

A G E N D A
GRANT COUNTY PUBLIC UTILITY DISTRICT
30 C Street SW – Commission Meeting Room
Ephrata, Washington
COMMISSION MEETING
Tuesday, September 27, 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
Review and Sign Vouchers
- 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 September 13, 2022

2. Regular Agenda

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 130-3922 with ARCOS Workbench, increasing the not-to-exceed contract amount by \$43,125.00 for a new contract total of \$1,010,229.76, extending the contract completion date to June 13, 2023, 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 and furthermore, resetting the Change Order Authority for this agreement to permit the eventual extension of the ARCOS Callout System. (3417)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11497 with Arch Staffing and Consulting (Arch), in an amount not-to-exceed \$10,369,000.00 and with a contract completion date of December 31, 2025. (3418)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11527 with Volt Workforce Solutions (Volt), in an amount not-to-exceed \$8,620,260.00 and with a contract completion date of December 31, 2025. (3419)

3. Review Items For Next Business Meeting

XXXX – Resolution Establishing New Rate Schedule No. 18 – Estimated Unmet District Load Cost Recovery Adjustment Clause (“EUDL CRAC”) Rider and Amending Rate Schedule No. 15 – Large Industrial Service.

4. Calendar

5. Reports from Staff (if applicable)

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

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

September 13, 2022

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 596 502 173# with the following Commissioners present: Judy Wilson, President; Nelson Cox, Vice-President; Tom Flint, Secretary; Terry Pyle (via Microsoft Teams for the am session), 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: Working on contingency plan for EAD due to smoke possibly to shorten event. No news on BNSF trussell from excavator incident. Thank you to Jeff's group for getting things done in a timely manner. Judy is invited to speak at a Ag Power User group with Annette to write up talking points. Commission is happy that we are working with reimbursement and school programs.

Julie Pyper, Senior Manager of EPMO, provided a PMO Resource Contracts Overview.

Brett Lenz, Manager of Cultural Resources, provided the Cultural Resources Program Report.

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

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

Bob Murphy, Royal Slope, addressed the Commission on behalf of McDougal And Sons regarding opposition to the with Red Rock transmission line design due to potential effects of property and bin storage space.

Larry Lewis, Quincy, readdressed the Commission regarding fire wise concerns at Sunland Estates.

Tod Thomas, Quincy, Sunland home owner association president discussed working with Grant PUD staff to create a landowner committee which would be allowed to maintain vegetation within and around the Sunland community to mitigate fire wise concerns.

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

Payment Number	124024	through	124683	\$17,416,987.24
Payroll Direct Deposit	202334	through	203866	\$4,322,171.48
Payroll Tax and Garnishments	20220824A	through	20220907B	\$1,856,260.45

Meeting minutes of August 23, 2022.

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

Motion was made by Mr. Cox and seconded by Mr. Flint authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 7 to Contract 130-4064 with GE-Alstom Grid, LLC, increasing the not-to-exceed contract amount by \$260,998.00 for a new contract total of \$1,829,751.00, extending the contract completion date to August 31, 2023, 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. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

Commissioner Schaapman initiated a discussion regarding a recent letter sent to the Grant County Industrial Alliance (GCIA) regarding Open Public Meetings Act (OPMA) regulations.

The Commission calendar was reviewed.

The Commission recessed at 3:28 p.m.

The Commission resumed at 3:30 p.m.

An executive session was announced at 3:30 p.m. to last until 4:00 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 3:50 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 4:00 p.m. on September 13 and reconvened on Tuesday, September 20 at 8:30 a.m. at Grant PUD’s Main Headquarters Building, 30 C Street SW, Ephrata, Washington for the purpose of holding a workshop and any other business that may come before the Commission with the following Commissioners present: Judy Wilson, Nelson Cox, Tom Flint, Terry Pyle and Larry Schaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

An executive session was announced at 12:05 p.m. to last until 12:55 p.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 12:55 p.m. and the regular session resumed.

An executive session was announced at 4:25 p.m. to last until 4:50 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g) and to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 4:50 p.m. and the regular session resumed.

There being no further business to discuss, the September 13, 2022 meeting officially adjourned at 4:50 p.m. on September 20, 2022.

Judy Wilson, President

ATTEST:

Tom Flint, Secretary

Nelson Cox, Vice President

Terry Pyle, Commissioner

Larry Schaapman, Commissioner

REGULAR AGENDA

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 130-3922 with ARCOS Workbench, increasing the not-to-exceed contract amount by \$43,125.00 for a new contract total of \$1,010,229.76, extending the contract completion date to June 13, 2023, 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 and furthermore, resetting the Change Order Authority for this agreement to permit the eventual extension of the ARCOS Callout System.

MEMORANDUM

Date August 29, 2022

TO: Rich Wallen - General Manager

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

FROM: Charles Meyer - Senior Manager Enterprise Technologies

SUBJECT: Contract 130-3922, Change Order No. 5

Purpose: To request Commission approval of Change Order No. 5 to Contract 130-3922 to permit the extension of the existing agreement for ARCOS Workbench from 12/13/2022 to 6/13/2023. The cost for this six-month license extension is \$43,125.00 which brings the contract authorization total to \$1,010,229.76. A Commission reset is also requested for the Contract.

Discussion: The District received two different services from ARCOS under this contract, ARCOS Callout, and ARCOS Workbench.

ARCOS Callout was originally licensed to the District on October 17, 2014. It is a service that sequentially calls crew members to respond to after-hours trouble calls. Crew members can interact with the call-out requests through a cell phone application that allows them to accept or reject a request. The service also provides information to Dispatch/Customer Service on the location of the crew member. The District has extended its license for this service multiple times. (See attached Change Order History). ARCOS Callout is currently licensed to the District through December 13, 2024. This service is performing well.

ARCOS Workbench was first licensed to the District on August 31, 2018. It is a software solution that operates on iPads for mobile use by field crews. The District uses ARCOS Workbench to assign Trouble Report work orders to crew members and all meter-related work orders originating in CCS, the District's billing system. Trouble Reports are generated when customers call in to report a problem with service. Meter work is generated for things like a new meter getting installed, a meter getting changed, a meter getting turned off or on etc. ARCOS Workbench was implemented to replace several paper-based processes and an out of date Trouble Reporting System. The ARCOS Workbench product has had a number of significant performance issues.

In 2021 the District made the decision to keep ARCOS Callout but to replace the functions performed by ARCOS Workbench with a more mature product called Clevest. The Clevest product is currently being implemented. The original go-live date for Clevest was September 2, 2022. This was approximately three months prior to the license expiration for ARCOS Workbench. The Clevest go-live date has been moved from September 2, 2022 to March 6, 2023. The District will require access to ARCOS Workbench until Clevest is ready for use. District Staff negotiated a six-month extension for ARCOS Workbench for \$43,125 to from December 13, 2022 to June 13, 2023.

