

A G E N D A
GRANT COUNTY PUBLIC UTILITY DISTRICT
30 C St SW
Ephrata, WA 98823
COMMISSION MEETING
Tuesday, March 22, 2022

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

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

1. Consent Agenda

Approval of Vouchers

Meeting minutes of March 8, 2022

2. Regular Agenda

8990 – Resolution Supporting the Carbon-Free and Environmental Stewardship Benefits of Northwest Hydropower, Including the Lower Snake River Dams.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 130-09724 with Quanta Infrastructure Solutions Group, LLC increasing the not-to-exceed contract amount by \$13,350,943.00 for a new contract total of \$71,513,194.26 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 5. (3399)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 7 to Contract 430-3217 with MacKay and Sposito, Inc., increasing the not-to-exceed contract amount by \$3,945,634.13 for a new contract total of \$12,203,271.13 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 7. (3400)

3. Review Items For Next Business Meeting

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-10739 with Open Systems International, Inc (OSI) for delivery of an Energy Management System, in an amount not-to-exceed \$3,013,231.00. (xxxx)

Calendar

4. Reports from Staff (if applicable)

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

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

March 8, 2022

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: 627 899 217# with the following Commissioners present: Judy Wilson, President; Nelson Cox, Vice-President; Tom Flint, Secretary; Terry Pyle, Commissioner and Larry Schaapman, Commissioner.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:05 a.m.

The Commission resumed at 9:30 a.m.

A round table discussion was held regarding the following topics: recent Jericho outage due to vehicle hitting a power pole; COVID count update; plans to memorialize existing procurement procedures when paid costs exceed purchasing authority; call from customer regarding engineering designs for fiber install; appreciation expressed from a customer to Terry McKenzie regarding development of fiber buildout solution; clarification and apology from Commissioner Schaapman regarding misspoken statement in regard to review cycle of the purchasing authority and change order requirement; and acknowledgement of 2020 Outstanding Performance Award from the Washington State Department of Ecology recognizing Grant PUD for exemplary effort and work accomplished at the Crescent Bar Wastewater Treatment Facility.

John Mertlich, Senior Manager of FP&A; Angelina Johnson, Treasury Supervisor; Mark Buchta, Senior Financial Analyst; and Jennifer Sager, Senior Manager of Accounting, provided the Financial Statement Suite.

John Mertlich, Senior Manager of FP&A, presented the Strategic Plan Dashboard Review.

The Commission recessed at 11:20 a.m.

The Commission resumed at 11:30 a.m.

Brett Lenz, Cultural Resources Manager, presented the Cultural Resources Program Report.

Trade association and committee reports were reviewed.

Commissioners Flint and Cox provided a recap of a recent Facilities Master Plan (FMP) Steerco meeting.

A followup discussion was held regarding recent Quincy Transmission Extension Program (QTEP) and Mountain View 230-kV Transmission Line (W-MT) Project Public Outreach Meetings.

The Commission recessed at 12:00 p.m.

The Commission resumed at 1:00 p.m.

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

| | | | | |
|------------------------------|-----------|---------|-----------|-----------------|
| Payment Number | 118992 | through | 119349 | \$18,209,673.41 |
| Payroll Direct Deposit | 192651 | through | 193371 | \$2,048,734.49 |
| Payroll Tax and Garnishments | 20220223A | through | 20220223B | \$899,454.58 |

Meeting minutes of February 22, 2022.

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

Resolution No. 8988 relative to pre-qualifying contractors was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Schaapman to approve Resolution No. 8988. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8988

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

Recitals

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

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

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

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

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 8th day of March, 2022.

Motion was made by Mr. Cox and seconded by Mr. Schaapman authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 6 to Contract 430-07424A with Gannett Fleming, Inc., increasing the not-to-exceed contract amount by \$225,000.00 for a new contract total of \$3,700,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 6. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Flint authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 6 to Contract 430-07424C with Cornforth Consultants, Inc., increasing the not-to-exceed contract amount by \$1,200,000.00 for a new contract total of \$5,300,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 6. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

Resolution No. 8989 relative to adopting regulatory accounting for actuarial changes to pension expense was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Cox to approve Resolution No. 8989. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8989

A RESOLUTION ADOPTING REGULATORY ACCOUNTING FOR ACTUARIAL
CHANGES TO PENSION EXPENSE

Recitals

1. Grant PUD prepares financial statements in accordance to accounting principles generally accepted in the United States of America;
2. Generally accepted accounting principles are determined by the Governmental Accounting Standards Board (GASB);
3. Grant PUD's Board of Commissioners have the sole authority and responsibility to set electric rates;

4. Grant PUD's proportionate share of the pension liability/asset related to the Washington State Department of Retirement System's Public Employee's Retirement System pension plan varies widely from year to year and this impacts the recognition of the pension expense on the District's Statement of Revenues and Expenses and Changes in Net Position; and
5. GASB Statement No. 62 allows regulated entities, such as Grant PUD, that sets rates based on revenue requirements to defer the effects of revenues or expenses that are not expected to be recovered in current rates until such time as those revenues and expense are recovered in rates.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of Public Utility District No. 2 of Grant County, Washington: Grant PUD invoke regulatory accounting, in accordance with GASB No. 62 *Codification of Accounting and Financial Reporting Guidance: Regulated Operations*, for the District's proportionate share of pension related accounts in connection with the Washington State Department of Retirement System's Public Employee's Retirement System pension plan.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 8th day of March, 2022.

The Commission calendar was reviewed.

Tom Dresser, Fish & Wildlife Manager, presented the Fish & Wildlife Report.

Brandon Little, Chief Dam Safety Engineer, provided the Priest Rapids Right Embankment Project Contract Update.

An executive session was announced at 3:15 p.m. to last until 4:00 p.m. to discuss legal risks of current practice or proposed action with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 4:00 p.m. and the regular session resumed.

An additional executive session was announced at 4:00 p.m. to last until 5:00 p.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 5:00 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 5:00 on March 8 and reconvened on Wednesday, March 9 at 1:00 p.m. at the Ephrata Headquarters Building, 30 C Street SW, Ephrata, Washington for the purpose of attending training and any other business that may come before the Commission with the following Commissioners present: Judy Wilson, Nelson Cox, Tom Flint, Terry Pyle and Larry Schaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the Commission adjourned at 3:00 p.m. on March 9 and reconvened on Tuesday, March 15 at 8:30 a.m. via conference call for the purpose of holding workshop and any other business that may come before the Commission with the following Commissioners present: Judy Wilson, Nelson Cox, Tom Flint, Terry Pyle and Larry Schaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the March 8, 2022 meeting officially adjourned at 2:00 p.m. on March 15, 2022.

Judy Wilson, President

ATTEST:

Tom Flint, Secretary

Nelson Cox, Vice President

Terry Pyle, Commissioner

Larry Schaapman, Commissioner

REGULAR AGENDA

RESOLUTION NO. 8990

A RESOLUTION SUPPORTING THE CARBON-FREE AND ENVIRONMENTAL STEWARDSHIP
BENEFITS OF NORTHWEST HYDROPOWER, INCLUDING THE LOWER SNAKE RIVER DAMS

Recitals

WHEREAS, hydroelectric dams represent close to 90 percent of the Northwest's renewable, carbon-free annual electricity production, which has made the Pacific Northwest a national leader in clean, renewable energy production;

WHEREAS, thanks to hydropower, the Northwest boasts the nation's least carbon-intensive electric grid and the lowest cost for clean energy, which powers our region's economy and helps to keep the air we breathe clean with emissions-free electricity;

WHEREAS, hydropower acts as a renewable energy multiplier because dams can store water and release it to generate electricity when needed and, therefore, when hydroelectric resources are present, more solar and wind can be added to the grid.

WHEREAS, federal and locally-owned hydropower dams on the Columbia River system have invested billions of dollars in fish-passage technology to provide for successful passage at hydropower facilities;

WHEREAS, a study by the National Oceanic and Atmospheric Administration (NOAA) Fisheries found ocean warming caused by climate change to represent an extinction-level threat to Chinook salmon populations within the next forty years;

WHEREAS, a peer-reviewed study demonstrated nearly-uniform salmon survival declines over the past 50 years along the West Coast of North America, whether salmon originated in rivers with dams or from free-flowing rivers;

WHEREAS, NOAA Fisheries analysis showed that Chinook from the rivers that flow into the Salish Sea (including Puget Sound) – not the Columbia and Snake Rivers, which drain directly into the Pacific Ocean – are the top priority salmon stocks for Southern Resident Orcas; and biologists have indicated that due to geography and timing, Snake River salmon are not the “key limiting resource or prey” for Southern Resident Orcas;

WHEREAS, many residents in the Pacific Northwest are served by not-for-profit electric utilities, such as co-ops, municipalities, rural electric utilities, and public utility districts (PUDs), and some of these utilities operate locally-owned hydropower facilities and many others purchase hydropower generated by federal dams from the Bonneville Power Administration (BPA);

WHEREAS, BPA has identified the federally-owned Lower Snake River Dams as important renewable energy resources that annually produce 1,000 average megawatts of carbon-free power generation for the region and can produce over 2,000 megawatts of capacity during peak winter demand;

WHEREAS, major upgrades to the lower Columbia and Snake river dams have led to a survival rate past each dam of 93 to 99%, depending on the fish species. About 50% of the juvenile salmon that enter the uppermost reservoir in the lower Snake River make the journey past Bonneville Dam, which is a comparable survival rate to that of a free flowing river;

WHEREAS, the state of Washington enacted the Clean Energy Transformation Act (CETA) in 2019, which established a goal for 100 percent of all retail energy sales to come from carbon free resources by 2045, and includes hydropower in meeting that goal;

WHEREAS, Public Utility District No. 2 of Grant County (Grant PUD) is a member of Northwest River Partners (NWRP), an alliance of farmers, consumer-owned electric utilities and businesses that advocates for the bettering of our communities, our region, and the world through our low-cost, carbon-free hydropower system; and

WHEREAS, Grant PUD encourages the balanced use of Columbia Basin rivers, while working towards solutions that help hydropower and salmon coexist and thrive.

