District Representative) to present a written statement outlining specific changes and/or measures the Contractor will make to work procedures and/or conditions to improve safety and health. A Stop Work Order can be rescinded only with the written approval of the District Representative.
1. The Contractor shall not be entitled to any adjustment of the Contract price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor’s, Subcontractor’s, or supplier’s control.
 2. The District’s conduct does not alter or waive the Contractor’s safety and health obligations.
 3. Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
 4. Non-compliance with safety requirements could lead to termination of the contract in accordance with Section 17.
- C. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Contract while working within the District’s service territory.
1. The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative

- measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.
2. In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, subcontractor, and their workers shall fully cooperate with the District in this investigation.
 3. All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.
 4. For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- D. The Contractor/subcontractor shall conduct and document job briefings each morning with safety as an integral part of the briefing. The Contractor/Subcontractor shall provide an equivalent job briefing to personnel and/or visitors entering the job site after the original job briefing has been completed. Immediately upon request, the Contractor shall provide copies of the daily job briefing and any other safety meeting notes to the District Representative. The notes, at a minimum, shall include date, time, topics, and attendees and shall be retained by the Contractor for the duration of the Contractor's warranty period.
- E. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to the work being performed by the District that may impact the Contractor's work.
- F. Site Specific Safety Plan (SSSP): The Contractor shall prepare, implement, and enforce a SSSP for all work included in this Contract. The SSSP shall be delivered to and accepted by the District Representative prior to the start of any on-site work.
1. The SSSP shall, at a minimum, identify and provide mitigation measures for any recognized hazards or conditions. Site and adjacent conditions shall be considered. All significant hazards, including unusual or unique hazards or conditions specific to the Contract work shall be identified and mitigated. The Contractor shall provide a clear delegation of authority for the work site(s). The Contractor shall identify, locate, and provide direction to the nearest emergency medical facilities. This shall include telephone numbers for emergency services in the area.
 2. The Contractor shall make available to all workers at the site(s) the SSSP and ensure that all workers are familiar with the content and requirements of the SSSP. Any subcontractors shall adhere to the Contractor's SSSP.
 3. Any emergent hazards not identified in the SSSP shall require a Job Hazard Analysis prior to starting work on the associated job.

In lieu of the SSSP, the District Representative may, at their discretion, accept an Accident Prevention Program implemented and maintained in accordance with Washington state law.

For Commission Review – 7/27/2021

RESOLUTION NO. XXXX

A RESOLUTION IN SUPPORT OF GRANT PUD'S ORGANIZATIONAL HEALTH, EMPLOYEE DEVELOPMENT AND EMPLOYEE APPRECIATION EVENT

Recitals

1. A key objective of Grant PUD's Strategic Plan is Organizational Health and Employee Development;
2. Grant PUD is committed to recognizing the superior performance of its employee body annually;
3. During the 2020-2021 period, Grant PUD has experienced superior outcomes as a direct result of its employees' collective efforts;
4. Since March 2020 the COVID-19 pandemic has created unprecedented challenges to Grant PUD's mission;
5. The response to the COVID-19 pandemic by Grant PUD 's employees has been extraordinary;
6. Taken altogether, 2021 warrants a significant Employee Appreciation event;
7. Providing a day with significant unstructured time for employees to recharge and engage in team building is valuable to the long-term health of GCPUD and its employees' morale;
8. Recognizing and making provision for the alternative appreciation of those employees whose mission critical job duties are such that cannot participate in the event without compromising electric and fiber optic service reliability; and
9. While an in-person Employee Appreciation event is being planned to maximize the benefits of team building, lingering pandemic conditions may make such an event unsafe. If, due to health and safety precautions necessary to ensure Grant PUD's ability to provide its essential electric and fiber optic telecommunications services as well as protection of its employees, a unique virtual Employee Appreciation event is required, such virtual event shall be held.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the Commission authorizes the General Manager / CEO to conduct the 2021 Grant PUD Organizational Health, Employee Development and Employee Appreciation Event as outlined in the Recitals above.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

For Commission Review – 07/27/2021

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11062 with Automation Exchange (AeX), in an amount not-to-exceed \$3,200,000.00 with a contract term of five years.

xxxx

MEMORANDUM

July 19, 2021

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Jeffrey Bishop, Chief Financial Officer
Dave Churchman, Chief Customer Officer

FROM: Derin Bluhm, Chief Technology Officer
Russ Brethower, Senior Manager of Wholesale Fiber
Terry McKenzie, Senior Manager of Customer Solutions

SUBJECT: Recommendation to Approve Automation Exchange (AeX) Contract 430-11062

Purpose: To request Commission approval to award Contract 430-11062 to Automation Exchange for 5-year term for a not to exceed contract price of \$3.2M.

Discussion: Our current Wholesale Fiber operations and customer information management is accomplished using several different software applications (see table below) which are mostly standalone products. Grant Fiber uses heavily customized commercial applications as well as applications developed in-house with manual processes tying the applications together. The process is labor intensive and inefficient.

As operated today, service providers have very limited visibility into the status of end-user services and devices, seeing only “up/down” status. All other interactions with the Grant High Speed Network require staff to staff communication. The network has reached a point where continuing the status quo has become more expensive than implementing a new operations support system and business support system (“OSS/BSS”) and challenging for service providers to assist their customers. Operations support involves things like network device status, trouble ticketing, physical infrastructure specifics, configuration management, etc. Business support involves account information, types of services delivered, dates of service, price schedules, etc. A functional OSS/BSS also provides many different views of operational and business parameters to allow trends and gaps to be more readily identified and addressed.

Advances in the technology of OSS/BSS offers a solution for multi-service telecommunications providers to manage all aspects of delivering fiber services from both a wholesale and retail perspective. Our service providers will be able to research fiber availability, create new accounts, provision services, troubleshoot, change information, and disconnect their customers *with no Grant Fiber interaction*. When the service providers’ inputs to the system indicate there is District work required to install a service drop and gateway, repair damage or replace failed devices, etc. the system will automatically issue work orders based on the specific situation at the end-use location.

Grant PUD staff operating the wholesale fiber network has been evaluating solutions for the last 18 months and believes there is a solution that will allow us to retire multiple applications and replace them with a single market-based solution that supports both Grant Fiber wholesale functions and the retail operations of our service providers with a streamlined, fully integrated solution.

It was determined two companies had capabilities to provide the desired solution. Since OSS/BSS for open access is a relatively new concept, staff chose to contract with one of the companies to further analyze requirements and capabilities. A \$75,000 contract was executed to analyze/document how our business practices fit with an OSS/BSS and this work was completed July 2nd. Staff reviewed the project processes and progress and determined a vendor change was warranted to better mesh with our current and future needs.

Automation Exchange has a fully operational and mature OSS/BSS open access software platform which will meet Grant PUD’s business needs going forward. While there are several integrations with other Grant PUD systems required, there is no internal software development for this off-the-shelf solution. As a Software as a Service (SaaS) product, ongoing improvements and updates are included in the per subscriber monthly fees. While not inexpensive, the elimination of home grown or outdated applications, reduced interaction with Grant Fiber staff and ability of the service providers to better serve the end-users will provide a net benefit to Grant PUD and our customers.

Option Selection Rationale: Grant PUD Technology and Business Leadership has determined that Option 3 is the best long-term choice for the utility. Key benefits of each option follow:

1. **Continue with the existing solution with minimal modification** as needed to support new hardware. This would perpetuate the ongoing labor intensive and high cost of operations while under-performing on delivering the efficiencies and services requested by both internal stakeholders and customers. It would also continue to concentrate risk on old technology that is past end-of life with a single individual capable of providing technology support. This option would not allow us to scale services without adding personnel in the craft and customer service for support. **Not recommended.**
2. **Continue with the existing solution but make substantial improvements** to reduce the operating overhead and streamline business capabilities. This would be a significant project requiring IT personnel that are currently fully engaged in other enterprise projects deemed higher value to Grant PUD. This would require a complete re-write of the existing platform to move off the unsupported version of Remedy, would be more expensive and slower than buying an existing solution, and has a high likelihood of not meeting stakeholder expectations. **Not recommended.**
3. **Making a shift from the on-premises product(s)** to a vendor hosted, managed, and maintained service, ending the expensive and disruptive major upgrade cycle and placing all solution operational responsibility on Automated Exchange. Automation Exchange (AeX) fills a significant gap in our operational capabilities. **Recommended.**

The table below shows the current applications that are utilized by Grant Fiber and Wholesale Fiber staff and when the AeX OSS/BSS is interfaced with Gen2, Clevest and CCS how streamlined it will be for staff and service providers.

Application	Current Applications	OSS/BSS
Remedy	Account management; work management; and provisioning initiated from and interfaced to the provisioning tool	Eliminated
Outlook	Service provider communication is all done via email manually	Automation Exchange has communication tools. Not needed.