In parallel with the Clevest project, the District is also implementing the ESRI GIS Mapping System known as the Gen2 project. Clevest is dependent on the ESRI project being complete in order to fully function. The ESRI project experienced delays and its end date moved from July of 2022 to November of 2022. This shift in the ESRI project made it necessary to also shift the Clevest project. Many of the same technical resources are required for both projects and the first priority is to complete the ESRI implementation.

Justification: Moving the Clevest go-live date from September 2, 2022 to March 6, 2023 allows District Staff time to complete the ESRI project, train users for ESRI, and give ESRI a 90 day settling period prior to going live with Clevest.

One alternative solution considered was to go live with Clevest in early December, prior to ARCOS Workbench expiring. This option was dismissed by District Leadership due to high risk of failure. Many of the same resources are required for both ESRI and Clevest. Going live with both products back-to-back would put both project schedules at further risk as resources split their time between the two. Also, a go-live date in early December lands between Thanksgiving, Christmas, and New Year when many staff are on PL and would not be available for training, support, or initial troubleshooting of Clevest. Lastly, it is best practice to allow a break in period for software of at least 60-90 days before other dependent software is introduced. Typically in the first 90 days, issues are discovered that require troubleshooting and correction. It is critical to allow this stabilizing period for ESRI prior to introducing Clevest.

Financial Considerations: This \$43,125.00 change order for a six-month extension was the result of a negotiation with ARCOS. The standard offering from ARCOS is to extend technology licenses in three-year increments. When the District requested a shorter term, ARCOS offered to make an exception and provide a one-year extension at \$80k. After further discussion agreement was made for a six-month extension which better suits the District's timeframe and avoids \$36,875.00 in license fees.

This change order brings the delegated authority limit of this contract to \$1,010,229.76. Of this total, the split between funds allocated to ARCOS Callout vs ARCOS Workbench is approximately 65% to Callout and 35% to Workbench.

Change Order History: See attached change order table.

Legal Review: See attached email.

Recommendation: Commission approval of Change Order No. 5 to Contract 130-3922 to permit the extension of the existing agreement with ARCOS for ARCOS Workbench from December 13, 2022 to June 13, 2023 for \$43,125.00. Furthermore, reset the Change Order Authority for this agreement to permit the eventual extension of the ARCOS Callout System.

From: [Charles Meyer](#)
To: [Chris Heimbigner](#); [Ron Alexander](#); [Patrick Bishop](#)
Cc: [Alicia Reynolds](#); [Michele Mesaros](#); [Russell Seiler](#)
Subject: RE: 130-3922 Amendment No. 5 Professional Services to Implement Arcos Callout System - Commission Packet Approval
Date: Tuesday, August 30, 2022 3:13:47 PM

I have read and approve the memo.

Regards,

Charles

From: Chris Heimbigner <Cheimbigner@gcpud.org>
Sent: Tuesday, August 30, 2022 7:27 AM
To: Ron Alexander <ralexander@gcpud.org>; Patrick Bishop <Pbishop@gcpud.org>; Charles Meyer <cmeyer@gcpud.org>
Cc: Alicia Reynolds <areynolds@gcpud.org>; Michele Mesaros <mmesaros@gcpud.org>; Russell Seiler <Rseiler@gcpud.org>
Subject: RE: 130-3922 Amendment No. 5 Professional Services to Implement Arcos Callout System - Commission Packet Approval

I have read and approve the memo.

Chris

From: Ron Alexander <ralexander@gcpud.org>
Sent: Tuesday, August 30, 2022 7:26 AM
To: Patrick Bishop <Pbishop@gcpud.org>; Chris Heimbigner <Cheimbigner@gcpud.org>; Charles Meyer <cmeyer@gcpud.org>
Cc: Alicia Reynolds <areynolds@gcpud.org>; Michele Mesaros <mmesaros@gcpud.org>; Russell Seiler <Rseiler@gcpud.org>
Subject: RE: 130-3922 Amendment No. 5 Professional Services to Implement Arcos Callout System - Commission Packet Approval

I have read and approve of the memo as written.

Thank you

Ron

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Tuesday, August 30, 2022 7:19 AM
To: Ron Alexander <ralexander@gcpud.org>; Chris Heimbigner <Cheimbigner@gcpud.org>; Charles Meyer <cmeyer@gcpud.org>
Cc: Alicia Reynolds <areynolds@gcpud.org>; Michele Mesaros <mmesaros@gcpud.org>; Russell Seiler <Rseiler@gcpud.org>

Subject: FW: 130-3922 Amendment No. 5 Professional Services to Implement Arcos Callout System - Commission Packet Approval

Good morning,

Russ Seiler, as District Representative on the Clevest implementation, has negotiated an extension to the Workbench module of our ARCOS system. This will extend Workbench from December 13, 2022 to June 13, 2023 and increase the license fees by \$43,125.00. The increase in cost puts the total Contract Price over \$1,000,000.00 which, by District policy, requires Commission action.

We have contract and legal approval to proceed. Russ has drafted the Commission memo which can be found [here](#) along with the Amendment. By responding to this email, can Charles, Chris, and Ron please review and approve the memo? I will then proceed with moving this to the Packet. We are on a tight schedule with ARCOS to get this Amendment executed. To meet the schedule we must have this to the Commission Packet by 11:30 a.m. this Thursday. Thank you all.

Regards,

Patrick Bishop

Procurement Officer - CPPB

OFFICE 509.793.1556

EMAIL pbishop@gcpud.org



From: Carol Mayer <Cmayer@gcpud.org>

Sent: Monday, August 29, 2022 4:34 PM

To: Patrick Bishop <Pbishop@gcpud.org>

Subject: 130-3922 Amendment No. 5 Professional Services to Implement Arcos Callout System

You have contract and legal approval to submit Amendment No. 5 Professional Services to Implement Arcos Callout System into the Commission packet.