NOW, THEREFORE BE IT RESOLVED that Public Utility District No. 2 of Grant County (Grant PUD), Washington supports the carbon-free and environmental stewardship benefits of Northwest hydropower and opposes the removal of the four Lower Snake River Dams, which is counter to regional, state and local efforts underway to support carbon-free energy production.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 22nd day of March, 2022.

Judy Wilson, President

ATTEST:

Tom Flint, Secretary

Nelson Cox, Vice President

Terry Pyle, Commissioner

Larry Schaapman, Commissioner

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 130-09724 with Quanta Infrastructure Solutions Group, LLC increasing the not-to-exceed contract amount by \$13,350,943.00 for a new contract total of \$71,513,194.26 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 5.

MEMORANDUM

12/22/21

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Managing Director of Power Delivery/Interim Chief Operating Officer
Julie Pyper, Senior Manager of EPMO & OCM
Allen Chatriand, Manager of Power Delivery Projects

FROM: David Klinkenberg, Project Manager

SUBJECT: Change Order No. 5 to Contract 130-09724, Grant County Load Growth Project(DB2)

Purpose:

To request Commission approval of Change Order No. 5 to Contract 130-09724 with Quanta Infrastructure Solutions Group, LLC. in the amount of \$13,350,943.00. This will increase the contract price from \$58,162,251.26 to \$71,513,194.26.

Discussion:

DB2 is using the Progressive Design Build project delivery method to design and construct 11 projects in an expedited time frame. When completed, these projects will help improve the District's system reliability and provide additional load service capacity for District customers. DB2 includes a combination of building new substations, expanding existing substations and constructing a new transmission line. The 11 project sites are Quincy Plains Substation Transformer Addition, Mountain View Mobile Tap, Mountain View Capacitor Banks, Royal Substation Rebuild, Burke Substation Rebuild, Baird Springs Substation, Frenchman Hills Breaker Addition, South Ephrata Substation, South Ephrata Ring Bus, Red Rock Transmission Line, and Red Rock Substation.

This change order, the Guaranteed Maximum Price (GMP2) Amendment, locks in funding for Red Rock Substation procurement & construction, Red Rock Transmission Line 100% design package (Initiate For Construction), final Mountain View Capacitor Bank Scope, and funds the design changes and scope modifications to in-flight projects previously funded via GMP 1.

Material procurement and construction funding for Red Rock transmission line will be authorized in a future planned change order, GMP 3. The Red Rock Transmission Line 100% design package, that is being funded in this change order, is required to negotiate the Red Rock Transmission Line procurement and construction costs.

Justification:

It is important to execute this change order now to allow the Design-Builder to fund design and material procurement to sequence their design and construction to maximize efficiency in their schedule and to help mitigate cost and schedule impacts from covid related impacts to vendors and supply chains.

Financial Considerations:

The budgeted cost for this project is based on a negotiation between the Design-Builder and the District. Per the Progressive Design-Build process, the Design-Build team was selected based on their qualifications. During the planning phase, the Design-Build team developed and submitted their price proposal for GMP 2. Over the course of several months the District team and Design-Builder negotiated the GMP 2 price. The District’s review included input from District Staff, the project’s Owner’s Engineer – Stanley Consultants, and a third-party construction estimator with Aubrey Silvey Enterprises.

The hourly labor rates, equipment rates, overhead costs, and profit margins in this contract have been determined to be fair and reasonable for both the Design-Builder and the District. Any cost savings associated with the not to exceed work will revert back to the District at the end of the project.

This project is included in the District’s capital budget.

Change Order History: See attached change order table.

Change orders 1, 2, 3 and 4 funded planned design work and long lead material purchases required to maintain the overall project schedule during the remaining cost negotiation process. This Change Order No. 5 marks the continuation of Phase 2 and funds Red Rock Substation material procurement, construction & construction support, engineering for the Red Rock Transmission Line, final Mountain View Capacitor Bank design and scope alterations to in-flight projects. A subsequent change order will provide the construction and material funds for the Red Rock Transmission Line.

Legal Review: See attached email.

Recommendation: Commission approval of Change Order No. 5 to Contract 130-09724 with Quanta Infrastructure Solutions Group in the amount of \$13,350,943 to continue Phase 2 of the Load Growth Project.

Below is a breakdown of each project site’s cost and summary of scope modifications included in this change order.

| | Current Budget | Change Order No.5 | Revised Total Cost |
|--|---------------------|---------------------|----------------------|
| QISG - TOTAL COST | \$58,162,251 | \$13,350,943 | \$ 71,513,194 |
| 0.0 - General Program Management - Not to Exceed | \$12,476,790 | \$1,690,059 | \$ 14,166,850 |
| 1.0 - Quincy Plains Substation | \$1,623,725 | \$11,962 | \$ 1,635,687 |
| 2.0 - Burke Substation Rebuild | \$5,511,169 | \$703,823 | \$ 6,214,992 |
| 3.0 Mountain View Cap Bank | \$12,305,515 | \$3,386,535 | \$ 15,692,050 |
| 3.0A Mountain View Mobile Tap | \$2,496,079 | \$186,145 | \$ 2,682,224 |
| 4.0 - Baird Springs Substation | \$7,865,195 | \$932,704 | \$ 8,797,899 |
| 5.0 - Red Rock Substation | \$327,448 | \$5,713,264 | \$ 6,040,712 |
| 6.0 - Frenchman Hill Substation | \$2,321,439 | \$(577,390) | \$ 1,744,049 |
| 7.0 -Red Rock Line | \$94,830 | \$449,399 | \$ 544,229 |
| 8.0 - South Ephrata Substation | \$7,632,154 | \$484,476 | \$ 8,116,630 |

| | | | |
|------------------------------|-------------|-----------|--------------|
| 9.0 - South Ephrata Ring Bus | \$62,478 | \$- | \$ 62,478 |
| 10.0 - Royal City Substation | \$5,445,428 | \$369,966 | \$ 5,815,394 |

Revised Mechanical Completion Dates

| | Old Mechanical Completion Dates | Change Order No.5 Mechanical Completion Dates |
|---|---------------------------------|---|
| 1.0 - Quincy Plains Substation | Feb 12, 2021 | Feb 12, 2021 |
| 2.0 - Burke Substation Rebuild | May 7, 2021 | June 25,2021 |
| 3.0 Mountain View Cap Bank | Jun 1, 2022 | June 6, 2023 |
| 3.0A Mountain View Mobile Tap | Mar 16, 2021 | Apr 9, 2021 |
| 4.0 - Baird Springs Substation | Feb 8, 2022 | Jun 17, 2022 |
| 4.0A – Baird Springs Second Line Up | N/A | April 11, 2023 |
| 5.0 - Red Rock Substation | TBD | March 31, 2023 |
| 6.0 - Frenchman Hill Substation | Apr 27, 2022 | Dec 29, 2022 |
| 7.0 -Red Rock Line | TBD | TBD |
| 8.0 - South Ephrata Substation & Ring Bus | Jan 4, 2023 | March 31, 2023 |
| 10.0 - Royal City Substation | Jan 7, 2022 | May 6, 2022 |

1.0 Quincy Plains Substation: \$11,962

- Added low side transformer bus reconfiguration (Engineering & Procurement)
- Adjustment for prevailing wages

2.0 Burke Substation: \$703,823

- Additional site fill and retaining wall to accommodate the unforeseen ground water conditions that were not represented in the Geotech report.
- Repurposing of the existing control house as a communications hut and adding a new fiber patch panel as an interconnection node between the substation and the District wide area network.
- Transformer Oil Fill scope
- Changes to the CT Metering locations,
- Physical breaker renumbering
- Addition of 4” pad fittings on all 15kV breaker racks
- Connection of 27DC alarms from yard equipment
- Auto-sectionalizing cabinet
- Modifying the SCADA points list and terminations
- Adjustment for prevailing wages

3.0 Mountain View Cap Bank: \$3,386,535

- Added restroom facility
- Added 2 termination frames with approximately 40 total rails of terminal blocks
- Bus Rung shift
- AC/DC redundancy
- Added fencing around each capacitor bank including 1 drive gate and 1 walking gate
- Change from precast cable trench to duct bank

- Added 7 duct term custom vaults and 5 cable vaults
- Added 5 station service transformers
- Added 230kV Bus Support steel and foundations
- Added Drive rated junction boxes
- Adjustment for prevailing wages

3.0A Mountain View Mobile Tap: \$186,145

- Modified JAZ drawings for drainage
- Added 230kV Bus Support steel and foundations
- Added Drive rated junction boxes
- Added offsets and corona rings
- Added fiber from control house to mobile sub
- Deduct for 1 set of 230kV interrupters

4.0 Baird Springs Substation: \$932,704

- Added fiber addition that will consist of redundant pathways
 - 48 CT fiber connections from Baird Springs control house to Quincy tap
 - 48 CT fiber from Baird Springs control house to the orchard splice box
- Additional Lineup, 30RT 41.7MVA Distribution lineup,
- Added procurement, structural steel and foundations for the following
 - Circuit Switcher
 - Transformer
 - Station Service Pedestal with mounted equipment
 - 13.8KV Distribution Rack
 - 13.8kV CT Feeder Pedestals
 - Yard Lighting
 - Grounding System Improvements
 - Control House Components
 - Conduit between distribution bay and substation vaults
 - Control cable, power cable, and fiber between yard equipment and control enclosure
 - Signage – varies
 - 20RT 13.8KV Distribution Rack
 - 20RT 13.8kV CT Feeder Pedestals
 - Added Relay Rack - customer metering
- Adjustment for prevailing wages

5.0 Red Rock Substation: \$5,713,264

- Modifications to engineering scope
 - Added perimeter berm for oil containment
 - Changes to CT metering locations
 - Physical breaker re-numbering
- Added scope for all substation procurements
- Added scope for all construction costs

6.0 Frenchman Hills Substation – Reduction: (\$577,390)

- Removed scope
 - Procurement & installation of relay racks

- Added scope
 - Two termination frames with approximately 10 rails of terminal blocks

7.0 Red Rock Transmission Line: \$449,399

- Engineering Design scope to complete engineering design to support the procurement and construction cost estimates that will be reviewed and approved under future planned change order.