Application	Current Applications	OSS/BSS
Trace	Pre-2008 fiber connectivity tracking	Automation Exchange will be used with an interface from Gen2 fiber design tool. Eliminated.
Excel	2008 and newer fiber connectivity tracking	Automation Exchange will be used with an interface from Gen 2 fiber design tool. Not needed.
Command Prompt/ Power Shell	Verify gateway up/down status that Grant Fiber is required to run and hand information to the service providers	Automation Exchange shares this information with the service providers. Not needed.
Home grown provisioning tool	Remedy interfaces to the provisioning tool and Grant Fiber manually provisions for service providers from emails	Automation Exchange allows service providers to provision their customer ports, they will no longer need to email Grant Fiber CSRs to provision ports. Eliminated.
Fusion	PUD geographic information	Automation Exchange will be used with an interface from Gen 2. Not needed.
Grant County Map Sifter	Validate account information with County records	Automation Exchange will be interfaced from CCS which currently verifies addresses. Not needed.
Google Earth	Overlays fiber availability for Initial address search to begin identifying if an address is served with fiber	Automation Exchange will be used with an interface from Gen 2. Not needed.
Oracle Customer Cloud Services	Pull end-use premise information into Remedy to create fiber account, service provider billing and payments	Automation Exchange will be interfaced with CCS, billing invoices and payments will remain the same. Integrated
Zabbix	Network monitoring for Level 1 troubleshooting	Automation Exchange monitors the status of services and is visible to the service providers. Not needed.
SharePoint	Service Providers use this application to send in customer requests, invoice details and fiber availability application	Automation Exchange will give the service providers reporting capabilities beyond what Grant Fiber currently produces and posts to SharePoint (manual effort). Not needed.
ARCOS / Clevest	Work management	Automation Exchange has a work management tool but will interface with Arcos for the appropriate crews. Integrated
Crystal Reports	Reporting out of Remedy	Automation exchange uses Power BI. Not Needed
Fiber CAT	Hub & Fiber availability input manually from Grant Fiber	Automation Exchange will be used with an interface from Gen 2. Not needed.
File 360	Service Provider Invoicing retention	Automation Exchange will hold the billing detail and the service providers

		will be able to view and download. Not needed.
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Approach: Grant PUD will partner with Automation Exchange for rapid implementation of their existing software in a cloud hosted solution. AeX will manage and operate the platform, while Grant PUD staff, Customers and End-users will access the system 24x7x365 for operations and business support.

Justification: Implementation of Automation Exchange will reduce operational and maintenance expenditures and break the costly, slow and manually intensive processes that are currently performed by Customer Service Representatives (CSRs) in the provisioning, monitoring and restoration of services. CSRs will no longer need to be engaged to establish accounts and services. Technicians and Telecom Engineering will benefit by improved work and information flow, improved visibility of service impacts and drivers, and overall health and status of the services and underlying infrastructure as a whole.

Financial Considerations: The implementation of this vendor managed OSS/BSS exceeds the minimum investment return (see graph below), ultimately achieving a positive financial return over the 7-year projected life of the solution.

This project's financial metrics are:

- Net Present Value (NPV) \$36,119 (@7% discount rate)
- Internal Rate of Return (IRR) 10.6%
- Payback in Years 6
- Profitability Index (PI) 1.11

Recommendation for Contract Award:

Management recommends the Commission approval award of contract 430-11062 to Automation Exchange for 5-year term for a not to exceed contract price of \$3.2M

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

END OF MEMO

From: [Derin Bluhm](#)
To: [Russ Brethower](#); [Patrick Bishop](#); [Terry Mckenzie](#)
Subject: RE: 430-11062 Automated Exchange - Commission Packet - Approval of Memo
Date: Tuesday, July 20, 2021 9:55:26 AM

I approve

Regards, Derin
425.445.4492
dbluhm@gcpud.org

From: Russ Brethower <Rbretho@gcpud.org>
Sent: Tuesday, July 20, 2021 7:37 AM
To: Patrick Bishop <Pbishop@gcpud.org>; Derin Bluhm <dbluhm@gcpud.org>; Terry Mckenzie <Tmckenz@gcpud.org>
Subject: RE: 430-11062 Automated Exchange - Commission Packet - Approval of Memo

I approve the attached Commission Memo

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Tuesday, July 20, 2021 7:28 AM
To: Derin Bluhm <dbluhm@gcpud.org>; Russ Brethower <Rbretho@gcpud.org>; Terry Mckenzie <Tmckenz@gcpud.org>
Subject: FW: 430-11062 Automated Exchange - Commission Packet - Approval of Memo
Importance: High

Good Morning,

Legal has approved and we can proceed with moving forward to the Commission Packet. Since we are all working remotely, please respond to this email that you approve of the attached Commission Memo and that will serve as your initialing off on the memo. Once all three of you have approved, I will submit all documents to the Packet for review. Thank you.

-----Original Message-----

From: Carol Mayer <Cmayer@gcpud.org>
Sent: Tuesday, July 20, 2021 7:22 AM
To: Patrick Bishop <Pbishop@gcpud.org>
Subject: 430-11062 Automated Exchange

You have contract and legal approval to proceed with submission into the Commission packet.

Sent from my iPhone

From: [Terry Mckenzie](#)
To: [Patrick Bishop](#); [Derin Bluhm](#); [Russ Brethower](#)
Subject: RE: 430-11062 Automated Exchange - Commission Packet - Approval of Memo
Date: Tuesday, July 20, 2021 7:33:38 AM

I approve of the attached Commission Memo.

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Tuesday, July 20, 2021 7:28 AM
To: Derin Bluhm <dbluhm@gcpud.org>; Russ Brethower <Rbretho@gcpud.org>; Terry Mckenzie <Tmckenz@gcpud.org>
Subject: FW: 430-11062 Automated Exchange - Commission Packet - Approval of Memo
Importance: High

Good Morning,

Legal has approved and we can proceed with moving forward to the Commission Packet. Since we are all working remotely, please respond to this email that you approve of the attached Commission Memo and that will serve as your initialing off on the memo. Once all three of you have approved, I will submit all documents to the Packet for review. Thank you.

-----Original Message-----

From: Carol Mayer <Cmayer@gcpud.org>
Sent: Tuesday, July 20, 2021 7:22 AM
To: Patrick Bishop <Pbishop@gcpud.org>
Subject: 430-11062 Automated Exchange

You have contract and legal approval to proceed with submission into the Commission packet.

Sent from my iPhone

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington (“District”, “FNO”, “Client”) and Automation Exchange, Inc. (“Contractor”, “Automation Exchange”) together as Party or Parties;

R e c i t a l s :

The District desires to obtain a vendor managed software solution for the District’s fiber program to enable staff and service providers utilizing and supporting the District’s fiber open access network to provision end user fiber services on demand, monitor service/system health and performance, manage trouble and minimize manual interaction from District staff.; and

The District's Senior Manager of Wholesale Fiber believes the services provided by this Contractor will allow our service providers to better serve their customers by greatly reducing the timing required to provision consumer services, provided detailed visibility into the health of the services and the underlying hardware, automate the connections and interface with our other systems, and reduce the overall total cost of ownership for the Wholesale Fiber Network while improving service levels and capabilities for internal and external stakeholders.

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

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

1. Scope of Services

- A. Automation Exchange will provide the District with Service through the following services:
 - 1. Hosted web interface (“Portal”)
 - 2. Integrated application programming interface (APIs) providing substantially similar capabilities for integration with third party solutions
 - 3. A pre-production testing environment that effectively duplicates the capabilities and configuration of the production environment
- B. The following services will be provided on the Portal. This is the current feature set, and will change periodically:
 - 1. Order Management
 - 2. Workflow Management, including but not limited to:
 - a. Installation
 - b. Swap Out Optical Network Terminal (ONT)
 - c. Cancellation

- d. Log a Fault
 - e. Log a Repair
 - f. Provisioning
 - g. Deprovisioning
 - h. Device Recovery
- 3. Provisioning & Monitoring of network devices
 - 4. Support Capabilities/Enablement
 - 5. Field Application (Installation & Maintenance)
 - 6. Event Management System
 - 7. Billing
- C. Automation Exchange will ensure that the Infrastructure components, compute, memory, storage and bandwidth, are maintained and available in accordance with the Service where the Service is supplied through a hosted web interface.
- D. Automation Exchange does not exclusively use a single technology for the fiber network management system and will thus use a pool of technologies to optimally provide its services, to ensure high availability and redundancy.
- E. Offsite data backups are performed on a daily as well as weekly basis, for commercial data. Daily backups are retained for a period of seven days. Weekly backups are retained for a period of 30 days. After which backups are deleted.

Networking and monitoring data is retained for a minimum of 30 and maximum of 60 days.

- F. In the event that the District requires the Contractor to perform specific services in addition to the above detailed Scope of Services, the District will authorize the Contractor to perform such work by means of a Task Authorization for Professional Services (Appendix "D") to be signed by both the District and the Contractor. Such authorization may be issued by the District Representative, and will define the scope of the task, any time requirements, and budget limitations.

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, subject to any applicable costs incurred by the Contractor due to untimely termination or issuance of Change Order.

2. Independent Contractor

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

- B. The Contractor shall perform its services with the level of skill, care and diligence normally provided by and expected of professional persons performing services similar to or like those to be performed hereunder. Contractor understands that the District will be relying upon the accuracy, competency, credibility and completeness of the services provided by the Contractor hereunder and that the District and its customers will be utilizing the results of such services.