Carol Mayer

Sr. Manager Supply Chain/Procurement

OFFICE 509.754.5055

CELL 509.787.5877

EXT. 2336

EMAIL cmayer@gcpud.org





**AMENDMENT NO. 5 (ARCOS Mobile Workbench short-term renewal)
TO THE ARCOS LLC MASTER SERVICE AGREEMENT
DATED EFFECTIVE OCTOBER 16, 2014
AND TO WORK ORDER NO. 0201
DATED EFFECTIVE SEPTEMBER 14, 2018
BETWEEN ARCOS LLC AND
PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON**

THIS AMENDMENT NO. 5 (“Amendment No. 5”), dated as of the final signature affixed, below, and shall be effective **December 14, 2022** (“Effective Date”), is between **ARCOS LLC** and **PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON** (“Customer”), and amends that certain ARCOS Master Service Agreement, as amended (“Master Service Agreement,” “MSA” or “Agreement”), previously executed between ARCOS and Customer dated effective October 16, 2014, and amends Work Order No. 0201 dated effective September 14, 2018 (“W O No. 0201”). This Amendment No. 5 also amends any other Amendments, Work Orders, or other Agreements executed between ARCOS and Customer. ARCOS and Customer may be referred to individually as “Party”, or collectively as “Parties” in this Amendment No. 5. The Parties previously entered in a certain Amendment No. 4 dated December 9, 2021 (“Amendment No. 4”).

- I. **PURPOSE.** The Purpose of this Amendment No. 5 is as follows.
 - A. To extend the contract term of ARCOS Mobile Workbench, only, so as to renew and to extend Customer’s purchase/license of ARCOS Mobile Workbench as further detailed in W O No. 0201, originally, and as amended from time to time, for a period to commence **December 14, 2022** and to expire **June 13, 2023** (“First Extended Term”); and,
 - B. To grant Customer one (1) option to renew the First Extended Term upon such terms and conditions as provided for in this Amendment No. 5.
- II. **TERM.** Customer’s current agreements with ARCOS are affected by this Amendment No. 5 as follows:
 - A. By execution of this Amendment No. 5, ARCOS and Customer agree that the term of this Amendment No. 5 will start as of the Effective Date, **December 14, 2022**, and, unless Customer validly exercises the option to extend the First Extended Term, the term of this Amendment No. 5 will expire **June 13, 2023**. In the event Customer validly exercises an option to extend the First Extended Term, the term of this Amendment No. 5 will be extended as provided for herein.
 - B. Amendment No. 4 is not affected by this Amendment No. 5.
- III. **PRODUCTS AND PRICING:** (Existing): This Amendment No. 5 extends the ARCOS Mobile Workbench contract as provided for herein.

EXPIRATION OF PRICING FOR THIS AMENDMENT NO. 5.

The ARCOS Products and pricing provided for in this Amendment No. 5 shall expire at **5:00 p.m. Eastern Standard time on August 31, 2022** (“Pricing Expiration Date”). By way of further explanation, this Amendment No. 5 shall be void and shall be of no further force or effect in the event Customer does not return a signed Amendment No. 5 to ARCOS prior to **5:00 p.m. Eastern Daylight Time on August 31, 2022**.

Pricing, below, reflects meter-based pricing based upon a total meter county of 41,722 meters (electric meters only). Should Customer’s meter service, in total, exceed 75,000 meters, or should Customer elect to add any generation facility or line of business to the ARCOS System in addition to those presently served by ARCOS, ARCOS reserves the right to increase Customer’s annual fees, and to assess implementation, training, and/or set-up fees in addition to those described in this Work Order.

Customer has elected to extend the purchase/license for the ARCOS Products and ARCOS Services as set forth below.

Products and Services (Meter-Based Pricing) (Electric and Gas Division)	Partial Year (6 Months) Fees 12.14.2022 - 6.13.2023	TOTAL FEES ¹
ARCOS Mobile Workbench	\$43,125	\$43,125

Notes:

¹ Fees cited in this Amendment No. 5 do not include, and are in addition to, any of Customer’s current fees for any previously contracted for ARCOS Products and Services unless otherwise expressly set forth herein.

Invoicing Table. Fees as stated, above, in this Amendment No. 5 will be invoiced on the dates and in the amounts as shown below. In addition, in the event the Customer validly exercises an option to renew the contract term for ARCOS Mobile Workbench, such option term fees will be invoiced as provided for, below, in Section IV of this this Amendment No. 5.

Products and Services (Meter-Based Pricing) (Electric and Gas Division)	Partial Year (6 Months) Fees 12.14.2022 - 6.13.2023	TOTAL FEES ¹
ARCOS Mobile Workbench	\$43,125	\$43,125

IV. **OPTION TO RENEW ARCOS MOBILE WORKBENCH CONTRACT TERM:** ARCOS hereby grants Customer one (1) option to renew the contract term, for ARCOS Mobile Workbench, upon the following terms and conditions.

A. **Option to Renew.** Provided Customer timely and validly provides written notice to ARCOS of its intention to exercise the option to renew (email notice to ARCOS is acceptable), the contract term for ARCOS Mobile Workbench (only) will renew upon the following terms and conditions (“Option to Renew”):

1. Customer shall provide written notice to ARCOS on or prior to **April 1, 2023.**
2. If timely exercised by Customer, the contract term for the Option to Renew will commence June 14, 2023 and will end, unless terminated earlier as otherwise provided for in the MSA or in Work Order No. 0201, December 13, 2024.

3. If Customer validly exercises the Option to Renew, Customer will have elected to purchase/license the ARCOS Products and ARCOS Services, and will pay the fees, as set forth in the Option to Renew: Product and Fee Table below.

B. **Payment of Fees.** ARCOS, in its reasonable discretion, may reject Customer’s exercise of the Option to Renew if, at the time of Customer’s exercise of the Option to Renew or as of June 14, 2023, Customer is greater than sixty (60) days delinquent in payment of fees to ARCOS under this Amendment No. 5 or under W O No. 0201.

Option to Renew: Product and Fee Table (Invoiced on the dates shown below)

Products and Services (Meter-Based Pricing) (Electric and Gas Division)	Fees 6.14.2023- 12.13.2023 (Invoiced 6.14.2023)	Fees 12.14.2023- 12.13.2024 (Invoiced 12.14.2023)
ARCOS Mobile Workbench	\$43,125	\$86,250 ** + Annual CPI Increase

** Commencing December 14, 2023, annual SaaS fees, as shown above, will increase, annually, as shown above: \$86,250 plus an amount equal to Annual CPI plus four percent (4%) (“Annual CPI Increase”). In no event will such Annual CPI Increase be less than four percent (4%) per year. An illustration of the Annual CPI Increase, in application, is as follows. In the event the Annual CPI is zero, or less than zero, then fees payable commencing December 14, 2023 will be \$89,700. In determining the Annual CPI Increase, ARCOS will utilize such Annual CPI as is published at <https://www.bls.gov/cpi> in such calendar month immediately preceding the applicable invoice date.

V. **GENERAL TERMS AND CONDITIONS** (Updated): By this Amendment No. 5, the following definition is hereby added to the Master Service Agreement, in the “Definitions” section thereof, as follows:

“**Annual CPI**” means the Consumer Price Index for All Urban Consumers in the United States, on a rolling twelve-month basis, not seasonally adjusted, as published by the U.S. Bureau of Labor Statistics at: <https://www.bls.gov/cpi>.