8.0 South Ephrata Substation & Ring Bus: \$484,476

- Added one termination frame with approximately 4 total rails of terminal blocks
- Changes to CT metering locations
- Added physical breaker renumbering
- Added drive rated junction boxes
- Adjustment for prevailing wages

10.0 Royal City Substation: \$369,966

- Added auto-sectionalizing cabinet
- Changes to CT metering locations
- Added physical breaker renumbering
- Added Relay rack customer metering
- Added drive rated junction boxes
- Added rock around perimeter for dust control
- Added structure, primary dip, and transformer for alternate station service
- Adjustment for prevailing wages

**CHANGE ORDER NO. 5 - GMP No. 2 AMENDMENT
GRANT COUNTY PUBLIC UTILITY DISTRICT
LOAD GROWTH PROJECT**

1. The parties entered into a previous GMP Amendment on September 23, 2020 (“GMP No. 1 Amendment”) Pursuant to Section 6.6.1 of the Agreement, this GMP No. 2 Amendment incorporates the following terms into the Agreement. To the extent any terms set forth in this GMP 2 Amendment conflict with the Agreement, the Phase 1 Amendment, or GMP No. 1 Amendment, the terms in this GMP No. 2 Amendment shall govern.

2. The Design-Builder has submitted to Owner the GMP No. 2 Proposal pursuant to Section 6.6.1.5 of the Agreement.

3. The Owner has reviewed the GMP No. 2 Proposal, the parties have reconciled the Owner’s Comments pursuant to Section 6.6.1.6 of the Agreement, and the Owner has accepted the GMP No. 2 Proposal as reconciled. The conformed, reconciled GMP No. 2 Proposal contains the following documents and is attached to this GMP No. 2 Amendment as Attachments and are incorporated as if fully set forth herein.

- a. Proposed GMP No. 2 pursuant to Section 2.04C of Exhibit C to the Agreement including the following itemized amounts as set forth in the Schedule of Values, Attachment 1 to the GMP No. 2 Amendment.
 - i. The Design-Builder’s Lump Sum Fee pursuant to Section 6.2.3 of the Agreement.
 - ii. If applicable, a list of Allowance Items, Allowance Values, and a statement of their basis pursuant to Section 6.4.1 of the Agreement.
 - iii. If applicable, a list of all Not to Exceed Amounts and the information required pursuant to Section 6.4.2 of the Agreement.
 - iv. If applicable, a list of Lump Sums and the information required pursuant to 6.4.3 of the Agreement.
 - v. The Cost of the Work Contingency pursuant to Section 6.4.4.1.a of the Agreement.
 - vi. The Design-Builder’s Contingency pursuant to Section 6.4.4.1.b of the Agreement.
 - vii. The Design-Builder’s Lump Sum General Conditions Amount pursuant to Section 6.4.5 of the Agreement.
 - viii. If applicable, a schedule of unit prices.
 - ix. A list of the assumptions and clarifications made by the Design-Builder in preparation of the GMP No. 2 Proposal, as set forth in the Basis of Design Documents.
- b. The GMP No. 2 Basis of Design Documents pursuant to Section 2.03 of Exhibit C to the Agreement. A list of documents that comprise the GMP No. 2 Basis of Design Documents is set forth in Attachment 2 to this GMP No. 2 Amendment.
- c. A current Project Schedule pursuant to Section 2.02.D of Exhibit C to the Agreement is set forth in Attachment 3 to this GMP No. 2 Amendment.
- d. The Contract Close-Out Plan pursuant to Section 2.10 of Exhibit C to the Agreement is incorporated into the GMP No. 2 Basis of Design Documents.

- e. Differing Site Conditions Report pursuant to Section 2.11 of Exhibit C to the Agreement. The Differing Site Conditions Report is set forth as Attachment 4 to the GMP No, 2 Amendment.
4. The Owner has decided to exercise its option to enter into Phase 2 of the Agreement for the Work set forth in this GMP No. 2 Amendment pursuant to Section 6.6.1.6.b of the Agreement.
5. Consistent with the GMP No. 2 Proposal, the parties hereby establish the following Commercial Terms:

| | |
|---|------------------------|
| Cost of the Work | \$12,167,803.00 |
| <i>Lump Sum General Conditions Costs</i> | <i>\$ 1,557,534.00</i> |
| <i>Cost of Work</i> | <i>\$10,610,269.00</i> |
| Design-Builder's Lump Sum Fee | \$724,581.00 |
| Design Builder's Contingency | \$458,559.00 |
| Quarterly Incentive Total Amount | \$0 |
| Guaranteed Maximum Price Amendment | \$13,350,943.00 |
| | |
| Phase 1 Not To Exceed Amount | \$6,231,295.26 |
| GMP No. 1 Amendment GMP | \$51,930,956.00 |
| GMP No. 2 Amendment GMP | \$13,350,943.00 |
| Guaranteed Maximum Price (<i>including costs in the Phase 1 NTE, GMP1 and GMP2</i>) | \$71,513,194.26 |
| | |
| Commercial Completion Dates (Milestone Dates) | |
| Quincy Plains Substation Mechanical Completion | 2/12/2021 |
| Burke Substation Mechanical Completion | 6/25/2021 |
| Mountain View Mobile Tap Mechanical Completion | 4/9/2021 |
| Mountain View Cap Bank Mechanical Completion | 6/6/2023 |
| Baird Springs Substation Mechanical Completion | 6/17/2022 |
| Baird Springs 2 nd Line Up Mechanical Completion | 4/11/2023 |
| Red Rock Substation Mechanical Completion | 3/31/2023 |
| Frenchman Hills Mechanical Completion | 12/29/2022 |
| South Ephrata Substation Mechanical Completion | 3/31/2023 |
| South Ephrata Ring Bus Mechanical Completion | 3/31/2023 |
| Royal City Substation Mechanical Completion | 5/6/2022 |

6. Pursuant to Section 10.2 of the Agreement, Design-Builder shall provide a Payment and Performance Bond pursuant to RCW Chapter 39.08 equal to one hundred percent (100%) of the amount of the Guaranteed Maximum Price set forth above.

In executing this Amendment, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Amendment, and each has the necessary corporate approvals to execute this Amendment, and perform the services described herein.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed on the date set forth below.

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

DESIGN-BUILDER
Quanta Infrastructure Solutions Group,
LLC

| | |
|--------------|--------------|
| By: _____ | By: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |

Attachments

| | |
|---|---|
| 1 | GMP No. 2/Schedule of Values |
| 2 | List of GMP No. 2 Basis of Design Documents |
| 3 | Project Schedule |
| 4 | Differing Site Conditions Report |

ATTACHMENT 1
SCHEDULE OF VALUES/GMP No. 2

The Schedule of Values agreed by the parties and dated December 16, 2021, is incorporated into the GMP No. 2 Amendment as if fully set forth herein and can be view [here](#).

**ATTACHMENT 2
LIST OF GMP No. 2 BASIS OF DESIGN DOCUMENTS**

The following documents comprise the GMP No. 2 Basis of Design Documents. These documents are incorporated into this GMP No. 2 Amendment as if fully set forth herein. The documents set forth in the GMP 1 Amendment and the list of documents set forth in this GMP No. 2 Amendment make up the full Basis of Design Documents for this Project.

| Name | Date |
|--|------------|
| Baird Springs | |
| Baird Springs Structural IFC Rev 1B | 3/8/2021 |
| Baird Springs IFC Grounding Package | 5/17/2021 |
| Baird Springs Civil/Electrical IFC | 7/13/2021 |
| Baird Springs 2nd Lineup IFC | 12/22/2021 |
| Baird Springs Conduit IFC | 3/15/2021 |
| Baird Springs Revised Conduit IFC | 4/15/2021 |
| Baird Springs Rev Cable & Conduit/Cable Qty IFC | 5/3/2021 |
| Baird Springs Transmission Line IFC | 6/25/2021 |
| Burke Substation | |
| Burke IFC Physical Package | 9/11/2020 |
| Burke Revised Physical & Conduit IFC | 3/15/2021 |
| Burke Revised Conduit IFC | 4/1/2021 |
| Burke Transmission Drawings IFC MOD | 9/30/2021 |
| Burke IFC Controls Package | 10/2/2020 |
| Burke Rev IFC Communication Drawings | 11/30/2020 |
| Burke Revised IFC Electrical Package | 3/17/2021 |
| Burke Revised MOD Control Box IFC | 4/12/2021 |
| Burke Revised Autosectionalizing Cabinet | 4/23/2021 |
| Burke 27DC IFC Revisions | 6/11/2021 |
| Burke Revised Grading IFC | 10/27/2020 |
| Burke/Royal Mindcore motor operator switches | 1/5/2021 |
| Burke Post IFC Distribution Layout | 11/17/2020 |
| Burke Retaining Wall | 2/18/2021 |
| Burke Main Power Xfmr(s) Vac Fill Test Report(s) | 5/5/2021 |
| Burke Metering IFC | 8/6/2021 |
| Burke Telecom IFC | 8/27/2021 |
| Burke MOD Vendor IFC | 12/1/2021 |
| Frenchman Hills Substation | |
| Frenchman Hills 100% Design Package | 4/14/2021 |
| Frenchman Hills SSSP_Rev1 | 8/4/2021 |
| Frenchman Hills Partial Civil & Electrical IFC | 8/4/2021 |
| Mountain View Cap Bank | |
| Mountain View Cap Bank IFC | 7/8/2021 |
| Mountain View Cap Bank Foundation IFC Rev | 9/7/2021 |
| Mountain View Cap Bank Structural IFC Amendment 2 | 10/19/2021 |
| Mountain View Cap Bank Isolation Fnd IFC Adjustment | 11/19/2021 |
| Mt View Cap Bank Septic Design | 11/4/2021 |
| Mountain View Cap Bank 100% Structural Control House | 12/30/2021 |
| Mountain View Mobile Tap | |

| | |
|---|------------|
| Mountain View Mobile Tap IFC Design Package | 9/18/2020 |
| Mountain View Mobile Tap IFC Revised Foundation | 10/16/2020 |
| | |
| Quincy Plains Substation | |
| Quincy Plains IFC Package | 7/22/2020 |
| Quincy Plains Redlines | 1/4/2022 |
| | |
| Royal City Substation | |
| Burke/Royal Mindcore motor operator switches | 1/5/2021 |
| Royal IFC Package | 11/19/2020 |
| Royal IFC Ground Grid | 11/30/2020 |
| Royal Structural Revised | 2/5/2021 |
| Royal IFC Conduit Drawings Revised | 4/12/2021 |
| Royal Revised IFC Drawings | 4/23/2021 |
| Royal Panel Fabrication Drawing | 6/22/2021 |
| Royal IFC Updates | 6/29/2021 |
| Royal Revised Circuit Breaker IFC | 9/10/2021 |
| Royal Transmission Line IFC | 1/18/2021 |
| | |
| South Ephrata Substation | |
| South Ephrata 30% FINAL Conceptual Package | 5/5/2020 |
| Hazmat Analysis Memo South Ephrata 2020.05.08 | 6/2/2020 |
| | |
| Red Rock Substation | |
| Red Rock Substation 100% Design | 1/17/2022 |
| | |
| Red Rock Transmission Line | |
| Red Rock Transmission Line SSSP/EAP Map | 8/10/2020 |
| Red Rock Transmission Line – GT Report | 9/29/2020 |
| Red Rock T-Line 30% Final Design Package | 2/18/2021 |
| | |
| GCPUD LGP – SOW GMP No. 2 Master | 12/13/2021 |
| GCPUD LGP - RFI Log | 01/17/2022 |
| QEPC LGP GCPUD Design Log | 01/17/2022 |
| | |

**ATTACHMENT 3
PROJECT SCHEDULE**

The approved Project Schedule dated February 1, 2022 is set forth herein. The schedule is available for viewing [here](#).