3. Term - Schedule

- A. This Agreement shall remain in full force and effect for five years from date of Execution and as extended by renewal options or until terminated pursuant to Section 16.
- B. The District shall have the right to renew and extend this agreement for successive two year terms unless either Party terminates the Agreement or Service with at least 180 day's prior written notice of termination given to the other Party.

4. Compensation and Payment

- A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in Schedule 1 - Pricing of Appendix "A", which rates and costs shall not be subject to change until three years after the effective date of this Agreement. Any changes to rates and costs shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter. Each such change shall not exceed the lesser of i.) 3% or ii.) the percentage increase in the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding 12 month period for which CPI-U data is available. Contractor shall notify the District in writing at least 30 days prior to any such rate increase going into effect.
- B. In no event shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of \$3,200,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 5 below.
- C. 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
- D. Invoices shall include the Contract number and a detailed description of the work performed.
- E. Payment will be made by the District upon completion of work following District approval of Contractor's invoices in United States Dollars (USD). 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.

- F. Prompt Payment Discount: If the District issues payment within 10 days, the payment due shall be reduced by 2%. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

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 "C".

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 "C" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

6. Taxes

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

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

- 1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail sales and use taxes due and Contractor shall be reimbursed by the District for the same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.
- 2. If the Contractor is not required to have a valid Washington State sales tax identification number, it shall notify the District of the same. In such event, the District, after receiving proper invoices from Contractor, shall make payment of said Washington State retail sales and use taxes levied upon this Contract to the Washington State Department of Revenue.

7. Hold Harmless and Indemnification

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

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

8. Insurance

A. Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Contractor shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best, 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;

with the following **minimum limits:**

- d. \$1,000,000 Each Occurrence
- e. \$1,000,000 Personal Injury Liability
- f. \$2,000,000 General Aggregate (per project)
- g. \$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**. If applicable, 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** - If any performance under this Agreement shall take place outside of the Contractor's normal work location, the following shall apply: 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. **Professional Liability/Network Security Insurance:** Contractor shall obtain professional errors and omissions liability insurance in an amount of **not less than \$2,000,000 per claim and in the aggregate**. Coverage shall respond to wrongful acts in the rendering of, or failure to render, professional services under this Agreement, electronic data losses or damage or breaches of electronic data security including disclosures of private or confidential information of the District or any employee, participant or beneficiary of the Services provided by Contractor pursuant to this contract. In the event of a claim and upon the District's request, Contractor shall provide a copy of its Professional Liability/Network Security Insurance policy. The Professional Liability Insurance retroactive coverage date shall be no later than the effective date of this agreement. Contractor shall continuously maintain such insurance or purchase an extended reporting period providing that claims first made and reported to the

insurance company within two years after termination of the Agreement will be deemed to have been made during the policy period.

If Contractor shall hire subcontractor for all operations and risk involving professional network 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. Except as detailed in Appendix A, Contractor's software licensing agreement, 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 on behalf of the District for the services to be delivered per this agreement.

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.

District
Terry Mckenzie
Public Utility District No. 2
of Grant County, Washington
PO Box 878
154 A Street SE
Ephrata, WA 98823
(509) 754-5088 Ext. 1702
Tmckenz@gcpud.org

Contractor
Hanel Kumm
Automation Exchange, Inc.
17 Kent Road
Sandton, Gauteng 2191, ZA
083 242 4577
Hanelk@aex.co.za

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

16. Termination

- A. District may, at its sole discretion, terminate this agreement at the end of 36 months from the date of full execution without further obligation, provided that District provides at least 90 days notice of intent to terminate.
- B. 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.
- C. In the event of Contractor's unresolved 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 to the Contractor under this Agreement to the extent such sums are required to compensate District, in whole or in part, for any loss or damage caused by Contractor's breach or abandonment.

17. Non-Waiver

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

18. 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 may identify and designate 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".

19. Approval of Personnel Changes

- A. If applicable, 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.
- B. 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.
- C. 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.
- D. 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.
- E. 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.
- F. 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.

G. All personnel shall be subject to the nondisclosure provisions of this Contract which shall survive their replacement or termination as provided herein.

20. 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 Confidential Information, SSI, CEII, or BCSI.

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

Automation Exchange, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX “A”

See attached 430-11062 - Appendix “A” - Automation Exchange Portal Services Agreement

**APPENDIX “B”
RATE SCHEDULE**

DIRECT EXPENSES:

See Schedule 1, Pricing, of Appendix “A”, Portal Services Agreement.

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

REIMBURSABLE EXPENSES:

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

Meals and Incidental Expenses: Meals and incidental expenses will be limited to the Federal Per Diem rate for meals and incidentals established for the location where lodging is obtained. 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.

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

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

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

APPENDIX "C"
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

Automation Exchange, Inc.

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

APPENDIX "D"
TASK AUTHORIZATION FOR
PROFESSIONAL SERVICES

Contract No.:	430-11062	Task Authorization No.:		Amendment No.:	
Project Name:					

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

The District hereby requests and authorizes the Contractor to perform the services in terms of the following Agreement:

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

Automation Exchange, Inc.

Approved for District

Accepted by Contractor

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: District Representative

Title: _____

Date: _____

Date: _____

APPENDIX "E"
MUTUAL NON-DISCLOSURE AGREEMENT

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

RECITALS

The Parties are contemplating a transaction or transactions that may require them to disclose Proprietary Information regarding the District's wholesale fiber network configuration, wholesale fiber business operations, and details related to shared core network architecture during the term of this NDA.

NOW, THEREFORE, the Parties agree as follows:

1. Definitions

"Proprietary Information" - all financial, technical and other non-public or proprietary information which is furnished or disclosed orally, in writing, electronically or in other form or media by disclosing Party or its Representatives to Recipient or its Representatives in connection with the Purpose and that is described or identified (at the time of disclosure) as being non-public, confidential or proprietary, or the non-public or proprietary nature of which is apparent from the context of the disclosure or the contents or nature of the information disclosed.

"Recipient" - a Party to which the other Party or its Representatives discloses Proprietary Information.

"Representative(s)" - the officers, directors, members, managers, employees, contractors, financial service providers, and other representatives of a Party.

"Owner" - the holder of Proprietary Information.

2. Proprietary Information shall be limited to only that written information exchanged under this NDA, identified by the Owner and clearly marked as Proprietary Information.
3. No partnership, joint venture, agency or other business relationship is intended by the Parties or created by this NDA.
4. No Party has an obligation to supply Proprietary Information or any other information hereunder except as may be mutually agreed to facilitate the contemplated transaction(s).
5. Nothing in this NDA shall be deemed to grant a license directly, indirectly or otherwise under any patent or patent application or copyright related to any information to which this NDA applies.
6. The Receiving Party shall hold in confidence, and shall not, directly nor indirectly, reveal, report, transmit or disclose the Owner's Proprietary Information to any person outside the Receiving Party's organization (other than professional consultants who have been retained by Recipient), and shall use such Proprietary Information only for the purpose for which it was disclosed. Recipient may disclose Owner's Proprietary Information to persons within the Receiving Party's organization and to any professional consultants who have been retained by Recipient, who have a need to know such Proprietary Information in the course of the performance of their duties.

7. The obligations of Recipient specified in Section 6 above shall not apply, and the Recipient shall have no further obligations with respect to any Proprietary Information which is:
 - A. Rightfully in the public domain prior to receipt by the Recipient or becomes rightfully in the public domain after receipt by the Recipient without violation by the Recipient of the terms of this NDA;
 - B. Known, as evidenced by documentation reasonably satisfactory to Owner, to the Recipient without restriction prior to disclosure by the Owner;
 - C. Independently developed without any wrongful means by employees of the Recipient who did not have access to the Proprietary Information;
 - D. Disclosed without restriction to the Recipient by a third party having a bona fide right to disclose the same;
 - E. Disclosed with the prior written approval of Owner;
 - F. Later rendered nonproprietary through the issuance of a patent or other publicly available instrument, or which legitimately comes into the public domain; or
 - G. Required to be released by law or court order, provided, however, that the Owner shall be provided notice and an opportunity to seek a protective order as specified in Section 8. The Receiving Party shall reasonably cooperate with Owner's efforts to secure a protective order.
8. In the event a request for or order to release Proprietary Information is made to either Party pursuant to the Washington State Public Records Act, other law, regulation, or government or court order, the Receiving Party shall, prior to disclosure of said Proprietary Information, provide the Owner of the Proprietary Information with five days written notice of the impending release thereof so as to allow the Owner the option of negotiating proprietary protection for the information, seeking a protection order, approving release of the information or defending any legal action that is brought to enforce such request. In such event, the Owner shall bear its costs of the litigation, any damages or attorney's fees that may be awarded and reimburse the Receiving Party for any out of pocket expenses incurred in providing such support to the Owner. If the Owner has not obtained a protection order, negotiated protection for the information, or taken other action within the five (5) day period, the Receiving Party may disclose the Proprietary Information without further liability. In no event shall the Receiving Party be liable for any release which is either compelled from the Receiving Party by process of law, or where notice was provided and the Owner took no action to oppose the release of information.
9. This NDA shall become effective upon full execution and shall terminate thirty (30) days from the date that written notice of termination is given by one Party to the other, or one (1) year from the effective date of this NDA, whichever shall occur first; except that the obligations set forth in Section 6 above shall continue for a period of two (2) years from the effective date of this NDA. Upon termination of this NDA, each Recipient, at the request of the Owner, shall return all Proprietary Information delivered under this NDA, including all copies and work product containing such Proprietary Information unless Recipient is required to retain it pursuant to applicable law.
10. Any notice or other communication under this NDA given by either Party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be

deemed served when received and not mailed. Either Party may from time to time change such address by giving the other party notice of such change.