VI. **SERVICE LEVELS.** ARCOS will provide the Services and Support Services under this Amendment No. 5 in accordance with the Service Level Agreement at <https://prod.rostermonster.com/arcos/html/legal/serviceLevelAgreement.jsp> (VER 2018).

ACKNOWLEDGEMENT. Customer acknowledges that, unless otherwise amended, all other terms and conditions in the above-referenced Agreement shall remain in full force and effect.

EXECUTION. Execution and delivery of this Amendment No. 5 shall be legally valid and effective through: (i) hand-delivery; (ii) facsimile transmission, electronic mail in portable document format (“.pdf”) or other electronically scanned format; or (iii) use of an electronic document execution and delivery process, e.g., DocuSign®, Adobe Document Cloud.

[Signatures appear on the immediately following page.]

AUTHORIZED REPRESENTATIVES. ARCOS and Customer each affirm that it has signed this agreement through its authorized representative(s).

ACCEPTED & AGREED:

ARCOS LLC

BY:	<u>Ross DS Fuller</u>
TITLE:	<u>Chief Financial Officer</u>
SIGNATURE:	_____
DATE:	_____

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

BY:	_____
TITLE:	_____
SIGNATURE:	_____
DATE:	_____

PURCHASE ORDER	
REQUIRED?	___ YES ___ NO
PO #	_____

[END OF AMENDMENT NO. 5]

Contract Title: Professional Services to Implement Arcos Callout System

Contract No.	130-3922	Award Date:	10/17/2014
Project Manager:	Charles Mayer	Original Contract Amount:	\$116,940.00
District Representative (If Different):		Original Contract completion:	3/21/2018
Contractor:	Arcos LLC	Total CO Cost Change Amt	\$893,289.76

CO#	Change Description	Approved by	Approval Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
* See note below	Increase the not to exceed Contract price for internal purposes only.	Director	03/30/16	NA	\$68,670.00	\$185,610.00	\$68,670.00
* See note below	Increase the not to exceed Contract price for internal purposes only.	Dept Mgr	12/06/17	NA	\$30,000.00	\$215,610.00	\$98,670.00
Amendment No. 1	Extend the Contract completion date, increase the not to exceed Contract Price, and restructure the payment language.	Managing Dir	03/19/18	03/21/21	\$171,000.00	\$386,610.00	\$269,670.00
Amendment No. 2	Extend the Contract completion date, increase the not to exceed Contract Price, and add a TRS workflow.	Comm	08/28/18	12/13/21	\$240,000.00	\$626,610.00	\$509,670.00
Amendment No. 3	Amends WO 0201 adjusting the District's obligation for payment of SaaS fees, extends the MSA for Mobile Workbench, replace Attachment 2 Section III from WO 0201 with Section 2.III of Amendment 3 and provides a \$15,000.00 credit for services the District paid for but did not use.	Sr Mgr	07/11/19	5/31/2022 (for Mobile Workbench only)	N/A	\$626,610.00	\$0.00

* See note below	Increase the not to exceed Contract price for internal purposes only.	Senior/Plant Mgr	09/13/21	NA	\$85,000.00	\$711,610.00	\$85,000.00
Amendment No. 4	Increase the not to exceed Contract price and extend the Contract completion date.	Managing Director	12/09/21	Mobile Workbench - 12/13/2022 Callout - 12/13/2024	\$255,494.76	\$967,104.76	\$340,494.76
Amendment No. 5	Increase the not to exceed Contract price and extend the Contract completion date for Mobile Workbench only.	Comm		Mobile Workbench - 6/13/2023 Callout - 12/13/2024	\$43,125.00	\$1,010,229.76	\$340,494.76
Total Change Order Cost Change Amount					893,289.76		

Contract does not contain a NTE amount. Contract Price increases are tracked here for internal, delegated authority purposes only. The Contractor is unwilling to sign change orders related to the NTE amount.

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11497 with Arch Staffing and Consulting (Arch), in an amount not to exceed \$10,369,000.00 and with a contract completion date of December 31, 2025.

3418

MEMORANDUM

DATE: August 26, 2022

TO: Richard Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Chief Operations Officer

FROM: Julie E. Pyper, Senior Manager Enterprise Project Management Office/Organizational Change Management/Operations Budget and Analytics

SUBJECT: New Contract 430-11497 for Arch Staffing and Consulting

Purpose:

To request Commission approval to award a new contract with Arch Staffing and Consulting (Arch), Contract No. 430-11497 for \$10,369,000 with an expiration of December 31, 2025. Arch provides staff augmentation services. We expect to primarily use these services for project management and organizational change management when we have a capacity and or capability needs.

Discussion:

Arch provides Grant PUD with contracted labor resources whose skills and capacity are needed to execute projects and run business activities that directly support Grant PUD's business objectives and the strategic plan. This contract is an on-demand agreement utilizing statement of work task authorizations for each resource procured. Grant PUD cannot successfully execute its strategic plans and related project work without staff augmentation and specialized services.

We currently have two contracts in place for contracted resources – Arch and VOLT. These contracts are set to expire the end of the 2022.

- VOLT
 - Award date: 7/14/2018
 - Completion date: 12/31/2022
 - Current Contract Price: \$3,850,000

- Arch
 - Award date: 11/18/2019
 - Completion date: 11/15/2022
 - Current Contract Price: \$6,000,000

We are asking for Commission approval for two new contracts – one each for Volt and Arch – to continue to provide these staff augmentation services.

Justification:

Each project and/or activity that will require staff augmentation to reduce risk and create a successful outcome will be independently justified and funded, either through capital or O&M budgets. Scaling our resources up and down quickly and efficiently via on demand staff augmentation is an effective long-term

strategy for resourcing projects. Staff augmentation and resources required to execute projects will typically be included and justified in the budget and value statement for the project itself. This contract is merely a mechanism for acquiring those resources as efficiently as possible.

If not approved, project and other ongoing work will be unable to be executed in the desired time frame, with high quality results. Additionally, we will not be able to execute future projects or support individuals through change events until other work is concluded to create capacity with our own staff.

Financial Considerations:

Grant PUD has ability to negotiate rates and accept or reject potential staff augmentation resources presented by Arch. Having this contract in place significantly lowers the administrative work required to onboard resources by maintaining a relationship with a proven partner and issuing task/work authorizations. Quickly scaling resources up and down per project demand and priority is more efficient than adding full-time resources which have a long-term impact to District finances.