**ATTACHMENT 4 DIFFERING SITE CONDITIONS
REPORT**

The Differing Site Conditions Report consists of the following Geotech and hazardous materials reports which are incorporated into this GMP No. 2 Amendment as if fully set forth herein:

| Name | Date |
|---|-------------------|
| Grant County PUD Transmission Line Geotech Engineering Evaluation for Mountain View 115kv Transmission line Mountain View 230kv Transmission line Wheeler to Warden 115kv Transmission line Rocky Ford to Dover 115kv Transmission line | December 19, 2014 |
| Mountain View Switchyard Geotech Engineering Evaluation | October 22, 2014 |
| Mountain View Soils Resistivity Report | February 4, 2015 |
| Mountain View Step Potential | February 4, 2015 |
| Mountain View Touch Voltages | February 4, 2015 |
| Frenchman Hills Substation Report of Geotechnical Investigation | June 2000 |
| Geotechnical Engineering Evaluation Report Baird Springs Substation | May 4, 2020 |
| Geotechnical Engineering Evaluation Report Burke Substation | April 14, 2020 |
| Geotechnical Engineering Evaluation Report Royal City Substation | April 14, 2020 |
| Geotechnical Engineering Evaluation Report South Ephrata Substation | April 14, 2020 |
| Geotechnical Engineering Evaluation Report Red Rock Substation | April 14, 2020 |
| Hazardous Materials Assessment of Properties Burke Substation | April 22, 2020 |
| Hazardous Materials Assessment of Properties Baird Springs Substation | May 5, 2020 |
| Hazardous Materials Assessment of Properties Royal City Substation | April 22, 2020 |
| Hazardous Materials Assessment of Properties South Ephrata Substation | May 1, 2020 |
| Hazardous Materials Assessment of Properties Red Rock Substation | May 5, 2020 |
| Red Rock Substation Rock Excavation report, Tommer | April 21, 2021 |
| Red Rock Test Holes for Bedrock Depth, Tommer | February 19, 2021 |



Contract Title: Grant County Load Growth Project

| | | | |
|---|--|-------------------------------|-----------------|
| Contract No. | 130-09724 | Award Date: | 12/10/2019 |
| Project Manager: | David Klinkenberg | Original Contract Amount: | \$2,028,023.14 |
| District Representative (If Different): | | Original Contract completion: | 6/30/2022 |
| Contractor: | Quanta Electric Power Construction, LLC. | Total CO Cost Change Amt | \$69,485,171.12 |

| CO# | Change Description | Approved by | Executed Date | Revised Completion Date | Cost Change Amount | Revised Contract Amount | Authority Level Tracking |
|---------------------------------------|--|-------------------|---------------|-------------------------|--------------------|-------------------------|--------------------------|
| 1 | Increase the Contract Price to fund Design Builder procured long lead materials and revises Section 6.2.3, Design-Builder's Fee Percentage and Lump Sum Fee. | Managing Director | 07/07/20 | N/A | \$265,317.81 | \$2,293,340.95 | \$265,317.81 |
| 2 | Increase the Contract Price to fund additional Design Builder procured long lead materials, continued engineering & program management and extend Phase 1 of the project. | Comm | 07/31/20 | N/A | \$3,442,954.31 | \$5,736,295.26 | \$3,708,272.12 |
| 3 | Extend Phase 1 design, issue a limited Notice to Proceed to begin labor, amend the Agreement, the General Conditions, and Exhibits A & K and establish a final project completion date. | Managing Director | 09/08/20 | 04/04/23 | \$495,000.00 | \$6,231,295.26 | \$495,000.00 |
| 4 | Establishes the Guaranteed Maximum Price (GMP) and incorporates Attachments 1 through 6 to fully establish the GMP Amendment and transition to Phase 2 of the project. | Comm | 09/23/20 | N/A | \$51,930,956.00 | \$58,162,251.26 | \$52,425,956.00 |
| 5 | Increases the GMP and revises Schedule of Values, List of Basis of Design Documents, and the Differing Site Conditions Report from Change Order No. 4. Change Order No. 5 also updates the current Project Schedule. | Comm | | 06/06/23 | \$13,350,943.00 | \$71,513,194.26 | \$13,350,943.00 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Total Change Order Cost Change Amount | | | | | 69,485,171.12 | | |

From: [Allen Chatriand](#)
To: [Patrick Bishop](#)
Subject: FW: 130-09724 Change Order 5 Contract and Legal Approval
Date: Wednesday, February 23, 2022 10:14:35 AM

I approve

*Allen Chatriand, Manager PMO – Power Delivery
Grant County PUD
509-378-7720*

From: David Klinkenberg <dklinkenberg@gcpud.org>
Sent: Tuesday, February 22, 2022 3:39 PM
To: Jeff Grizzel <jgrizzel@gcpud.org>; Patrick Bishop <pbishop@gcpud.org>; Julie Pyper <jpyper@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>
Cc: Alicia Reynolds <areynolds@gcpud.org>
Subject: RE: 130-09724 Change Order 5 Contract and Legal Approval

Jeff, Julie, Allen,

I have made the dollar figure revisions to the Commission Memo. Please provide acknowledgment of approval to Patrick by 9am on 2/23/2022.

Thank you.

David Klinkenberg

Project Manager, Power Delivery PMO

CELL 509.885.6491

EMAIL dklinkenberg@gcpud.org



grantpud.org

From: Jeff Grizzel <jgrizzel@gcpud.org>
Sent: Friday, February 18, 2022 10:41 AM
To: Patrick Bishop <pbishop@gcpud.org>; Julie Pyper <jpyper@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; David Klinkenberg <dklinkenberg@gcpud.org>
Cc: Alicia Reynolds <areynolds@gcpud.org>
Subject: RE: 130-09724 Change Order 5 Contract and Legal Approval

Pat – just a couple of formatting edits and one question about two figures that are off by a couple of dollars. With those changes made, I approve.

Jeff

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Thursday, February 17, 2022 10:50 AM
To: Julie Pyper <Jpyper@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>; David Klinkenberg <dklinkenberg@gcpud.org>
Cc: Alicia Reynolds <areynolds@gcpud.org>
Subject: FW: 130-09724 Change Order 5 Contract and Legal Approval

We have Legal approval to move the GMP Amendment No. 2 for the Grant County Load Growth Project (Design Build 2) to the Commission Packet for review at the March 8th meeting. Prior to doing so, can each of you please acknowledge by return email that you approve of the attached Commission Memo? If you need to review anything else, all the information can be found [here](#). Thank you.

Regards,

Patrick Bishop

Procurement Officer

OFFICE 509.793.1556

EMAIL pbishop@gcpud.org



From: Lori Englehart-Jewell <Lengleh@gcpud.org>
Sent: Thursday, February 17, 2022 9:32 AM
To: Patrick Bishop <Pbishop@gcpud.org>
Subject: 130-09724 Change Order 5 Contract and Legal Approval

You have contract and legal approval to proceed with submission of 130-09724 CO 5 to the commission packet.

Thanks!

Lori Englehart-Jewell, CPPB, NIGP-CPP

Procurement Officer

OFFICE 509.793.1440

EXT. 3189

FAX 509.754.6674

EMAIL lengleh@gcpud.org

From: [Jeff Grizzel](#)
To: [David Klinkenberg](#); [Patrick Bishop](#); [Julie Pyper](#); [Allen Chatriand](#)
Cc: [Alicia Reynolds](#)
Subject: RE: 130-09724 Change Order 5 Contract and Legal Approval
Date: Tuesday, February 22, 2022 7:54:03 PM

I approve.

Jeff

From: David Klinkenberg <dklinkenberg@gcpud.org>
Sent: Tuesday, February 22, 2022 3:39 PM
To: Jeff Grizzel <jgrizzel@gcpud.org>; Patrick Bishop <pbishop@gcpud.org>; Julie Pyper <jpyper@gcpud.org>; Allen Chatriand <achatrand@gcpud.org>
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Subject: RE: 130-09724 Change Order 5 Contract and Legal Approval

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Thank you.

David Klinkenberg

Project Manager, Power Delivery PMO

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grantpud.org

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To: Patrick Bishop <Pbishop@gcpud.org>

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Thanks!

Lori Englehart-Jewell, CPPB, NIGP-CPP

Procurement Officer

OFFICE 509.793.1440

EXT. 3189

FAX 509.754.6674

EMAIL lengleh@gcpud.org

ADDRESS 1 14352 Hwy 243 S Bldg. 6, Beverly, WA 99321 (FedEx or UPS)

ADDRESS 2 PO Box D4, Beverly, WA 99321 (USPS)

From: [Julie Pyper](#)
To: [Allen Chatriand](#); [Patrick Bishop](#); [Jeff Grizzel](#); [David Klinkenberg](#)
Cc: [Alicia Reynolds](#)
Subject: RE: 130-09724 Change Order 5 Contract and Legal Approval
Date: Thursday, February 17, 2022 1:43:20 PM

I approve.