District	Contractor
Terry Mckenzie Public Utility District No. 2 of Grant County, Washington Attn: PO Box 878 Ephrata, WA 98823 Tmckenz@gcpud.org	Hanel Kumm Automation Exchange, Inc. 17 Kent Road Sandton, Gauteng 2191, ZA 083 242 4577 Hanelk@aex.co.za

- 11. This NDA is made under, and shall be construed according to, the laws of the State of Washington and the Parties agree to the exclusive jurisdictions of the state courts and U.S. Federal courts located there for any dispute arising out of this NDA. 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. Further, Recipient agrees that in the event of any breach or threatened breach by Recipient, Owner may obtain, in addition to any other legal remedies which may be available, such equitable relief as may be necessary to protect Owner against any such breach or threatened breach.
- 12. This NDA may not be assigned without the express written consent of both Parties.
- 13. This NDA constitutes the entire understanding of the Parties on the subject matter hereof and may be amended or modified only by a written agreement instrument executed by the authorized Representatives of all Parties, and shall be binding upon the Parties and their respective successors and assigns.
- 14. This NDA may be signed in counterparts, each of which shall be an original, but all of which shall constitute one and the same document. Signatures transmitted electronically shall be deemed valid execution of this NDA, binding on the parties.

IN WITNESS WHEREOF, the Parties have caused this NDA to be signed by their duly authorized representatives as of the date first written above.

Public Utility District No. 2 of Grant County, Washington	legal name
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	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)

Employee Name	Background Check Completion Date	Indicate Pass (P) or Fail (F)	Identity Verification Completion Date	PRA Completion Date (District use only)

(Do not send actual background check documents)

Name of company where background check was performed: _____

Certified by: _____ Title: _____

Phone No.: _____ Email: _____

Return this form to: CIPDocuments@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.

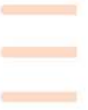
Individual is not currently awaiting adjudication on any criminal charge other than minor traffic offenses, which, again, are generally defined as traffic offenses that did not involve property damage and/or personal injury.

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: _____



Contract Documents 430-11062

Appendix "A"

PORTAL SERVICES AGREEMENT

Entered into between

Public Utility District No. 2 of Grant County, Washington ("District", "Client")

PO Box 878

Ephrata, WA 98823

(the "FNO")

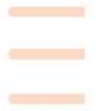
and

AUTOMATION EXCHANGE INC

("Automation Exchange", "Contractor")

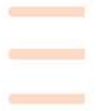
Automation Exchange facilitates the conclusion of individual contracts in the form of Service Orders (as defined below) between Automation Exchange and the Client (as defined below). Together with the Service Order(s) delivered and accepted in accordance with this Agreement, this Master Services Agreement establishes the terms and conditions under which Automation Exchange shall provide the Services to the Client, each as defined below.

"Party" shall mean, in respect of a service, each of Automation Exchange and the Client, and "Parties" shall be construed accordingly;



1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Agreement the following terms and phrases shall have the following meaning, unless the context otherwise requires:
- 1.1.1. “Acceptance Date” shall mean the date on which the Portal has met Client acceptance criteria and is enabled for production use;
 - 1.1.2. “**Agreement**” shall mean, as between Automation Exchange and Client, this Master Services Agreement, and, as between Automation Exchange and Client for a Service, the relevant service order(s) incorporating the terms of this Master Services Agreement;
 - 1.1.3. “**Business Day**” shall mean every day excluding Saturdays, Sundays and any national holidays in the jurisdiction where the Service is provided;
 - 1.1.4. “**Change of Control**” means any change whatsoever in the Control of a Party, whether effected directly or indirectly. For the purpose hereof, “control” means the beneficial ownership of the majority in number of the issued equity of a Party (or the whole or majority of a Shareholder’s assets), and/or the right or ability to direct or otherwise control such Party or the votes attaching to the majority of such Party’s issued share capital;
 - 1.1.5. “**Charges**” shall mean installation charge(s)/once off charge(s) and/or rental charges/fixed monthly fees, variable monthly charges, usage-based charges which includes monthly variable charges which shall be determined by the Client’s monthly usage payable in accordance with clause 4 (*Charges and Payment Terms*) and any other charges or fees payable by the Client to Automation Exchange in respect of a Service, as set out or referred to in a service order and revised from time to time in accordance with Schedule 1;
 - 1.1.6. “**CPI**” means the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding 12 month period for which CPI-U data is available;
 - 1.1.7. “**Client**” shall mean the client that delivers a signed service order to Automation Exchange pursuant to clause 2.1;
 - 1.1.8. “**Client Equipment**” shall mean hardware, software, systems, cabling and facilities provided by the Client in order to receive the service and/or used in conjunction with the service equipment in order to receive the service;
 - 1.1.9. “**Emergency Works**” mean works, the execution of which, at the time it is proposed to execute them, is required to put an end to, or prevent, the arising of circumstances then existing or imminent that are likely to cause:
 - 1.1.9.1. danger to persons or property;
 - 1.1.9.2. the interruption of critical service provided by a service provider or the service generated by a third party;
 - 1.1.9.3. substantial loss to Automation Exchange or any third party;



And such other works as in all the circumstances it is reasonable to execute those works;

- 1.1.10. **"FNO"** shall mean Fiber Network Operator;
 - 1.1.11. **"ICT"** means information and communications technologies including but not limited to any communication device or application, encompassing: radio, television, cellular phones, computer and network hardware and software, satellite systems and so on, as well as the various services and applications;
 - 1.1.12. **"Invoice Date"** shall mean the date on which the invoice was delivered to client via electronic mail.
 - 1.1.13. **"ISP"** shall be the service provider that utilises the portal to service the clients of FNO
 - 1.1.14. **"Network"** shall mean collection of all client equipment and infrastructure enabling active ethernet service from the Client Equipment to the Client's edge device handing off signal to external providers, inclusive of fiber infrastructure and logical configuration.
 - 1.1.15. **"Service"** shall mean the full list of services as listed in Schedule 2.
 - 1.1.16. **"Service Activation Date"** shall mean, in relation to a Service, the date on which the service is provisioned via the Portal;
 - 1.1.17. **"Service Equipment"** shall mean the Automation Exchange provided and supported infrastructure, whether owned or contracted, that provides the Portal service.
 - 1.1.18. **"Service Term"**, in relation to a Service, shall mean the total period for which the Service is provided pursuant to a Service Order. The **"Initial Service Term"** shall mean 60 months from the Acceptance Date;
 - 1.1.19. **"Signature Date"** shall mean the date of signature of this Agreement by the Party last signing in time.
 - 1.1.20. **"Subscriber"** shall mean a client of FNO that subscribes to a FNO service offering via the portal.
 - 1.1.21. **"Portal"** shall mean the web based application that subscribers of FNO use to apply for a FNO service offering
 - 1.1.22. **"Fiber Provider"** shall mean a company that installs fiber optic connections in order to provide a connectivity service to an end user
- 1.2. Unless the context otherwise requires, in this Agreement, a reference to:
- 1.2.1. a person includes a reference to a body corporate association or partnership;
 - 1.2.2. a person includes a reference to that person's legal personal representatives, successors and permitted assigns;
 - 1.2.3. any statute or statutory provision includes references to that statute or provision as amended, modified or re-enacted; and



1.2.4. A document is a reference to that document as supplemented or varied from time to time.

2. SERVICE

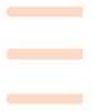
- 2.1. The Client hereby appoints Automation Exchange, for the wholesale fiber network, to provide the Service and ongoing Services from the Acceptance Date, which appointment Automation Exchange accepts, subject to the terms and conditions under this Agreement.
- 2.2. Automation Exchange shall not be precluded from providing services that may be similar or identical to the Services to any other party other than the Client.
- 2.3. The terms and conditions of this Agreement and the Charges for a Service provided hereunder are agreed expressly on the condition that the Client shall not resell, charge, transfer or otherwise dispose of the Service (or any part thereof) to any third party unless agreed to in writing by Automation Exchange.
- 2.4. Automation Exchange reserves the right from time to time to change configurations or the Service Equipment, or to change any applicable access code required for a Service, provided always that such change does not materially affect the relevant Service. Automation Exchange shall use reasonable endeavours to give the Client reasonable notice of any such changes to configurations.

3. PORTAL ACTIVATION

- 3.1. The Client shall be deemed to have accepted the Portal upon the Acceptance Date.