Grant PUD also has other staff augmentation contracts in place and can leverage those current and past agreements for competitive purposes.

The following is the breakdown of the funds being requested for this contract:

Arch - Named	\$ 5,368,966.33
Arch - TBD	\$ 5,000,000.00
Arch - TOTAL	\$ 10,368,966.33
Arch – TOTAL rounded	\$ 10,369,000.00

“Arch – Named” are resources that are already under contract under the existing contract. The amount is our estimate for currently contracted resources through either the duration of assigned work or through the duration of the proposed contract (as the work is expected to extend past the current proposed contract expiration date).

“Arch – TBD” is placeholder for expected but unknown specific contracted resources. We proposed a placeholder for these currently unknown but expected resource needs in both the Volt and Arch contracts. In combination, the proposed placeholders are \$10,500,000. These funds will not be spent unless they are assigned to a specific effort.

Contract Specifics:

The current contract is proving to be effective for the nature of the services provided by this contract – staff augmentation -. In addition, due to the contract structure, the rates of contracted resources are negotiated on a Task Authorization by Task Authorization basis ensuring that the District is strictly paying for the value of each contracted resource on an individual by individual basis (not a general rate schedule).

Recommendation:

Commission approval of Contract No. 430-11497 with Arch Staffing and Consulting for \$10,369,000 to expire on December 31, 2025.

Legal Review:

See attached e-mail(s).

From: [Jeff Grizzel](#)
To: [Julie Pyper](#)
Cc: [Guy Wanner](#); [Kamryn Shannon](#)
Subject: RE: APPROVAL REQUEST: Arch Commission memo
Date: Monday, July 18, 2022 1:32:21 PM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)

Approved Julie.

Jeff

From: Julie Pyper <jpyper@gcpud.org>
Sent: Friday, July 15, 2022 1:57 PM
To: Jeff Grizzel <jgrizzel@gcpud.org>
Cc: Guy Wanner <gwanner@gcpud.org>; Kamryn Shannon <kshannon@gcpud.org>
Subject: APPROVAL REQUEST: Arch Commission memo

Jeff – please review and provide your approval of the Arch Commission memo. You can provide your approval via email or print/sign/scan.

Please let me know if you have any questions or concerns. Thank you and 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: Julie Pyper

Sent: Wednesday, July 13, 2022 10:26 AM

To: Jeff Grizzel <jgrizzel@gcpud.org>; Guy Wanner <gwanner@gcpud.org>; Kamryn Shannon <kshannon@gcpud.org>

Subject: RE: Julie Pyper shared "Arch Commission Memo July 2022" with you.

Hi there – This memo – for Arch - has been updated with the proposed contract amounts. I believe it's ready to go. Please let me know if you have any questions or comment. Thank you and take care, Jules

Julie E. Pyper

Senior Manager

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

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[Learn more about Organizational Change Management](#)

DESK 509.754.5089

EXT. 4153

CELL 509.429.2420

EMAIL jpyper@gcpud.org



grantpud.org

From: Julie Pyper

Sent: Wednesday, June 29, 2022 4:04 PM


To: Jeff Grizzel <jgrizzel@gcpud.org>; Guy Wanner <gwanner@gcpud.org>; Kamryn Shannon <kshannon@gcpud.org>

Subject: Julie Pyper shared "Arch Commission Memo July 2022" with you.



Julie Pyper shared a file with you

Hi there - This is a DRAFT Commission memo for the new Arch contract. I generally just need to add the NTE amount and breakdown of named resources versus TBD. Just sending this along for comments and letting folks know that it's already drafted. Please feel free to hack and whack or comment. Thank you and take care, Jules

 [Arch Commission Memo July 2022](#)

 This link only works for the direct recipients of this message.





[Privacy Statement](#)



AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and Arch Staffing and Consulting (“Staffing Firm”);

R e c i t a l s :

The District desires to obtain professional staff augmentation services; and

The District recognizes the need for efficient sourcing of talent and personnel that is necessary to achieve the organization’s goals and desired timeframes; and

Utilizing outside firms specializing in sourcing project management, organization change management and associated skillsets will support successful delivery of these efforts.

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

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

1. Scope of Services

A. Staffing Firm will place one or more Contractors for temporary assignment (“Staffing Services”), Contractors for temporary assignment to permanent positions (“Conversion Fee”) or provide Candidates for permanent positions (“Permanent Placement”).

1. Staffing Firm will recruit, interview, screen and assign to the District Contractors who are deemed the best qualified Contractor to perform the work described in each task authorization. Staffing Firm will maintain personnel and payroll records; paying, withholding and transmitting payroll taxes; making unemployment compensation contributions; handling unemployment and workers’ compensation claims involving Staffing Firm Contractors with respect to the compensation that Staffing Firm has agreed to pay; and removing any assigned Contractor at the District’s request for any lawful reason.

2. Staffing Firm will interview, screen and assign to the District Contractors who have been referred by the District and are deemed the best qualified Contractor to perform the work described in each task authorization. Staffing Firm will maintain personnel and payroll records; paying, withholding and transmitting payroll taxes; making unemployment compensation contributions; handling unemployment and workers’ compensation claims involving Staffing Firm Contractors with respect to the compensation that Staffing Firm has agreed to pay; and removing any assigned Contractor at the District’s request for any lawful reason.

B. In the event specific assignments require background checks, drug screening or other testing, the cost of such background checks shall be borne by the Staffing Firm for the testing if performed by Staffing Firm or its agent. The District will also only request testing equivalent to what it would require of the District’s own full-time employees in the respective position.

- C. Staffing Firm expects the District to take responsibility for directing and controlling the work performed by provided Contractors. Staffing Firm also expects the District to provide all Contractors with a safe worksite that is free from harassment and to provide information, training and safety equipment with respect to any hazardous substances or conditions to which associates may be exposed at the worksite.

If Contractor(s) works more than 50% of the time at any of the District's facilities, it is agreed that the District will be primarily responsible for compliance with the Occupational Safety and Health Act and comparable state laws and regulations, to the extent those laws apply to provided Contractors working at District facilities.

If Contractor(s) works less than 50% of the time at any of the District's facilities, it is agreed that the Staffing Firm will be primarily responsible for compliance with the Occupational Safety and Health Act and comparable state laws and regulations, to the extent those laws apply to provided Contractors working at non-District facilities.

Staffing Firm will, at the District's request, instruct its Contractors on general safety matters in accordance with information that the District provides to Staffing Firm. Staffing Firm is solely responsible for the compensation of its Contractors and must pay each Contractor for all hours worked. The District agrees to remit the negotiated Bill Rate for all hours worked, including negotiated overtime bill rates for hours worked in excess of 40 hours during an agreed pay period. In the event there is a governmental mandated requirement to increase wages or employer payroll burdens, District agrees to accept and remit payment for such additional costs incurred by Staffing Firm from the effective date to the expiration date of this Agreement.