Nice job Team! I appreciate everyone's work to pull this together.

Take care, Jules

Julie E. Pyper

Senior Manager

Enterprise Project Management Office | Organizational Change Management | Operations Budgeting and Analysis

[Learn more about Project Management](#)

[Learn more about Organizational Change Management](#)

DESK 509.754.5089

EXT. 4153

CELL 509.429.2420

EMAIL jpyper@gcpud.org



grantpud.org

From: Allen Chatriand <achatriand@gcpud.org>
Sent: Thursday, February 17, 2022 1:41 PM
To: Patrick Bishop <Pbishop@gcpud.org>; Julie Pyper <Jpyper@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>; David Klinkenberg <dklinkenberg@gcpud.org>
Cc: Alicia Reynolds <areynolds@gcpud.org>
Subject: RE: 130-09724 Change Order 5 Contract and Legal Approval

Thank you Patrick, I approve

*Allen Chatriand, Manager PMO – Power Delivery
Grant County PUD
509-378-7720*

From: Patrick Bishop <Pbishop@gcpud.org>

Sent: Thursday, February 17, 2022 10:50 AM

To: Julie Pyper <Jpyper@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>; David Klinkenberg <dklinkenberg@gcpud.org>

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Procurement Officer

OFFICE 509.793.1440

EXT. 3189

FAX 509.754.6674

EMAIL lengleh@gcpud.org

ADDRESS 1 14352 Hwy 243 S Bldg. 6, Beverly, WA 99321 (FedEx or UPS)

ADDRESS 2 PO Box D4, Beverly, WA 99321 (USPS)

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 7 to Contract 430-3217 with MacKay and Sposito, Inc., increasing the not-to-exceed contract amount by \$3,945,634.13 for a new contract total of \$12,203,271.13 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 7.

MEMORANDUM**February 22, 2022**

TO: Richard Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Interim Chief Operations Officer
 Ty Ehrman, P.E., Managing Director of Power Production ^{DS} TE
 Dale Campbell, P.E., Senior Manager of Power Production Engineering ^{DS} DC
 Brandon Little, P.E., Chief Dam Safety Engineer ^{DS} BL
 Rebecca Simpson, Manager of Dam Safety ^{DS} RLS

FROM: Christopher Steinmetz, Dam Safety Engineer, District Representative ^{DS} CSS

SUBJECT: Contract 430-3217, Change Order No. 7

Purpose:

Request Commission approval of Change Order No. 7 to 430-3217 in the amount of \$3,945,634.13 for the Construction Inspection, Construction Management, and Construction Materials Sampling and Testing professional services Contract with MacKay Sposito.

Discussion:

The District awarded this Contract to MacKay Sposito in August 2011 to provide construction inspection and materials testing on numerous upcoming District construction projects. Since that time, MacKay Sposito has provided flexible, qualified, cost-effective construction inspection and materials testing on over \$100 million of District construction projects. Due to this history with the District and the need to avoid any lapses in construction inspection expertise on current and upcoming projects, a Change Order is being sought to continue to utilize MacKay Sposito services through the completion of the Priest Rapids Right Embankment Improvement Project (PRREIP) or December 31, 2024.

Justification:

MacKay Sposito has been an important partner on many District construction projects since 2011. They have provided construction inspection and material testing services at the Priest Rapids Fish Bypass, the Wanapum Dam Spillway, nearly all the recreation improvements and fish acclimation sites, in addition to supporting our facilities and dam safety departments on additional work. During this period, MacKay Sposito has provided excellent response times, qualified inspectors, and effectively managed costs. They have a roster of inspectors who are familiar with District facilities, policies, and personnel, and have experience in working on Federal Energy Regulatory Commission (FERC) mandated projects making them uniquely qualified for several current and upcoming construction projects.

Due to the intermittent nature of construction projects, utilizing District staff to provide the entirety of construction inspection and testing services is not recommended. Staffing using internal resources would result in a surplus of inspection and testing personnel during periods when construction is not taking place and would create a need to maintain multiple certifications that are

only used intermittently. By utilizing a separate construction inspection and testing contractor, the District is able to tailor the number of inspectors to exactly meet the current construction need, and request inspectors with particular areas of expertise depending on the type of work. In addition, our current construction projects periodically require construction inspection and testing services on night shifts and weekends. This flexibility reduces overhead and improves the quality of inspection, while also providing assurance to local, state and federal regulators that the projects are being inspected by an independent third party.

Based on the benefits listed above, McKay and Sposito was selected by District leadership as the preferred alternative to hiring additional District staff for necessary construction inspection and construction management resources.

Moving forward, the District would like to utilize MacKay Sposito's inspectors and construction manager for the remainder of the PRREIP. This project is anticipated to receive a high level of scrutiny from the FERC. As such, maintaining qualified construction inspectors throughout the remaining construction window is of critical importance. The use of MacKay Sposito inspectors will allow us to catch and rectify any quality control issues as soon as possible and ensure proper documentation of all construction activities. This quality of inspection and documentation will help reduce concern from the FERC and will create proper historical records for any future review and analysis of the project. Additionally, MacKay Sposito inspectors are already included in the PRREIP Quality Control Inspection Program (QCIP). Failure to keep the Contract in place would delay construction as new inspectors are found, added to the QCIP, and the QCIP is submitted to the FERC and BOC for approval. By increasing the Contract Price and extending the completion date to provide inspection for the PRREIP, the District is assured of consistent, high-quality inspection throughout the project.

Financial Considerations:

The original Contract for MacKay Sposito was awarded in August 2011 for \$4,500,000.00 to provide construction inspection and material testing services. Since that time, the Contract has received Change Orders totaling \$3,757,636.00. Due to the number of inspectors and anticipated workload for inspection services, an additional \$3,945,634.13 is being sought. This increase is based upon an estimate of three full time inspectors, two part time night shift inspectors, and one full time Construction Manager throughout PRREIP construction less the remaining available dollars in the current Contract. This increase will be primarily billed to the PRREIP PID 102663. Billing rates are regularly evaluated and negotiated throughout the Contract and are fair and reasonable based on this type of support.

Change Order History:

This is the seventh Change Order for this Contract. Please refer to attached Change Order table for specifics.

Legal Review:

See attached email.

Recommendation:

Commission approval of Change Order No. 7 to Contract 430-3217 to increase Contract Price by \$3,945,634.13 for a new not-to-exceed Contract Price of \$12,203,270.13 and extend the Contact completion date to December 31, 2024.

CHANGE ORDER
NO. 7

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

A. Description of Change:

1. Increase the Contract Price and extend the Contract completion date.
2. Add the following requirements as Item No. 5 and Item No. 6 to Section 8, Part A., Insurance:

- 5) **Owned Aircraft Insurance and/or Non-Owned Aircraft Insurance:** If the performance of the work requires the use of any aircraft (including unmanned aerial vehicles or drones) that is owned, leased, rented or chartered by Contractor or any of its Subcontractors, Aircraft Liability insurance with a **minimum limit of \$1,000,000 per occurrence** for bodily injury and property damage, including passengers and crew.

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

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

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

Umbrella/Excess liability insurance shall 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.

3. Replace Appendix "A", Revised Rate Schedule (Change Order No. 3) in its entirety with the attached Appendix "A", Revised Rate Schedule - Effective April 12, 2022 (Change Order No. 7).

B. Time of Completion: The revised completion date shall be December 31, 2024.

C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$3,945,634.13 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 \$12,203,270.13, 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

MacKay and Sposito, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**APPENDIX “A”
REVISED RATE SCHEDULE – EFFECTIVE APRIL 12, 2022 (CHANGE ORDER NO. 7)**

DIRECT EXPENSES:

| Classification | Hourly Rate | Overtime Rate |
|---|--------------------|----------------------|
| Vice President QA/QC | \$161.68 | \$161.68 |
| Project Manager | \$146.55 | \$190.77 |
| Senior Civil Inspector, Onsite Representative | \$130.27 | \$169.82 |
| Senior Construction Manager | \$193.09 | \$251.26 |
| Construction Manager | \$138.42 | \$180.30 |
| Office Technician | \$131.42 | \$171.00 |
| Senior Civil Inspector | \$118.63 | \$154.69 |
| Civil Inspector | \$103.51 | \$134.92 |
| Electrical Inspector | \$165.17 | \$215.20 |
| Construction Management Coordinator | \$69.78 | \$69.78 |
| Project Financial Controller | \$105.84 | \$105.84 |
| Survey Technician 1 | \$102.35 | \$102.35 |
| Land Surveyor II | \$137.25 | \$177.98 |
| 1-person Survey Crew | | |
| Survey Party Chief | \$186.13 | \$241.97 |
| 2-person Survey Crew | | |
| Survey Party Chief | \$186.13 | \$241.97 |
| Survey Instrument Person | \$53.49 | \$69.78 |
| Survey Project Manager | \$164.00 | \$213.20 |
| UAV Pilot | \$140.00 | \$182.00 |
| Travel Rate | \$69.78 | \$88.17 |
| UAV Classifications Priest Rapids Right Embankment Site Only | Rate Each | |
| UAV Geotagged Images Only Without GCPs | \$3,500.00 | |
| UAV Geotagged Images Only With GCPs | \$6,500.00 | |
| UAV Hi-Res Orthorectified Mosaic Image | \$7,500.00 | |
| UAV Hi-Res Orthorectified Mosaic Image and Digital Surface With +/- 0.5' Contours on Bare Dirt or Short Grass | \$9,500.00 | |

Straight Time: Straight time is defined as work performed during the assigned shift period. Normally, the assigned shift is 8-10 hours each day. The regular work week is Monday through Sunday. Hourly rates shall not be charged to and from normally assigned work locations.

Overtime: Time worked beyond 40 hours in a work week (Monday through Sunday) is considered overtime. All work performed on District Holidays is considered overtime.

Any costs not included above must be included and specifically approved by the District Representative in a task authorization

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 \$59 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. The District Representative may increase this limit in writing when circumstances require.