4. CHARGES AND PAYMENT TERMS

- 4.1. The Client shall pay the Charges in accordance with this Schedule 1 (*Charges and Payment Terms*) and Section 4 of 430-11062 Agreement for Professional Services (*Compensation and Payment*).
- 4.2. Charges shall not be increased during the first 36 (thirty six) months of the Initial Service Term.
- 4.3. Subsequent to the 36-month initial fixed rate term, the Parties shall meet annually to negotiate any adjustments to the Charges (which will be based on prevailing market conditions at that time), provided that should the Parties fail to agree on any adjustment of the Charges by each anniversary this agreement, the Charges shall, nevertheless, not exceed the lesser of i.) 3% or ii.) the percentage increase in the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding 12 month period for which CPI-U data is available. Automation Exchange shall notify the Client in writing at least 30 days prior to any such rate increase going into effect.
- 4.4. Charges shall accrue from the Acceptance Date and shall be invoiced per the terms of Section 4 of 430-11062 Agreement for Professional Services (*Compensation and Payment*).
- 4.5. Charges shall accrue from the relevant Acceptance Date or date Client commences production use whichever comes first and may be invoiced by Automation Exchange as specified in Schedule 1. Service provided for part of a month will be charged on a pro rata basis.
- 4.6. Any invoice for Charges shall be due on issue of the invoice and shall be paid by the Client within 30 days of the Client's receipt and approval of Invoice.



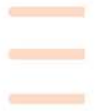
- 4.7. Interest shall accrue on any overdue invoice from the due date until payment (whether before or after judgment) at the annual rate of 12% (1.0% per month).
- 4.8. All Charges or other sums which may from time to time be due, owing or incurred to Automation Exchange are stated exclusive of value added tax and any similar sales tax, levy or duty which shall be payable by the Client and invoiced by Automation Exchange at the then prevailing rate where the Service is provided.

5. SERVICE PERFORMANCE

- 5.1. In performing its obligations under this Agreement, Automation Exchange shall at all times exercise the reasonable skill and care of a competent provider of Services, as the case may be.
- 5.2. Automation Exchange shall use reasonable endeavours to ensure that each Service will conform to the agreed service descriptions.
- 5.3. Except as expressly set out in this Agreement, all warranties, representations or agreements, with respect to the provision of a Service or otherwise, whether oral or in writing and whether express or implied, either by operation of law, statute or otherwise, are excluded to the extent permitted by law.
- 5.4. Automation Exchange shall notify Client, as soon as practical and no more than 72 hours after, when Automation Exchange has reason to believe control of the Portal service may have been compromised or Client's data may have been exposed to unauthorized parties or personal.
- 5.5. Automation Exchange shall provide the Client with a root cause analysis and resolution summary of any identified security breach that compromises the service integrity, capabilities or Client data upon resolution of the breach, and no later than 90 days after discovery.

6. SERVICE SUSPENSION

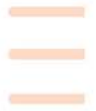
- 6.1. Automation Exchange may, at its sole discretion and without prejudice to any right which it might have to suspend a Service and/or this Agreement, elect to immediately suspend the provision of a Service (or part thereof) if:
 - 6.1.1. Automation Exchange has reasonable grounds to consider it is entitled to terminate the Service and/or this Agreement pursuant to clause 7 (*Term and Termination*);
 - 6.1.2. Automation Exchange is obliged to comply with an order, instruction or request of a court, government agency, emergency service organisation or other administrative or regulatory authority;
 - 6.1.3. Automation Exchange needs to carry out Emergency Works to the Service Equipment;
 - 6.1.4. Automation Exchange has reasonable grounds to consider that the Service is being used fraudulently or illegally, or connected with criminal activity or other activity which may be detrimental to Reflex or in violation of clause 9.5;
 - 6.1.5. Automation Exchange has a reasonable grounds that the Services being provided to the Client may be under a threat or a potential threat of hacking; or



- 6.2. If Automation Exchange exercises its right to suspend the Service (or part thereof) pursuant to clause 6.1 it shall, whenever reasonably practicable, give prior notice of such suspension to the Client, such notice to state the grounds of such suspension and its expected duration. Automation Exchange shall in such circumstances use all reasonable endeavours to resume the Service as soon as is practicable.
- 6.3. Automation Exchange shall not be liable for any loss, damage or inconvenience suffered by the Client as a result of any suspension (as contemplated in clause 6) except to the extent that such suspension is made for reasons which are solely and directly attributable to the negligence of Automation Exchange.

7. TERM AND TERMINATION

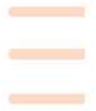
- 7.1. This Agreement shall take effect from the signature date.
- 7.2. The service term for this agreement will be for 5 years from Acceptance Date (“Initial Service Term”).
- 7.3. Upon the expiration of the term of this contract, the applicable Service will be automatically renewed for a period of 2 (two) years unless either Party terminates the Agreement or Service on (180) day’s written notice of termination given to the other Party.
- 7.4. Either Automation Exchange or the Client (provided that, in respect of the Client only, no Fees are owing by the Client to Automation Exchange) may terminate this Agreement immediately upon notice:
 - 7.4.1. subject to the provisions of a Service Order, on 90 (ninety) days’ notice to take effect on or at any time after expiry of the relevant Initial Service Term, and, in the case of termination by the Client, such notice to be copied to the legal@AutomationExchange.co.za;
 - 7.4.2. immediately by notice if, in relation to that Service, the other Party committed a material breach which is incapable of remedy;
 - 7.4.3. immediately by notice if, in relation to that Service, the other Party has committed a material breach capable of remedy, but which it fails to remedy within 10 (ten) Business Days of having been notified of such breach;
 - 7.4.4. immediately by notice if, in relation to that Service, a *Force Majeure* Event subsists for a continuous period exceeding 3 (three) months;
 - 7.4.5. if the other has a receiver or an administrative receiver appointed over it or over any part of its undertaking or assets or passes a resolution for winding-up (other than for the purpose of a *bona fide* scheme of solvent amalgamation or reconstruction) of a court of competent jurisdiction makes an order to that effect or if the other becomes subject to an administration order or enters into any voluntary arrangement with its creditors or ceases or threatens to cease to carry on business, or undergoes or is subject to any analogous acts or proceedings under any foreign law;
 - 7.4.6. if the other is, or takes any steps to be placed under business rescue or judicial management, as the case may be, whether provisionally or finally and whether compulsorily or voluntarily;
 - 7.4.7. in the event of a *Force Majeure* Event, which has application to all Services then provided hereunder, and which subsists for a continuous period exceeding 3 (three) months; or



- 7.4.8. Where, after expiry of any applicable Initial Service Term(s), no Services have been provided under this Agreement for a continuous period exceeding 3 (three) months.
- 7.5. Automation Exchange may terminate this Agreement (or the relevant Service) immediately by notice if a suspension of a Service pursuant to clause 6.1.4 has continued for a period of at least 2 (two) consecutive months.
- 7.6. Notwithstanding the provisions of clause 7.2, but subject to clause 17.2, Automation Exchange may terminate this Agreement (or the relevant Service) on 60 (sixty) Business Days' written notice if the Client fails to make any payment, when due, in accordance with the terms of this Agreement.
- 7.7. Without prejudice to accrued rights or obligations, upon termination of this Agreement:
- 7.7.1. all Service Orders and accompanying Services shall terminate immediately;
- 7.7.2. notwithstanding the provisions of clause 4 (*Charges and Payment Terms*), all accrued Charges not yet invoiced shall become due and shall be paid by the Client immediately on receipt of an invoice; and
- 7.7.3. Each Party shall promptly return to the other Party all copies of the other Party's Confidential Information or certify that such Confidential Information has been irrevocably destroyed and, if requested, verify to the other Party that it has done so.
- 7.8. Notwithstanding the provisions of this Agreement, upon termination of this Agreement other than as a result of a breach of this Agreement, Automation Exchange shall, to the best of its ability, assist the Client in conducting and co-ordinating a hand over of the Services to another party. In such circumstances, Automation Exchange shall be entitled to invoice the Client for Services provided during the hand over.
- 7.9. Termination of this Agreement shall not affect the continuation, to the extent necessary, of clauses 1 (*Definitions and Interpretation*), 2.3, 3.1, 4 (*Charges and Payment Terms*), 5.3, 6.3, 6.4, 7.6, 8.2, 8.5, 9 (*Liability*), 11 (*Intellectual Property*), 13 (*General*), 14 (*Domicilium Citandi et Executandi*), 15 (*Notices*) and 16 (*Entire Agreement*).

8. CLIENT OBLIGATIONS

- 8.1. The Client shall provide Automation Exchange with such information as Automation Exchange may reasonably require, to enable it to perform its obligations or exercise its rights under this Agreement.
- 8.2. The Client shall comply with reasonable instructions given by Automation Exchange, which Automation Exchange believes are necessary for reasons of health, safety or the quality of any Service subject to reasonable notice, to suspend the Service for operational reasons including, without limitation, repair, maintenance, or improvement provided that the Service shall be restored as soon as possible.
- 8.3. The Client warrants and undertakes that it shall:
- 8.3.1. use the Portal only for the purpose of receiving the Service and in accordance with Automation Exchange's reasonable instructions from time to time and/or any software licence that may be provided with the Service Equipment;



8.3.2. All the Client's subscribers will attract the relevant charges. Subscriber's setup for the purpose of testing the network will not be billed for.