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

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

2. Independent Contractor

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

3. Term - Schedule

The term of this Agreement shall commence on November 16, 2022 and shall remain in full force and effect until December 31, 2025 or until terminated pursuant to Section 17.

4. Compensation and Payment

A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in each Task Authorization. Rates and costs shall not be subject to change until one year after the effective date of this Agreement. Any changes to rates and costs shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter. Each such change shall be negotiated between the Staffing Firm, Contractor and the District. The rate change shall be documented with a fully executed amendment to the Task Authorization prior to any such rate increase going into effect. If the District issues payment within 10 days, the payment due shall be reduced by 2%. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of \$10,369,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 5 below.

B. Staffing Firm shall submit invoices bi-weekly to the attention of:

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

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

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

5. Change Orders

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

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

When a change is ordered by the District, as provided herein, a Change Order shall be executed by the District and the Staffing Firm before any Change Order work is performed. When requested, Staffing Firm 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 Staffing Firm, or claims arising there from, for Change Order work which is not first authorized in writing. All terms and conditions contained in the Contract Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as Appendix "B" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

6. Taxes

- A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Staffing Firm shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and subcontractors performing work related to this Contract.
- B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:
 - 1. If the Staffing Firm 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 Staffing Firm shall make payment of any Washington State retail sales and use taxes due and Staffing Firm shall be reimbursed by the District for the same. Staffing Firm shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.
 - 2. If the Staffing Firm 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 Staffing Firm, shall make payment of said Washington State retail sales and use taxes levied upon this Contract to the Washington State Department of Revenue.

7. Hold Harmless and Indemnification

Staffing Firm shall, at its sole expense, indemnify, defend, save, and hold harmless the District, its officers, agents, and employees from all actual or potential claims or losses, including costs and legal fees at trial and on appeal, and damages or claims for damages to property or persons, suffered by anyone whomsoever, including the District, to the extent caused by any negligent act of or omission of the Staffing Firm or its subcontractors, excluding damages caused by the negligence of the District, in the administration or performance of this Agreement or any subcontracts, and for which either of the parties, their officers, agents, or employees may or shall be liable. In situations where liability for damages arises from claims of bodily injury to persons or damage to property, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Staffing Firm or its subcontractors. Staffing Firm waives its immunity under industrial insurance, Title 51 RCW, to the extent necessary to effectuate this indemnification/hold harmless agreement.

Staffing Firm’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 Staffing Firm. 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 Staffing Firm or its agents or employees, the Staffing Firm’s indemnity obligation shall apply only to the extent of the Staffing Firm’s (including that of its agents and employees) negligence.

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

8. Insurance

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

Staffing Firm Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Staffing Firm 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); and
 - e. Such insurance shall not exclude coverage for action-over liability claims;
 with the following **minimum limits:**
 - f. \$1,000,000 Each Occurrence
 - g. \$1,000,000 Personal Injury Liability
 - h. \$2,000,000 General Aggregate (per project)
 - i. \$2,000,000 Products and Completed Operations Aggregate

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

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

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

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

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

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

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

5. **Professional Liability/Network Security Insurance:** Staffing Firm shall obtain professional errors and omissions liability insurance in an amount of not less than \$5,000,000 per claim and in the aggregate. Coverage shall respond to wrongful acts in the rendering of, or failure to render, professional services under this Agreement, electronic data losses or damage or breaches of electronic data security including disclosures of private or confidential information of the District or any employee, participant or beneficiary of the Services provided by Staffing Firm pursuant to this contract. In the event of a claim and upon the District's request, Staffing Firm shall provide a copy of its Professional Liability/Network Security Insurance policy. The Professional Liability Insurance retroactive coverage date shall be no later than the effective date of this agreement. Staffing Firm shall continuously maintain such insurance or purchase an extended reporting period providing that claims first made

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

If Staffing Firm shall hire subcontractor for all operations and risk involving professional network services exposure, this requirement may be satisfied by subcontractor's policies. Staffing Firm 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. **Employment Practices Liability:** Staffing Firm shall provide Employment Practices liability insurance with a **minimum limit of \$1,000,000 per claim.**

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

If Staffing Firm shall hire subcontractor for any operations and risk involving professional services exposure, this requirement may not be satisfied by subcontractor's policies. Any exceptions must be mutually agreed in writing with the District.

7. **Crime:** Staffing Firm shall provide crime insurance with a **minimum limit of \$1,000,000 per claim.**

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

If Staffing Firm shall hire subcontractor for any operations and risk involving professional services exposure, this requirement may not be satisfied by subcontractor's policies. Any exceptions must be mutually agreed in writing with the District.

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

Failure of the District to demand such certificate or other evidence of compliance with these insurance requirements or failure of the District to identify a deficiency from the provided evidence shall not be construed as a waiver of the Staffing Firm'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 Staffing Firm 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 Staffing Firm fails to maintain insurance as set forth above, the District may purchase such insurance at the Staffing Firm's expense. The Staffing Firm's failure to maintain the required insurance may result in termination of this Contract at the District's option.

- C. Cancellation of Insurance - The Staffing Firm shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies, to the extent commercially available, or Staffing Firm shall provide 30 days advance written notice to the District for cancellation or any material change in coverage or condition, except 10 days advance written notice for cancellation due to non-payment. Should the Staffing Firm receive any notice of cancellation or notice of nonrenewal from its insurer(s), Staffing Firm shall provide immediate notice to the District no later than two days following receipt of such notice from the insurer. Notice to the District shall be delivered by facsimile or email.

9. Assignment

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

10. Records - Audit

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

11. Nondisclosure

Staffing Firm agrees that it will not divulge to third parties, without the written consent of the District, any information obtained from or through District in connection with the performance of this Contract. Staffing Firm further agrees that it will not, without the prior written consent of District, disclose to any third party any information developed or obtained by the Staffing Firm in the performance of this Contract and, if requested by District, to require its employees and

subcontractors, if any, to execute a nondisclosure agreement prior to performing any services under this Contract. Nothing in this section shall apply to:

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

12. Public Records Act

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

13. Applicable Law

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

14. Subcontracts/Purchases

The Contractor is not authorized to enter into any subcontracts or make any purchases of materials or equipment.

15. Notices

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

District
Julie Pyper
Public Utility District No. 2
of Grant County, Washington

Staffing Firm
Rene' Wukich
Arch Staffing and Consulting
8123 N. Standard St.