Rental Housing: With the prior approval of the District's Representative, Contractor or its employees may rent a house on a long-term basis and pay costs associated with the housing rental in accordance with Section 301-11 of the Federal Travel Regulations. Rental will be reimbursed on an actual cost basis not to exceed the allowable daily lodging rate. Contractor shall submit a copy of the rental housing agreement and receipts for all allowed expenses to the District with its invoice. Contractor and its employees shall be responsible for all other obligations, including but not limited to maintenance, any damage they cause to the property, or costs in excess of what would have been incurred using standard lodging which arise under or by virtue of the rental agreement and shall indemnify and hold harmless the District therefrom.

During the establishment of a new rental agreement, the District shall reimburse the Contractor for both first and last months' rent at the time those costs are incurred. Refundable deposits (damage, pet, etc.) are not eligible for reimbursement by the District. During the last month of the rental agreement, no lodging costs shall be invoiced to the District, due to the prepayment at the time of establishment of the rental agreement.

Recreational Vehicle (Camper/Trailer): Use of a recreational vehicle is authorized at a daily rate of 60% of the standard lodging rate. This will be reimbursed at the daily rate with no receipts required. This rate covers all expenses related to use including mobilization, parking fees, fees for connection, use, and disconnection of utilities, electricity, gas, water and sewage, bath or shower fees, and dumping fees which may be considered a lodging cost.

Travel: Travel costs (mileage and labor) will be paid per the following:

Ground transportation by privately owned vehicle, if utilized, will be based on actual miles driven and will be billed at the Internal Revenue Service mileage rate for privately owned vehicles in effect at the time of travel. Other travel cost arrangements can be approved by the project District Representative in the task authorization. **Appropriate insurance coverage should be included in the Contractor's insurance policies.**

Sub-consultants/Subcontractors: Services requested by the District, verifiable by applicable supporting documentation or at specified rates, will be reimbursed to Contractor at cost plus a maximum handling charge of 10%. See Appendix A-1.

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

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



Change Order Table

Contract Title: Construction Inspection, Construction Management, and Construction Materials
Sampling and Testing

| | | | |
|---|------------------------|-------------------------------|----------------|
| Contract No. | 430-3217 | Award Date: | 8/22/2011 |
| Project Manager: | Chris Steinmetz | Original Contract Amount: | \$4,500,000.00 |
| District Representative (If Different): | | Original Contract completion: | 12/31/2016 |
| Contractor: | MacKay & Sposito, Inc. | Total CO Cost Change Amt | \$7,703,270.13 |

| CO# | Change Description | Approved by | Approval Date | Revised Completion Date | Cost Change Amount | Revised Contract Amount | Authority Level Tracking |
|--|--|-------------|---------------|-------------------------|---------------------|-------------------------|--------------------------|
| 1 | No cost CO to add Appendix . A-2, Okanogan County Subcontractor Rates | Dept Mgr | 06/05/13 | N/A | \$0.00 | \$4,500,000.00 | |
| 2 | Increase Contract Price. | Comm | 02/10/15 | N/A | \$2,107,636.00 | \$6,607,636.00 | \$2,107,636.00 |
| 3 | Replace Appendix "A" - Rate Schedule and extend Contract completion date. | DR Supvr | 11/17/16 | 12/31/18 | \$0.00 | \$6,607,636.00 | \$0.00 |
| 4 | Increase Contract Price and extend Contract completion date. | Comm | 10/11/18 | 06/30/21 | \$1,650,000.00 | \$8,257,636.00 | \$1,650,000.00 |
| 5 | Add rental housing and RV reimbursable language to Appendix A. | Dept Mgr | 12/04/19 | N/A | \$0.00 | \$8,257,636.00 | \$0.00 |
| 6 | Extend Contract completion date. | Dept Mgr | 06/09/21 | 12/31/23 | \$0.00 | \$8,257,636.00 | \$0.00 |
| 7 | Increase Contract Price, extend Contract completion date, add Aircraft & Excess Insurance coverage to Section 8.A, and Replace Appendix "A" - Rate Schedule. | Comm | | 12/31/24 | \$3,945,634.13 | \$12,203,270.13 | \$3,945,634.13 |
| Total Change Order Cost Change Amount | | | | | 7,703,270.13 | | |

For Commission Review – 3/22/2022

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-10739 with Open Systems International, Inc (OSI) for delivery of an Energy Management System, in an amount not-to-exceed \$3,013,231.00.

xxxx

PROFESSIONAL SERVICES AGREEMENT

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington (“District or GCPUD”) and Open Systems International, Inc. (“Contractor or OSI”);

R e c i t a l s :

The District desires to obtain professional services, software and implementation of an Energy Management System (EMS) Replacement; and

The District's Manager of Control Systems Engineering believes the EMS is an essential component to ensure the District meets its regulatory reliability and operational compliance requirements; and

The Contractor, through an established review procedure, 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:

GENERAL CONDITIONS

GC-1. FORM OF CONTRACT

The form of the Contract shall be lump sum and unit price type.

GC-2. DEFINITIONS

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

“BID OR PROPOSAL” – The written proposal submitted by the Contractor in response to the District’s RFP 130-10739.

“CONTRACT AWARD” - Contract Award is defined as the date the Contractor is first notified in writing that the District has accepted the Contractor's proposal.

“CONTRACT DOCUMENTS” - The Contract Documents shall include all sections of this document including General Conditions, Specific Requirements, Contractor Safety Requirements, and Exhibits.

“CONTRACT PRICE” - The total price specified in the Contract Award and any properly approved Change Orders approved subsequent to Contract Award.

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

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

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

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

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

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

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

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

Failure to submit a claim within the 10 day period shall constitute a waiver of any such claim; and

4. In no event shall the amount to be paid the Contractor pursuant to this section exceed the Contract Price.
- C. Upon receipt of notice to resume suspended work, the Contractor shall immediately resume performance of the suspended work to the extent required in the notice. Any claim on the part of the Contractor for time or compensation shall be made within 10 days after receipt of notice to resume work and the Contractor shall submit a revised project schedule for review.
- D. Upon delivery of a written notice to the Contractor, the District may, without cause and without prejudice to any other right or remedy, elect to terminate the Contract. Upon receipt of any such notice, the Contractor shall take all appropriate steps in part A of this Section GC-3.

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

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

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

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

GC-4. TERMINATION FOR DEFAULT/NONCOMPLIANCE

A. Acts of Default

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

B. Consequences of Default

In the event of default, the District may immediately, without limiting any other remedy available to it in law or equity, withhold any amount otherwise due under the Contract. The District shall provide written notice of default. In the event the default can be cured, and Contractor fails to correct the default within 10 days after written notice of default, the District may terminate the Contractor's right to proceed with all or any portion of the work.

C. Noncompliance

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

GC-5. ASSIGNMENT

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

GC-6. HOLD HARMLESS AND INDEMNITY

Contractor shall, at its sole expense, indemnify, defend, save, and hold harmless the District, its officers, elected members and employees from all third party actual or potential claims or losses, including reasonable 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 third party 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.

Contractor's obligations under this Section GC-6 to indemnify, defend, save, and hold harmless will not apply if District has failed to:

1. Promptly notify Contractor in writing of the filing or threat of any suit/claim against the District;
2. Allow Contractor to control completely the defense and settlement of the suit/claim; and
3. Provide, at Contractor's expense, all reasonable assistance requested by Contractor to defend against the suit/claim.

GC-7. LAWS, REGULATIONS, PERMITS

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

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

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

GC-8. DAMAGES

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

GC-9. INDEPENDENT CONTRACTOR, SUPERINTENDENT, AND EMPLOYEES

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

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

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

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

GC-10. CORRECTION OF WORK/WARRANTY

All materials and equipment incorporated into any work under the Contract shall be new and of the most suitable grade of their respective kinds for their intended uses unless otherwise specified. All workmanship shall be in accordance with sound work practices acceptable to District Representative. Contractor warrants all equipment, materials and labor it furnishes or performs under this Contract against defects in design, materials, and workmanship. Contractor's warranty is provisioned through its support program, provided the District has elected to purchase software support pursuant to the contract pricing (Exhibit "B", Pricing/Rate Schedule, and shall remain in effect for a period of 365 days after Final Acceptance. Contractor's obligation under a selected software support program shall be to repair any defects in the Contractor software. Contractor will pass through to the District all standard OEM warranties on all third-party hardware and software supplied by Contractor (if any). The minimum term of OEM warranties is as identified by the individual manufacturer(s).

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

Contractor warrants any and all corrective action against defects in design, materials, and workmanship for the remaining warranty period but will not receive an additional warranty. Software warranties for Contractor software will not be extended beyond the original warranty period unless an ongoing software support program subscription is in place.

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

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

GC-11. CHANGES IN WORK

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 Exhibit "D".

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 Exhibit "D" 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.

GC-12. COMPENSATION AND PAYMENT

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

In no event shall the total amount paid to the Contractor for materials, equipment, labor and services exceed the sum of \$3,013,231.00 USD unless a Change Order authorizing the same is issued in accordance with Section GC-11.

- B. Invoices shall include the Contract number, Milestone number and a detailed description of the work performed. Compensation for reimbursable expenses shall be in accordance with Exhibit "B", Pricing/Rate Schedule and shall be included on the invoice.
- C. The District will notify the Contractor when it has deemed that the requirements of a Milestone have been met. Once notified, the Contractor shall submit a completed Exhibit "F", Milestone Acceptance Form (MAF) identifying the Milestone delivered and the expected amount. The District will have five business days to approve or reject the MAF,

the signature which constitutes acceptance, and such approval shall not be unreasonably withheld. Upon approval of the MAF, the Contractor shall submit the invoice for the Milestone payment.

- D. Contractor will submit sufficient documentation to assure the District that Contractor has satisfactorily performed such tasks. The preliminary acceptance for payment in no way abrogates Contractor's responsibility to correct any errors in compensated work tasks.
- E. 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 District may require. The District will make payment to Contractor within 30 days after District's receipt and approval of said invoices
- F. Contractor shall submit invoices to the attention of:
 - Public Utility District No. 2
of Grant County, Washington
Attn: Accounts Payable
PO Box 878
Ephrata, WA 98823
 - Phone: (509) 793-1450
E-mail: AccountsPayable@gcpud.org
- G. 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.