The Client shall be liable for any and all damage to Service Equipment which is caused by:

8.3.3. the gross negligence of the Client or the Client's breach of the terms of this Agreement; or

8.3.4. malfunction or failure of any equipment or facility provided by the Client or its agents, employees, or suppliers, including but not limited to the Client Equipment, nor shall Automation Exchange be liable for any costs incurred by Client arising out of any malfunction or failure of any such equipment or facility, including Client Equipment.

8.4. The Client warrants that it holds and shall continue to hold such licences and/or other authorisations as are required under any relevant legislation, regulation or administrative order, to receive the Services and to run and connect the Client Equipment to the Network and Service Equipment. Automation Exchange reserves the right to disconnect any Client Equipment where the Client has failed to comply with the provisions of this clause 8.4 and Automation Exchange shall in no event be liable in respect of the Client's failure to comply with this clause 8.4.

8.5. The Client warrants and undertakes that it shall in its use of:

8.5.1. the Services, comply with any relevant legislative and regulatory provisions and shall not use the Services for any illegal or immoral purpose; and

The Client shall indemnify Automation Exchange in respect of any and all losses, damages, costs or expenses resulting from or arising out of any breach of the warranties set out in this clause 8.5 and/or any third party claim or allegation arising out of or relating to the use of the Service, and which relates to any act or omission of the Client which is, or if substantiated would be, a breach of this clause 8.5.

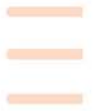
8.6. It is recorded that the discussions and disclosures envisaged in this Agreement will enable the Client to become intimately concerned with the business, affairs, senior management and other employees of Automation Exchange.

8.7. The Client hereby agrees and undertakes in favour of Automation Exchange that it will not for any reason whatsoever, during the currency of the Agreement and for a period of 12 (twelve) months following the expiration, termination or cancellation of this Agreement for whatever reason ("Termination Date"), solicit and/or employ (or attempt to solicit and/or employ) any person who is in the employ of Automation Exchange as at the Termination Date, or was in the employ of Automation Exchange up to 12 (twelve) months prior to the Termination Date.

8.8. The Client acknowledge and agree that the terms of Section 8 are fair and reasonable as to subject matter and duration and are reasonably necessary to protect the proprietary interests of Automation Exchange. The provisions of Section 8 shall be construed as imposing a separate and an independent restraint, severable from the remainder of this Agreement.

9. LIABILITY

9.1. Automation Exchange shall not be liable to Client or any cessionary or third party claiming through or on behalf of Client:-



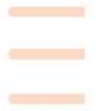
- 9.1.1. for any indirect, special or consequential damages (including loss of profits or revenue) arising out of or related to this Agreement or the Services;
- 9.1.2. for any loss or damage arising directly or indirectly as a result of the abuse, misuse or unauthorised use of the Services and/or any equipment in conjunction with which and/or by means of which the Services are rendered, by Client or any of its Staff;
- 9.1.3. for any loss or damage arising directly or indirectly in connection with any delay, failure, breakdown, damage or injury caused by:
 - 9.1.3.1. equipment, programmes and services supplied by or obtained by Client without the consent or knowledge of Automation Exchange;
 - 9.1.3.2. equipment or programmes modified by Client or any third party not authorised to do so in terms of this Agreement;
 - 9.1.3.3. The acts or omissions or requirements of any telecommunications authority or a supplier of telecommunication services or equipment.
- 9.2. Subject to clause 9.5 but otherwise notwithstanding anything else in this Agreement, neither Party shall in any event be liable to the other for indirect or consequential losses or otherwise for harm to business, loss of revenues, loss of anticipated savings or lost profits, whether or not reasonably foreseeable at the time when the Agreement was entered into.
- 9.3. The Client acknowledges that Automation Exchange is unable to exercise editorial or other control over any content placed on or accessible through the Client's use of the Services and Automation Exchange shall have no liability as to the quality, content or accuracy of information received through or as a result of the use of the Services.
- 9.4. In the event that the Client does not meet any liability to Automation Exchange arising out of or in connection with this Agreement and/or any of the Service Orders (including but not limited to the payment of the Charges), the Client acknowledges and agrees that it is liable to Automation Exchange in respect of any such liability and Automation Exchange may demand that the Client satisfies such liability in whole or in part.
- 9.5. Nothing in this Agreement shall serve to limit either Party's liability in respect of death or personal injury caused by or arising from its negligence.

10. **FORCE MAJEURE**

Notwithstanding anything herein to the contrary, neither Party shall be liable to the other for any delay or failure in performance of any part of this Agreement (other than for payment obligations set out in clause 4 (*Charges and Payment Terms*)) to the extent such delay or failure is attributable to a *Force Majeure* Event. Subject to clause 7.4, any such delay or failure shall suspend this Agreement until the *Force Majeure* Event ceases and the affected Initial Service Term(s) shall be extended by the length of the suspension.

11. **INTELLECTUAL PROPERTY**

- 11.1. The Client acknowledges:



11.1.1. that any and all patents, registered and unregistered designs, copyrights, trademarks and all other intellectual property rights whatsoever and wheresoever enforceable, which are used in connection with the Service and/or Service Equipment, shall remain the sole property of Automation Exchange; and

11.1.2. without limitation to the foregoing, that the Client shall not be entitled to use the name, trademarks, trade names or other proprietary identifying marks or symbols of Automation Exchange without Automation Exchange's prior written consent.

11.2. The Client warrants that any domain name registered or administered on its behalf will not contravene the trademark or the intellectual property rights of any third party and that it shall comply with the rules and procedures of the applicable domain name authorities, registries and registrars. The Client shall indemnify Automation Exchange in respect of any and all losses, damages, costs and expenses arising from or in connection with breach of this clause 11.2. The Client irrevocably waives any claims against Automation Exchange which may arise from the acts or omissions of domain name registries, registrars or other authorities.

11.3. If the Client does not move the domain name(s) registered by Automation Exchange to another Internet provider within 6 (six) months after termination of the Agreement and/or the Internet Service, Automation Exchange reserves the right to terminate the domain name(s) registered by Automation Exchange for the Client with the applicable domain name authorities, registries and registrars.

12. **ASSIGNMENT**

Neither Party may assign, charge, transfer or otherwise dispose of this Agreement, any Service Order, or any rights or obligations therein in whole or in part, without the written consent of the other Party (which consent shall not be unreasonably withheld or unduly delayed), except that Automation Exchange may assign any and all of its rights and obligations hereunder:

12.1. to a third party pursuant to any sale or transfer of substantially all the assets or business of Automation Exchange; or

12.2. To a third party pursuant to any financing, merger, or reorganisation of Automation Exchange.

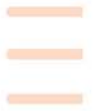
13. **GENERAL**

13.1. **Severability**

If any provision of this Agreement, including any limitation, is held by a court or any governmental agency or authority to be invalid, void or unenforceable, the remainder of this Agreement shall nevertheless remain legal, valid and enforceable.

13.2. **No Waiver**

Failure or delay by either Party to exercise or enforce any right or benefit conferred by this Agreement, including Automation Exchange's right to deliver invoices in accordance with clause 4 (*Charges and Payment Terms*), shall not be deemed to be a waiver of any such right or benefit nor operate so as to bar the exercise or enforcement thereof or of any other right or benefit on any later occasion.



13.3. **Relationship**

Nothing in this Agreement and no action taken by the Parties pursuant to this Agreement shall constitute or be deemed to constitute between the Parties a partnership, agency, association, joint venture or other co-operative entity.

13.4. **Third Party Beneficiaries**

Except as otherwise contemplated by this Agreement, nothing herein will create or confer any rights or other benefits in favour of any person other than the Parties.

13.5. **Variation**

This Agreement (or any part thereof) shall be modified only by the written agreement of the Parties.

14. **DOMICILIUM CITANDI ET EXECUTANDI**

14.1. The Parties choose as their *domicilia citandi et executandi* for all purposes under this agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature (including the exercise of any option), the following addresses :

14.1.1. **Public Utility District No. 2 of Grant County, Washington ("District", "Client"):**

Registered: 30 C Street SW or PO Box 878, Ephrata, WA 98823

Attention: Chief Legal Officer

E-mail: legalNotice@gcpud.org

14.1.2. **Automation Exchange:**

Registered : 220 Jan Smuts Ave, Dunkeld West, 2196

Attention: The Directors

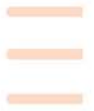
E-mail: legal@automationexchange.co.za

14.2. Any notice or communication required or permitted to be given in terms of this agreement shall be valid and effective only if in writing but it shall be competent to give notice by fax or e-mail.

14.3. Any party may by notice to any other party change the physical address chosen as its *domicilium citandi et executandi vis-à-vis* that party to another physical address where postal delivery occurs in Gauteng or its postal address or its fax number or e-mail address, provided that the change shall become effective *vis-à-vis* that addressee on the 10th Business Day from the receipt of the notice by the addressee.