PO Box 878
154 A Street SE
Ephrata, WA 98823
(509) 429-2420
jpyper@gcpud.org

Spokane, Washington 99208
(208) 682-6791
rene.wukich@archstaffing.us

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

16. Ownership of Work Product/Copyright

- A. All rights in the various work produced for or under this Agreement, including but not limited to study plans, results, drafts, charts, graphs, videos, summaries and any other forms of presentation, collectively referred to as “Work Product” shall belong to and be the exclusive property of the District. Staffing Firm shall not use the Work Product outside the scope of this Contract without express written permission from the District.
- B. Staffing Firm acknowledges and agrees that all services/work are specifically ordered under an agreement with Public Utility District No. 2 of Grant County, Washington, and shall be considered “work made for hire” and “Work Product” for purposes of copyright. All copyright interest in Work Product shall belong to and be the exclusive property of the District.
- C. Contractor shall attach and require each of its subcontractors to attach the following statement to all Work Product:

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

THE ATTACHED WORK WAS SPECIFICALLY ORDERED UNDER AN AGREEMENT WITH PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON. ALL RIGHTS IN THE VARIOUS WORK PRODUCED FOR OR UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO STUDY PLANS AND STUDY RESULTS, DRAFTS, CHARTS, GRAPHS AND OTHER FORMS OF PRESENTATION, SUMMARIES AND FINAL WORK PRODUCTS, ARE THE EXCLUSIVE PROPERTY OF THE DISTRICT.
- D. Upon final acceptance or termination of this Agreement, Staffing Firm shall immediately turn over to the District all Work Product. This does not prevent the Staffing Firm from making a file copy for their records.

17. Termination

- A. District may, at any time, for any reason, terminate Staffing Firm’s services in connection with this Agreement, or any part thereof, by designating that portion of the services to be terminated. In case of termination pursuant to this Section A, District will make payment at the rates specified in this Agreement for services properly performed up to the date of

termination. However, in no event shall Staffing Firm be entitled to any other payment to or any anticipated fee or profit on unperformed work.

- B. In the event of Staffing Firm's breach or abandonment of this Contract, the District may thereupon and without further notice, terminate this Agreement. The District without waiving any other remedies available to it, may retain any monies otherwise due Staffing Firm under this Agreement to the extent such sums are required to compensate District, in whole or in part, for any loss or damage caused by Staffing Firm's breach or abandonment.
- C. Staffing Firm may terminate this agreement for any reason with 60 days written notice to the District. If there are any permanent placements with a guarantee (see Appendix "A") at the time of such notice, the Staffing Firm shall honor the terms of the guarantee which will remain in effect until the guarantee period expires.

18. Non-Waiver

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

19. Physical Security

If any performance under this Contract is to be conducted on District facilities or worksites, it shall be the responsibility of the Staffing Firm to ensure that its Contractors and those of its Subcontractors are informed of and abide by the District's Security Policies as if fully set out herein a copy of which shall be provided to the Staffing Firm by the District Representative at the preconstruction meeting or prior to beginning work. Without limiting the foregoing, Staffing Firm and its Contractors 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, Staffing Firm shall contact the District Representative.
- E. Immediately notify the District if any of Staffing Firm's Contractors no longer need access or have left the Staffing Firm's employment.
- F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Staffing Firm 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 Staffing Firm Contractors are strictly prohibited from making copies of keys.

- G. Not permit 'tailgating' through any controlled access point (i.e. person(s), authorized or unauthorized, following an authorized person through an entry point without individual use of their issued ID badge or key).
- H. Return all District property, including but not limited to keys and badges, to the District Representative when an individual's access to the facility is no longer needed.

The Staffing Firm and any Contractors 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>.

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

Prior to receiving access to any District facilities, all Staffing Firm Contractors, Staffing Firm'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 Staffing Firm employee, Contractor, or subcontractor employee to pass the required training, be grounds for any claim for delay or additional compensation.

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

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

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

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

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

21. 2008 Early Retirement Factors Acknowledgement

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

22. Protected Information

The State of Washington, Federal Energy Regulatory Commission (FERC) and/or North American Reliability Corporation (NERC) has established regulations for the protection of sensitive plans, drawings and records defined as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII) and/or Bulk Electric System Cyber System Information (BCSI), reference Appendix "E". In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the District has identified and designated certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as "Protected Information"). Because of the sensitive nature of certain District Protected Information that could be used in this Contract, Staffing Firm is bound by the terms and conditions set forth in the Non-Disclosure Agreement (NDA) executed at the time of this Agreement and included as Appendix "D".

23. Background Checks

The District reserves the right to conduct or to require Staffing Firm to conduct criminal background checks on its Contractor(s) before the District will grant such individuals access to secure areas of District facilities, electronic access to Bulk Electric System Cyber Assets or Protected Information. Criminal background checks may be conducted in such depth as the District reasonably determines to be necessary or appropriate for the type of access to be granted.

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

24. Qualification of Staffing Firm Access and Personnel Changes

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

The District reserves the right to conduct or to require Staffing Firm to conduct criminal background checks, provide an identity validation document (I-9, Social Security card, driver's license) and complete the District provided training for its Contractor(s) before the District will grant such individuals access to secure areas of District facilities. Criminal background checks may be conducted in such depth as the District reasonably determines to be necessary or appropriate for the type of access to be granted. Staffing Firm shall execute one certification for each Contractor requiring a background check on the form provided by the District and attached hereto as Appendix "F". The cost of such background checks shall be borne by the Staffing Firm. For access to Protected

Information relating to Critical Infrastructure Protection, the District reserves the right to require a Non-Disclosure Agreement and a certificate of completion from the District-provided training for each Contractor before the District will grant access to such individuals.

In the event the District determines in its sole discretion that an individual 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 from secure areas and/or from having any access to Protected Information.

25. CIP Training

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

26. Contractor Safety Requirements

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

A. General

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

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

1. The Contractor shall not be entitled to any adjustment of the Contract price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor's, Subcontractor's, or supplier's control.
 2. The District's conduct does not alter or waive the Contractor's safety and health obligations.
 3. Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
 4. Non-compliance with safety requirements could lead to termination of the contract in accordance with Section 17.
- C. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Contract.
1. The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.
 2. In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, subcontractor, and their workers shall fully cooperate with the District in this investigation.
 3. All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.
 4. For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- D. The Contractor/subcontractor shall conduct and document job briefings each morning with safety as an integral part of the briefing. The Contractor/Subcontractor shall provide an equivalent job briefing to personnel and/or visitors entering the job site after the original job briefing has been completed for work within their scope. Immediately upon request, the Contractor shall provide copies of the daily job briefing and any other safety meeting notes to the District Representative. The notes, at a minimum, shall include date, time, topics, and attendees and shall be retained by the Contractor for three years after completion of all work.
- E. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to other work being performed that may impact the Contractor's work.