GC-13. PAYMENTS WITHHELD

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

Defective or damaged work not remedied or warranties not met.

Claims filed or reasonable evidence indicating filing of claims against the Contractor.

Failure of the Contractor to make payments properly to Subcontractors or for materials, labor, or equipment.

A reasonable doubt that the Contract can be completed for the balance then unpaid.

Damage to another Contractor.

Damage to or loss of District-furnished materials or District property.

Contractor's failure to meet any performance warranties required by the Contract Documents.

Contractor's liability for payments due to the District as the result of terms and conditions of these Contract Documents.

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

GC-14. DISTRICT REPRESENTATIVE'S STATUS, AUTHORITY AND PROTEST PROCEDURE

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

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

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

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

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

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

Kevin Carley
Public Utility District No. 2
of Grant County, Washington
PO Box 878

Ephrata, WA 98823
(509) 793-6541
Kcarley@gcpud.org

GC-15. COOPERATION WITH OTHERS

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

GC-16. INSURANCE

- A. Prior to the commencement of any work under this Contract, and at all times during the term of this Contract, Contractor shall provide 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 District's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the Contractor and not recoverable under any part of this Contract.

Contractor Required Insurance

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

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

with the following **limits:**

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

Commercial general liability insurance will include the District as additional insured, to the extent of Contractor's liabilities assumed under the Agreement, on a primary and non-contributory basis for ongoing and completed operations. A waiver of subrogation, to the extent of Contractor's liabilities assumed under the Agreement, 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.

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 **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, to the extent of Contractor's liabilities assumed under the Agreement, on a primary and non-contributory basis. A waiver of subrogation, to the extent of Contractor's liabilities assumed under the Agreement, 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 **\$10,000,000 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. 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 five (5) 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.

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

Excess/umbrella liability insurance will include the District as additional insured, to the extent of Contractor's liabilities assumed under the Agreement, on a primary and non-contributory basis. A waiver of subrogation, to the extent of Contractor's liabilities assumed under the Agreement, will apply in favor of the District.

- B. Evidence of Insurance - Prior to performing any services specified within this contract, 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 blanket additional insured endorsement including 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 Contract. All coverage for Subcontractors shall be subject to all the requirements stated herein and applicable to their profession. Contractor shall furnish the District with copies of certificates of insurance evidencing coverage for each Subcontractor upon request.
- 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 business days following receipt of such notice from the insurer. Notice to the District shall be delivered by email.

GC-17. SAFETY

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

| | |
|--|--------|
| Applicable Local Codes and Statutes | |
| American Concrete Institute | (ACI) |
| American Institute of Steel Construction | (AISC) |
| American National Standards Institute | (ANSI) |
| American Society of Civil Engineers | (ASCE) |
| American Society of Mechanical Engineers | (ASME) |
| American Society for Testing and Materials | (ASTM) |

| | |
|---|---------|
| American Welding Society | (AWS) |
| American Wood Preservers Association | (AWPA) |
| Division of Occupational Safety and Health | (DOSH) |
| Edison Electric Institute | (EEI) |
| Institute of Electrical & Electronics Engineers | (IEEE) |
| Insulated Cable Engineers' Association | (ICES) |
| International Building Code | (IBC) |
| International Energy Conservation Code | (IECC) |
| International Existing Building Code | (IEBC) |
| International Fire Code | (IFC) |
| International Mechanical Code | (IMC) |
| International Plumbing Code | (IPC) |
| National Electrical Code | (NEC) |
| National Electrical Manufacturers' Association | (NEMA) |
| National Electrical Safety Code | (NESC) |
| National Fire Protection Association | (NFPA) |
| Occupational Safety and Health Administration | (OSHA) |
| Washington Administrative Code | (WAC) |
| Washington Industrial Safety & Health Act | (WISHA) |
| Washington State Department of Ecology | (WSDOE) |
| Washington State Department of Health | (WSDOH) |
| Washington State Department of Transportation | (WSDOT) |
| Washington State Department of Labor & Industries | (LNI) |
| Washington State Energy Code | (WSEC) |
| United States Environmental Protection Agency | (EPA) |

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

Nothing herein shall be deemed to impose any duty or obligation on the District to determine the adequacy or sufficiency of the Contractor and Subcontractors' safety programs. Contractors and Subcontractors remain solely responsible for safety of the general public and employees, as provided herein.

GC-18. CONFLICT AND PRECEDENCE/INTENT

In the event there are any conflicting provisions or requirements in the component parts of the Contract, the several Contract Documents shall take precedence in the following order:

1. Change Orders
2. Addenda
3. Specific Requirements
4. General Conditions
5. Exhibit A – Statement of Work
6. Exhibit B – Pricing/Rate Schedule
7. Exhibit C – Software License Agreement
8. Exhibit I – CIP-013 Supply Chain Risk Management

9. Exhibit J – Project Scope Package dated December 19, 2021 (incorporated by reference)
10. Contractor’s Response to RFP 130-10739 dated May 18, 2021, and Contractor’s updated EMS Vendor Workbook dated June 18, 2021 (incorporated by reference due to its extensive volume)

All use and operation of the Contractor Software shall be pursuant to and governed by the Software License Agreement “Exhibit C”, executed by the parties concurrently with this Contract.

GC-19. PROGRESS MEETINGS

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

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

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

GC-20. DELAYS AND EXTENSIONS OF TIME

If the Contractor is delayed at any time in the progress of work by any unforeseeable causes beyond the control of the Contractor, the Contract time shall be extended for such reasonable time as the Parties shall agree. The Contractor agrees to complete the work within the Contract time as thus extended. Such extensions shall not be grounds for claim by the Contractor of damages or for additional costs, expenses, overhead or profit or other compensation. Additionally, to the extent of delays caused solely by the Contractor, extensions of time granted to the Contractor shall be the Contractor's sole and exclusive remedy for such delays due to causes beyond the control of the Contractor. For the avoidance of doubt, Contractor and the District may agree upon claims for damages, including but not limited to additional compensation, for delays due to causes beyond the control of the Contractor for which Contractor is not the sole cause.

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

limit shall be deemed sufficient reason by the District Representative for denial of any time extension request.

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

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

GC-21. AUDIT OF RECORDS

To the extent that the Contractor invoices the District on a time and materials basis, Contractor shall maintain records and accounts in accordance with Generally Accepted Accounting Principles (GAAP) in connection with the performance of the Contract which shall accurately document incurred costs both direct and indirect. The District Representative will work in conjunction with Contractor to establish a uniform codes of accounts for time and materials work performed, Contractor shall use such codes in identifying its records and accounts. District Representative or their representatives shall have the right to examine and copy at all reasonable times, with advance notification, Contractor's records and accounts for the limited purpose of verifying requests for payment when costs are the basis of such payment and for evaluating the reasonableness of proposed Contract Price adjustments and claims. Contractor shall make such records and accounts available to the District for review at Contractor's office. The costs of any such audit including but not limited to travel expenses shall be the obligation of the District.

GC-22. TAXES

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.

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:

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.

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

GC-23. 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 in accordance with its obligations under applicable law, unless an exemption under the Public Records Act or other laws applies or Contractor asserts and establishes a valid and enforceable exception, objection, exclusion or privilege from the disclosure requirements. In the event the District receives a request for such disclosure, the District shall notify Contractor of such request and Contractor shall assert any objections to disclosure and/or pursue judicial relief precluding or limiting such disclosure. The District shall work in cooperation with Contractor to provide any properly redacted information that is deemed exempt from public disclosure pursuant to the Public Records Act or other applicable law.

GC-24. NON-WAIVER

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

GC-25. OWNERSHIP OF CUSTOM WORK PRODUCT/COPYRIGHT

- A. District understands and agrees that all of Contractor's products and services are standard and pre-existing products, techniques, or methods and no intellectual property rights will be transferred to District. District's use of the Software shall be pursuant to the Software License Agreement executed between the parties. If any works or products are developed exclusively for District ("Custom Work Product"), Contractor understands and agrees that Custom Work Product, if any, would be District's intellectual property, as defined by the laws of the United States regarding copyrights. For the avoidance of doubt, if included in any scope of work provided by Contractor, such Custom Work Product must be specifically identified as such in a mutually agreed specification subject to these terms and conditions (see Exhibit A to this Agreement). Contractor further understands that District has full, complete and exclusive ownership of the Custom Work Product. Contractor agrees not to use the Custom Work Product in furtherance of any project other than the Work or for the benefit of anyone other than District, without District's prior written permission.
- B. Contractor shall attach and, to the extent applicable, require each of its subcontractors to attach the following statement to all Custom Work Product as identified in the Statement of Work.

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.

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

GC-26. LIMITATION OF LIABILITY AND CONSEQUENTIAL DAMAGES DISCLAIMER

- A. CONTRACTOR AND ITS AFFILIATES WILL NOT BE LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE. THE REMEDIES OF CUSTOMER STATED IN THIS CONTRACT ARE EXCLUSIVE. REGARDLESS OF THE TYPE OF THE CLAIM (WHETHER BASED IN CONTRACT, INFRINGEMENT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), CONTRACTOR'S AND ITS AFFILIATES' LIABILITY TO CUSTOMER AND ITS AFFILIATES WILL NEVER EXCEED THE GREATER OF THE CONTRACT PRICE OR \$10,000,000.
- B. NEITHER PARTY WILL EVER BE LIABLE FOR (A) DAMAGES FOR LOSS OR CORRUPTION OF DATA OR CYBER ATTACKS, OR (B) INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. "CONSEQUENTIAL DAMAGES" INCLUDE BUT ARE NOT LIMITED TO LOSS OF ANTICIPATED PROFITS, REVENUE, PRODUCTION OR USE AND COSTS INCURRED INCLUDING WITHOUT LIMITATION FOR CAPITAL, FUEL AND POWER, REPLACEMENT PRODUCT AND CLAIMS OF EACH PARTY'S AFFILIATES.
- C. NOTHING IN THIS SECTION GC-26 LIMITATION OF LIABILITY AND CONSEQUENTIAL DAMAGES DISCLAIMER EITHER LIMITS, OR IS INTENDED TO LIMIT, THE AMOUNTS CLAIMED ON INSURANCE LISTED IN SECTION GC-16 INSURANCE, FOR THE SAKE OF CLARITY, TOTAL INSURANCE CLAIMS MAY EXCEED THE \$10,000,000 IN SECTION A ABOVE BUT WILL NOT EXCEED THE TOTAL AMOUNTS ALLOWED IN GC-16.