14.4. Any notice to a Party -

14.4.1. sent by prepaid registered post (by airmail if appropriate) in a correctly addressed envelope to it at an address chosen as its *domicilium citandi et executandi* to which post is delivered shall be deemed to have been received on the 15th business day after posting (unless the contrary is proved);



14.4.2. delivered by hand to a responsible person during ordinary business hours at the physical address chosen as its *domicilium citandi et executandi* shall be deemed to have been received on the day of delivery; or

14.4.3. Sent by e-mail to its chosen e-mail address stipulated in clause 14.1, shall be deemed to have been received on the date of despatch (unless the contrary is proved).

14.5. Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium citandi et executandi*.

15. NOTICES

Except as otherwise expressly provided for herein, any notice required or authorised to be given under this Agreement shall be delivered in accordance with Section 15 of Agreement for Professional Services 430-11062 (*Notices*).

16. ENTIRE AGREEMENT

This Agreement sets out the entire agreement between Automation Exchange and Client, as the case may be, superseding all prior or contemporaneous representations, agreements or understandings concerning the subject matter addressed herein. No oral explanation or oral information provided shall alter the interpretation of this Agreement. The Client confirms that, in agreeing to enter into this Agreement and/or a Service Order, it has not relied on any representation except as set out herein and the Client agrees that it shall have no remedy in respect of any misrepresentation which has not become a term of this Agreement, excluding any fraudulent misrepresentation.

17. DISPUTE RESOLUTION

17.1. In the event of a dispute concerning this Agreement, each Party shall in the first instance promptly bring the dispute to the attention of a Director or similar person in a management position.

17.2. If the Client wishes to dispute any invoice or part of an invoice falling due in accordance with clause 4.6, the Client shall, before the invoice is payable, deliver a notice in writing to Automation Exchange setting out the nature of its dispute, including:

17.2.1. date and number of disputed invoice;

17.2.2. amount in dispute;

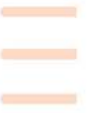
17.2.3. reason for dispute; and

17.2.4. Supporting documentation, insofar as such documentation is available.

Any undisputed part of a disputed invoice shall be paid by the Client in accordance with clause 4.6.

17.3. The Parties shall use all reasonable endeavours to resolve such payment disputes as soon as is reasonably practicable.

18. GOVERNING LAW AND JURISDICTION



This Agreement shall be governed and construed in accordance with Section 13 of Agreement for Professional Services 430-11062.



Schedule 1 - Pricing

1. The Parties acknowledge that the following amount will be charged for project implementation. The amount will be payable upon delivery of each item as agreed in the project plan.

Portal Set Up	\$ 40,000
Integration into Network (Various Vendors)	\$ 100,000
Data Take On (Take On of all current clients)	\$ 15,000
Project Management	\$ 25,000
Infrastructure	\$ 20,000
TOTAL SET UP & INSTALLATION	\$ 200,000
Project Go Live	December 2021

2. The Parties acknowledge that the following amount based on the below sliding scale will be charged for each service monthly.

Connected Houses	Charge Per Service
0 - 10000	\$ 1.60
10001 - 20000	\$ 1.55
20001 - 30000	\$ 1.51
30001 - 40000	\$ 1.46
40001 - 50000	\$ 1.42
50001 - 60000	\$ 1.37
60001 - 70000	\$ 1.33
70001 - 80000	\$ 1.29
80001 - 90000	\$ 1.25
90001 - 100000	\$ 1.22
>= 100001	\$ 1.18

- Invoicing will be on each month, on the last day of the month billed in arrears.
- Services that go live during the month will be billed pro-rata by dividing the number of calendar days the service has been active total calendar days in the month.
- If within a calendar year of signing this agreement there are no active services AEx will charge the FNO a minimum monthly charge of \$ 500.



Schedule 2

1. Service Description

1.1. Automation Exchange will provide the FNO with Service through the following services:

1.1.1. Hosted web interface (“Portal”)

1.1.2. Integrated application programming interface (APIs) providing substantially similar capabilities for integration with third party solutions

1.1.3. A preprod environment, that mirrors the production environment to allow for testing purposes pre-release

1.2. The following services will be provided on the Portal. This is the current feature set, and will change periodically:

1.2.1. Order Management

1.2.2. Workflow Management, including but not limited to:

1.2.2.1. Installation

1.2.2.2. Swap Out ONT

1.2.2.3. Cancellation

1.2.2.4. Log a Fault

1.2.2.5. Log a Repair

1.2.2.6. Provisioning

1.2.2.7. Deprovisioning

1.2.2.8. Device Recovery

1.2.3. Provisioning & Monitoring of network devices

1.2.4. Support Capabilities/Enablement

1.2.5. Field Application (Installation & Maintenance)

1.2.6. Event Management System

1.2.7. Billing

1.3. Automation Exchange will ensure that the Infrastructure components, compute, memory, storage and bandwidth, are maintained and available in accordance with the Service where the Service is supplied through a hosted web interface.

1.4. Automation Exchange does not exclusively use a single technology for the fiber network management system and will thus use a pool of technologies to optimally provide its services, to ensure High Availability and Redundancy.

1.5. Offsite data backups are performed on a daily as well as weekly basis, for commercial data. Daily backups are retained for a period of 7 (seven) days. Weekly backups are retained for a period of 30 (Thirty) days. After which backups are deleted.

1.6. Networking and monitoring data is retained for a minimum of 30 and maximum of 60 days.



2. Service Levels

The committed Service Levels are as outlined below.

2.1. The following monthly service levels and service credits are applicable to an FNO using the Automation Exchange Service:

Monthly Uptime Percentage	SLA
<99.5%	5% Service Credit

- 2.1.1. Service availability is measured by the Automation Exchange Incident and Problem Management System and includes monitoring of the Service.
- 2.1.2. Automation Exchange shall calculate, on a monthly basis, the amount of time the Service was unavailable.
- 2.1.3. Service availability shall be measured as a percentage of the availability of the Service for a given month.
- 2.1.4. Service Credit shall automatically be applied to the next customer invoice without requirement of request or inquiry by Client.
- 2.1.5. In the event Services fail to be available at <80% uptime in a single month, or below 95% uptime during any consecutive 3 month period, Client shall be entitled to terminate this agreement for cause without further obligation or payment to Automation Exchange.

3. Exclusions

- 3.1. Service Downtime shall not include any unavailability resulting from:
 - 3.1.1. scheduled downtime for Planned Maintenance;
 - 3.1.2. interruptions or delays resulting from any third party services;
 - 3.1.3. any incident that affects the availability during any period when the FNO elects not to allow Planned Maintenance on the Service at the request of Automation Exchange, acting reasonably;
 - 3.1.4. the FNO applications, equipment, or facilities;
 - 3.1.5. acts or omissions of the FNO, its agents, contractors or vendors (including the provision of inaccurate information knowingly or unknowingly), or user of the Service or Customer-caused outages or disruptions;
 - 3.1.6. suspensions due to non-payment of any amount payable by the FNO to Automation Exchange under this Schedule and the Portal Services Agreement; or
 - 3.1.7. force majeure.

4. Fault Reporting

- 4.1. The FNO shall raise an outage trouble ticket with Automation Exchange in the event of any service outage detected on the Service.
- 4.2. The logging of calls, queries and/or complaints shall be directed to the Help Desk using any of the following:

TELEPHONE NO.	E-MAIL
0872 450 456	support@aex.co.za

- 4.3. Should a call logged in accordance with clause 4.2 not be handled to the reasonable satisfaction of the FNO, the FNO shall be entitled to direct their concerns to management@aex.co.za, which is managed during Business Hours.

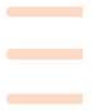


- 4.4. In addition, the Customer shall be entitled to approach an assigned Automation Exchange account manager if the feedback or progress on the outage resolution is not satisfactory.
- 4.5. Automation Exchange shall use reasonable endeavours to provide a root cause analysis report regarding the cause of the Service Downtime and the preventive measures put in place in an effort to mitigate a reoccurrence thereof. Automation Exchange shall use reasonable endeavours to perform the following actions and shall provide the reports (as applicable) detailed in the following table:

FAULT MANAGEMENT AND REPORTING	TIME TARGETS
Assignment of Customer Fault Reporting Trouble Ticket	Within 30 minutes of the notification of fault, within business hours
Root Cause Analysis Report	On Request < Five (5) business days
Regular problem status update	Dependant on Severity

5. Service Upgrades and Feature Requests

- 5.1. The Parties shall meet at minimum quarterly to document and sign off on agreed upon Service features and upgrades.
- 5.2. Automation Exchange is entitled to charge the FNO for any Service features requested solely for the use of the FNO.
- 5.3. Automation Exchange agrees to maintain an acceptable industry standard and use its best endeavours to continuously develop its systems in order to remain in line with such standards.



Schedule 3

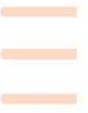
The FNO hereby appoints AEX to provide event correlation services on to the FNO and to the ISP, from the Acceptance Date, which appointment AEX accepts, subject to the terms and conditions under this Agreement.

1. AEx OBLIGATIONS

- 1.1. AEx shall not allow or cause damage to or materially interfere with the normal operation of the FNO's network;
- 1.2. AEx shall use reasonable efforts to consistently monitor data being transferred through the POIs including but not limited to the Up/Down Status, Errors In and Out, Discards In and Out and Broadcast Packets In and Out (64-bit only).
 - 1.2.1. Should data monitored in terms of clause 1.2 above appear irregular, AEx shall inform the FNO as soon as reasonably possible and advise further in respect of measures required to be taken by the Parties in order to rectify such irregularities.
 - 1.2.2. Should the data transfer capacity of the POILs reach 70% or above, AEx shall advise the FNO as soon as reasonably possible in order for the FNO to take reasonable measures to submit an application in terms of Annexure A for the modification or procurement of an additional POIL, which ever applicable in order to alleviate the potential capacity breach of the POIL.
- 1.3. AEx will to the best of their ability ensure services are uninterrupted.
- 1.4. AEx shall comply with all Applicable Laws in the execution of its duties and obligations under this Agreement.

2. FNO OBLIGATIONS

- 2.1. The FNO shall obtain, and disclose on request, all the approvals or exemptions needed to receive the Service, including any service falling within the ambit of the Act;
- 2.2. The FNO shall exercise reasonable efforts to ensure that its employees, Subscribers and/or any other persons permitted by the FNO to make use of the Service, do not by any act, or omission, damage, interfere with or impede the operation of the Service or Network;
- 2.3. The FNO shall co-operate fully with AEx and disclose the information needed to assist in identifying, preventing, remedying, or rectifying any violation or contravention of the integrity of the Network or Service.
- 2.4. The Client hereby agrees and undertakes in favour of Automation Exchange that it will not for any reason whatsoever, during the currency of the Agreement and for a period of 12 (twelve) months following the expiration, termination or cancellation of this Agreement for whatever reason ("Termination Date"), solicit and/or employ (or attempt to solicit and/or employ) any person who is in the employ of Automation Exchange as at the Termination Date, or was in the employ of Automation Exchange up to 12 (twelve) months prior to the Termination Date.



Service Level Agreement Overview

There are several ways you can contact us:

- Call our Service Desk
- Send an email to our Service Desk

You can log a call to the Service Desk via the call centre or via email. If a critical problem needs to be reported, please phone the call centre.

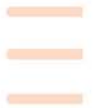
Service desk call logging procedure

Service Desk	Contact Number	Operating Hours
Normal Hours	0872 450 456	07:00 – 18:00 (Monday – Friday)
Emergency Afterhours*	0872 450 654	08:00 – 17:00 (Saturday, Sunday & Public Holidays)

*Priority 1 support calls only

Service desk Email logging procedure

Send an email to the Automation Exchange Service Desk - support@automationexchange.co.za



Problem response time

All problems reported to Technical Support are initially handled by a consultant who works with you to identify and (in many cases) solve your reported problem. If the problem is not resolved during the primary contact, the consultant assigns a tracking number to the problem and does additional research or might request a specialist engineer to assist.

The following table displays the targets for initial follow-up and frequency of updates for problems with different severities and conditions. The goals for initial follow-up after a problem is first reported are based on the nature and severity of the problem. The Technical Support consultant will attempt to contact the customer who reported the problem within the response time goals described below.

Severity Level	Condition	Initial Follow-up *	Frequency of updates
1	A critical production system or service is down or does not function at all, and there is no circumvention for the problem. A significant number of users or key users are affected.	30 min	Every 2 Hours
2	A non-critical system or service is severely degraded or completely down; creating a moderate operational impact, but only affecting a few users.	4 Business Hours	Every Business Day**
3	A non-critical system or service is not performing as documented; is a circumventable problem; moderate or minor operational impact. Standard maintenance related call.	24 Hours***	Every 2 Business Days**
4	Project call; suggestions, enhancements and new service requests	-	Once a Week

*For problems that are assigned to a specialist, "initial follow-up" is defined as the time between the problem being initially reported and the specialist contacting the customer. For problems that require further research by the consultant who initially received the problem, "initial follow-up" is defined as the time between the initial contact with the consultant and a follow-up call.

**Follow-up as agreed upon by Customer Management, Technical Support Management and in accordance with SLA.

***Excluding weekends and public holidays.

Problems Reported Electronically

Priorities are assigned to problems reported via e-mail, based on the guidelines above. All problems reported electronically receive an immediate automated e-mail confirmation and a problem tracking number. A Technical Support engineer will respond to the customer who reported the problem by phone or e-mail in accordance with the follow-up timeframe, with the exception of problems that are reported on weekends and holidays. There is no guarantee that problems tracked electronically will be responded to within the high severity timeframes and therefore you should report severity 1 or 2 problems by phone.



Problems Logged by Monitoring Systems

The monitoring systems automatically log severity 1 or 2 problems to Technical Support and allocate a tracking number. A Technical Support engineer will inform the customer of the problem by phone or e-mail accordance with the follow-up timeframe.

Escalation Process

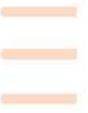
The monitoring systems automatically log severity 1 or 2 problems to Technical Support and allocate a tracking number. A Technical Support engineer will inform the customer of the problem by phone or e-mail accordance with the follow-up timeframe.

If the normal support process does not produce the desired results, or if the problem has changed in priority, the problem can be escalated as follows:

1. First, contact the consultant who is working on your problem and request that the priority of the problem is escalated. *
2. You may request to speak with a Service Escalation contact if additional escalation is required.
3. You may request to speak with Senior Management (CTO, MD, CEO), if all other avenues fail to resolve the problem.

*Technical Support management is immediately notified of all Severity 1 problems.

ESCALATION MATRIX				
Elapsed Time	Severity 1	Severity 2	Severity 3	Severity 4
1 Hour	Service Desk			-
2 Hours	Service Delivery	Service Desk	-	-
4 Hours	Service Escalation	Service Delivery	-	-
8 Hours	Senior Management	Service Escalation	Service Desk	-
1 Day	-	Senior Management	Service Delivery	-
2 Days	-	-	Service Escalation	Service Delivery
1 Week	-	-	Senior Management	Senior Management



Escalation contacts

CONTACT INFORMATION			
Contact	Name	Contact Number	Email
Service Desk	Service Desk	0872 450 456	support@aex.co.za
Service Delivery	Sameshni Vallen	084 915 0269	sameshniv@aex.co.za
Service Escalation: ISP Interconnects	Michael Mastnak	083 444 0061	michael@aex.co.za
Service Escalation: Portal	Jurgens du Toit	083 511 7932	jurgensd@aex.co.za
Senior Management	Hanel Kumm	083 242 4577	hanelk@aex.co.za

July 2021

July 2021							August 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30	31				

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 27	28	29	30	Jul 1	2	3
4	5 8:00am HOLIDAY - Commission Meetings	6 1:00pm Randalynn Hovland Special Meeting - Executive Session (Microsoft Teams Meeting) - Randalynn Hovland	7 8:00am Grant County Site visits with Clay Sell (Nelson) - Commission Meetings 8:00am Mediation Prep (Larry)	8 9:00am Mediation (Larry) 12:00pm Quincy Rotary (Nelson) (La Hacienda Restaurant & Bar, 201 E St. SE, Quincy, WA 98848) -	9	10
11	12	13 9:30am Commission Meeting (Larry only in person) (Microsoft Teams) - Melissa Leonard	14	15 8:30am Commission Strategic Planning Workshop (HOB-117 Large Mtg_Commission Rm) - Randalynn Hovland	16	17
18	19	20	21	22	23	24
25	26	27 9:30am Commission Meeting (Microsoft 12:00pm Grant PUD / Grant County 12:00pm Lunch with County	28	29	30	31

August 2021

August 2021							September 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7	5	6	7	1	2	3	4
8	9	10	11	12	13	14	12	13	14	15	16	17	18
15	16	17	18	19	20	21	19	20	21	22	23	24	25
22	23	24	25	26	27	28	26	27	28	29	30		
29	30	31											

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 1	2	3	4	5	6	7
8	9	10 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	11	12	13	14
15	16	17	18	19 1:00pm Financial Advisory Committee (FAC) (Judy and Dale) (Microsoft Teams Meeting/HQ-Conf E ; HQ-Conf E) - Melissa	20	21
22	23	24 9:30am Commission Meeting (Microsoft Teams) - Melissa 12:00pm Lunch with County Commissioners (tbd)	25	26	27	28
29	30	31	Sep 1	2	3	4

September 2021

September 2021							October 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4						1	2
5	6	7	8	9	10	11	3	4	5	6	7	8	9
12	13	14	15	16	17	18	10	11	12	13	14	15	16
19	20	21	22	23	24	25	17	18	19	20	21	22	23
26	27	28	29	30			24	25	26	27	28	29	30
							31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 29	30	31	Sep 1	2	3	4
5	6 8:00am HOLIDAY - Commission Meetings	7 9:30am 1:1 GM/Commissioners - Kevin/Tom (Microsoft) 2:00pm 1:1 GM/Commissioner Meeting with	8	9	10	11 1:00pm Desert Aire Annual Summit (Senior Center / Club House) - Commission Meetings
12	13 11:00am Beverly Bridge Opening Ceremony (West side of Beverly Bridge) - Commission Meetings	14 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	15 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Judy	16	17	18
19	20	21	22 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Nelson	23	24	25
26	27	28 9:30am Commission Meeting (Microsoft) 12:00pm Grant PUD / Grant County 12:00pm Lunch with County	29 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Dale	30	Oct 1	2