SPECIFIC REQUIREMENTS

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

The Contractor shall furnish all software, hardware, software customizations, integration with field devices and other District systems, engineering support (e.g. testing), training, and documentation as specified in these Contract Documents for the Energy Management System Replacement located in Ephrata, Washington.

SR-2. COMPLETION SCHEDULE

The Contractor shall not commence any work under this Contract until after all of the following: (1) receipt of notification of Contract Award; (2) full execution of the Contract Form; (3) providing the required Insurance Certificates; and (4) attending the pre-work conference, if any. The Contractor shall complete such work in a diligent and workmanlike manner. Work shall be completed within 24 months of Contract Award date,

SR-3. MATERIALS AND EQUIPMENT

A. Materials Furnished By Contractor

The Contractor shall purchase and furnish for this Contract all materials for the project except for the equipment and materials which shall be supplied by the District. The materials to be furnished by the Contractor and incorporated into the work shall be new and of grades and quality specified. Any materials required for a completed project, that are not specified below as being furnished by the District are to be furnished by the Contractor.

B. Materials Furnished By District

None.

SR-4. SUBCONTRACTS/PURCHASING

There will be no Subcontracts or purchases made.

SR-5. 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 of its Subcontractors, when on a District site, shall comply with the safety requirements of these Contract Documents and all District policies pertaining to COVID-19 located at <https://www.grantpud.org/for-contractors>.

SR-6. SECURITY, SAFETY AWARENESS TRAINING

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

The Security and Safety Awareness training manual is available in three formats: CD, on-line, or hard copy, and includes step by step instructions for all formats to complete the training. The Security and Safety Awareness training manual shall be issued to the Contractor at the pre-work conference (if any). If a pre-work conference is not held for any reason, the District shall provide the Security and Safety Awareness training manual to the Contractor at such time when a Notice to Proceed is issued by the District. Contractor shall ensure that its employees, subcontractor's and subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

SR-7. 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 Exhibit "G". 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 Mutual Non-Disclosure Agreement (NDA) executed at the time of this Agreement and included as Exhibit “E”. Such Information must be clearly identified as confidential.

SR-8. 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, qualifications, years of experience, 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.

SR-9. BACKGROUND CHECKS

The District reserves the right 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 Exhibit “H”. 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.

SR-10. QUALIFICATION OF CONTRACTOR’S ACCESS APPROVAL

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

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

- A. Provide resumes of Contractor’s personnel who may have access to Confidential Information or who will be working on site in a secure area at the project facilities. The resumes shall include full legal name, qualifications, years’ of experience, 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.

SR-11. BCSI TRAINING

In accordance with the requirements of Section SR-7, 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 date as written below..

Public Utility District No. 2
of Grant County, Washington

Open Systems International, Inc.

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

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

EXHIBIT "D" – CHANGE ORDER

NO. __

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

- A. Description of Change:

- B. Time of Completion: The revised completion date shall be _____.
OR
 The completion date shall remain _____.

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

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

Public Utility District No. 2
of Grant County, Washington

Open Systems International, Inc.

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

EXHIBIT "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 Open Systems International, Inc., ("Contractor or OSI"), sometimes collectively referred to as the "Parties" or individually as "Recipient" or "Owner."

RECITALS

The Parties are contemplating a transaction or transactions that may require them to disclose Proprietary Information regarding this Agreement, 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.

"Purpose" – for the exchange of information related to the provision of a "SCADA/EMS/GMS" system.

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. 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 (5) 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 |
|---|--|
| Public Utility District No. 2 of Grant County, Washington Attn: PO Box 878 Ephrata, WA 98823 Kcarley@gcpud.org | Open Systems International, Inc. 4101 Arrowhead Dr. Medina, MN 55340 Contracts@osii.com |

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. Further, Recipient agrees that in the event of any breach or threatened breach by Recipient, Owner may seek to 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 contains no warranties, of any kind, express or implied, about accuracy, fitness for particular purpose, or any other warranty regarding the Proprietary Information. Notwithstanding the foregoing, Owner warrants that it has the right to disclose the Proprietary Information for the Purpose.
13. This NDA may not be assigned without the express written consent of both Parties.
14. 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.
15. 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.

Signatures contained on next page.

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

Open Systems International, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT “F” – MILESTONE ACCEPTANCE FORM

| Client Name and Project Code | DATE COMPLETED | DATE DELIVERED |
|--|----------------|----------------|
| | | |
| Agreement/Task Order Number | | |
| | | |
| Milestone Number, Description, & Value | | |
| | | |

Upon signature of this document the District hereby accepts the milestone set forth above. Contractor shall invoice the District for the total value of the above referenced milestone in accordance with the terms and conditions of the Contract.

Public Utility District No. 2
of Grant County, Washington

Open Systems International, Inc

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

EXHIBIT “G” – 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.



EXHIBIT “H” – BACKGROUND CHECK/IDENTITY VERIFICATION BY CONTRACTOR

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: _____ | |

MEMORANDUM

March 7, 2022

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Managing Director of Power Delivery/Interim Chief Operating Officer



FROM: Kevin Carley, Manager Control Systems Engineering

SUBJECT: Award of Contract 130-10739

Purpose: To request Commission approval to award Contract 130-10739 to Open Systems International, Inc. (OSI) of Medina, Minnesota for the delivery of an Energy Management System (EMS) for a not to exceed price in the amount of \$3,013,231.00.

Discussion: The District's current Energy Management System (EMS) was last updated in 2009. The system has exceeded its original intended lifespan and reached End of Life support from the vendor requiring a major upgrade. The existing system had been heavily modified to support the now discontinued Mid-Columbia Coordination making a simple upgrade infeasible and giving us the opportunity to solicit proposals from major vendors in the industry. The District advertised a Request for Proposal and OSI was the top evaluated proposal based on several evaluation criteria. District Staff has worked with OSI staff to produce a well-defined Statement of Work that encompasses all aspects of the EMS Upgrade Project (Project).

Justification: The Current EMS has been in production for 13 years and has exceeded its life cycle. During that period, significant customizations were made to the existing EMS making a simple upgrade not possible. Regulatory requirements from NERC and WECC have increased over time and necessitate that the District have a fully functioning EMS to support mandated compliance obligations and ultimately, the reliability of the electric system.

If this Project is not approved, the District would be exposed to increased levels of risk from the inability to meet strict interpretations of the NERC and WECC standards. The aging hardware adds additional operational risk as replacement parts have become difficult to obtain. The potential loss of remote control of system devices (circuit breakers) resulting from failed hardware is minimal due to automatic protection schemes at the substation. The inability to isolate and restore portions of the Grant County electric system can have unexpected safety impacts where customers rely on power for life-saving devices. The newer software platforms reduce some future operational and financial risks because they can integrate more seamlessly with changing markets, including the Energy Imbalance Market (EIM) should the District pursue this endeavor.

Vendor Selection Process: The District utilized an independent third-party consultant to facilitate the RFP development, proposal evaluation, and vendor selection. There were only two proposals submitted during the RFP process. Both vendors, GE and OSI, were deemed to meet minimum requirements to move on to evaluation. The following table shows the weighting factors for the criteria that were evaluated:

GENERAL QUALIFICATIONS – 10%
Management Plan (2%)

Capabilities of Vendor (4%)

Response Time (2%)

Cost Control Experience (2%)

TECHNICAL QUALIFICATIONS AND EXPERIENCE – 70%

Client List and Client References (5%)

Equivalent Projects and Services (5%)

Key Personnel Qualifications and Relevant Experience (5%)

Support Services Organization and Capabilities (5%)

Ability to Meet Technical Requirements (50%)

ACCESSIBILITY TO DISTRICT AND PROJECT SITES – 5%

Availability to travel to Grant County as needed during the process.

PRICING – 15%

The ability for each vendor to meet technical requirements was the most heavily weighted criteria. The evaluation spreadsheets included 285 specific requirements. Clarification to vendor responses, where the vendor proposed alternatives or customizations, were addressed through follow-up questions and during a two-day vendor demonstration with each vendor.

Pricing was evaluated by comparing the vendors proposed pricing with the Engineer's estimates. Through discussions with both vendors, the hardware infrastructure requirements were determined to be similar between the two proposed systems. The District determined that better hardware pricing could be obtained through state contract and only vendor specific hardware was included in the pricing evaluation.

Scoring worksheets were used to aggregate the weighted scores for individual criteria and normalize the final scores to a 0-100 range with 100 being a "perfect" score.

OSI received a score of 92.5 compared to the GE score of 89.4.

As the best evaluated candidate, an Intent to Award with OSI was issued. Through the Statement of Work development process with OSI, the list of required components was revised to determine the final contract price. Our due diligence had us perform a similar evaluation and revision to the GE pricing. The final cost comparison between the two vendors resulted in nearly equal pricing, with OSI coming in at \$3,013,231.00 and GE coming in at \$3,016,965.00.

Financial Considerations: The capital budget for the EMS Upgrade Project is \$3,990,000.00 and the Project will be completed over a 2-year period from the date the contract is signed. The total capital budget includes, in addition to the OSI contract, Project Management services and hardware that will be procured from other vendors.

The use of State Contracts will enable the District to receive lower pricing for hardware than the pricing proposed by the vendor.

Annual Software Support, Maintenance and Licensing Costs, which are ongoing O&M, are in line with similar software licensing and maintenance fees in this technology space. The proposed licensing costs for the initial five years of service were \$909,808 for OSI and \$1,096,401 for GE.

Funding for this Project will be both Capital and O&M. The Approved Capital Plan includes an estimate that will be updated to reflect the actual costs.

Contract Specifics: This contract was negotiated via RFP. The expected completion of this Project is Q2 of 2024.

Recommendation: Commission approval to award Contract 130-10739 to Open Systems International, Inc. for delivery of an Energy Management System for a not to exceed price in the amount of \$3,013,231.00.

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

Kevin Carley  Digitally signed by Kevin
Carley
Date: 2022.03.07 10:55:35
-08'00'