- F. Job Site Reviews Performed by Contractor: Each Contractor and Subcontractor shall perform and document weekly safety reviews of their work area(s) by a competent person as defined by WAC 296-62-020. Immediately upon request, the Contractor shall provide a copy of the documented job site review to the District Representative. Contractor and Subcontractor supervisors/foremen shall take immediate action to correct violations, unsafe practices, and unsafe conditions. The Contractor and Subcontractor shall be solely responsible to review and monitor the work area or location of all their employees during the performance of work.

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

Specialized Work

- G. Requirements for Contractor Representative Attendance at Safety Meetings: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to attend the District monthly safety meeting. The above is a District requirement.
- H. Involvement in Job Briefs by Others/Involvement of Others in Contractor's Job Briefs: When work completed by the Contractor will or may affect work being completed by other contractors or by District staff, the Contractor shall ask for a representative from the other contractor or District staff to participate in the Contractor's daily job brief for the purpose of informing the other party of safety hazards that may be encountered as a result of the affected work. Job brief discussion shall include hazards that the other contractor or District staff may encounter as part of the Contractor's work, mitigation measures, clearance points and boundaries, effects that equipment taken out of service or put back into service could have on other parties, Personal Protective Equipment (PPE) requirements and contingency plans. The above is a District requirement.

1. Personal Protective Equipment

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

2. Emergencies

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

subsequently contacted for electric system emergencies. All other emergencies shall be routed to the District's Security Operations Center (DSOC).

To contact the Wanapum Control Room from:

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

To contact the Priest Rapids Control Room from:

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

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

To contact the Dispatch Center from:

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

The Dispatch Center is manned 24 hours per day.

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

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

3. Security

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

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

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

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

Public Utility District No. 2
of Grant County, Washington

Arch Staffing and Consulting

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**APPENDIX “A”
RATE SCHEDULE**

DIRECT EXPENSES:

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

STAFFING SERVICES:

PERMANENT PLACEMENT

Staffing Firm shall only refer candidates up request. Any unsolicited candidate referrals will be deemed rejected and such candidates are not subject to any referral fees or restrictions. For absolute clarity, the intent is to ensure the pool of self-identifying candidate applicants is not limited by unsolicited or excessive referrals by the Staffing Firm and to ensure District is not obligated to pay Staffing Firm any costs or fees related to direct applicants who may be included in an unsolicited referral.

Only upon request by District, Staffing Firm shall recruit and refer candidates to District for permanent placement by providing resumes or candidate profiles. All decisions concerning offers of employment are to be made by District according to District’s business needs and other lawful criteria.

District agrees to pay Staffing Firm permanent placement fee of 20% of the Candidate’s anticipated total first year’s gross annualized direct salary or if non-salaried, anticipated total first year’s compensation based on 2080 working hours a year. If District hires or retains a candidate, in any capacity, referred by Staffing Firm within one year after that Candidate was presented to District, then the placement fee is due unless the candidate had previously applied directly for that position. Staffing Firm shall provide a 90 day guarantee beginning on the employment start date, for any candidate that terminates or is terminated from his or her position of employment for any reason, except for a company-initiated reduction in workforce, elimination of the position or insufficient work for the candidate. The candidate will be replaced at no cost or a credit can be applied to future invoices. This is contingent upon receipt of payment for the placement or the work already performed per the terms of Section 4 “Compensation and Payment”.

TEMPORARY RATES

- A. If Staffing Firm recruits and refers candidates to the District for temporary placement, temporary rates shall be as follows:

Job Category	Recruited Contractor Temporary Bill Rate	Payroll Contractor Temporary (Discounted) Bill Rate
Project Management	Quoted per Position	Quoted per Position
Organizational Change Management	Quoted per Position	Quoted per Position

Overtime will be billed at 1.50 times the straight time bill rate. All overtime must be pre-approved by the District Representative.

*The above Rates are comprised in part and subject to the following costs associated with Staffing Firm’s government mandated employer obligations: FICA, FUTA, SUTA, and Worker’s Compensation statutory minimums.

- B. If District recruits and refers candidates to the Staffing Firm for temporary placement with the District, the Contractor Temporary Bill Rate shall be quoted per position and the Staffing Firm’s overhead/mark-up of temporary rates shall be discounted as follows:

District Referred Contractor Temporary Bill Rate Range	Staffing Firm Discounted Overhead/Mark-Up Rates for District Referred Contractor
\$100.00 per hour and above	27.5%
\$80.00 - \$99.00 per hour	28.5%
\$79.00 per hour and below	29.5%

Overtime will be billed at 1.50 times the straight time bill rate. All overtime must be pre-approved by the District Representative.

**CONVERSION FEE
(CONTRACTORS FOR TEMPORARY ASSIGNMENT TO PERMANENT POSITIONS)**

- A. If Staffing Firm recruits and refers candidates to the District for temporary assignment that later lead to permanent placement, Staffing Firm will receive a scaled conversion fee calculated as the appropriate Conversion Fee % per the table below multiplied by the compensation to be paid to the Contractor as an employee of District during the first 12 months of hire by District. Compensation includes base gross salary, gross compensation for services, fees, wages, guaranteed and/or anticipated bonus and commission earnings.

Working Hours	% of Compensation
0-160 hours	20%
161-480 hours	16%
481-640 hours	12%
641-800 hours	8%
801-2080 hours	5%
2081+ hours	0%

- B. Staffing Firm shall not receive conversion fees for candidates recruited and/or referred by the District to the Staffing Firm for temporary assignment under this Contract that later result in permanent placement.

ADDITIONAL BACKGROUND/DRUG SCREENS

Check or Test	Cost
Criminal Record Check	\$35 per employee
Drug Tests	\$35 per employee
Education Verification	\$35 per employee
Employment Verification	\$35 per employee

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 \$59.00 per day. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at www.gsa.gov.

Lodging: Lodging will be billed at cost, including applicable taxes, not to exceed 200% of the Federal Per Diem maximum lodging rate for the location where the work is being performed. The current federal maximum lodging rate for all Grant County locations is \$96.00. The District Representative may increase this limit in writing when circumstances require.

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

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

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

APPENDIX "B"
CHANGE ORDER
NO. __

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

- A. Description of Change:

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

- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall remain unchanged (be increased/decreased by the sum of \$_____ plus applicable sales tax). This Change Order shall not provide any basis for any other payments to or claims by the Staffing Firm 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

Arch Staffing and Consulting

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

APPENDIX "C"
TASK AUTHORIZATION FOR
PROFESSIONAL SERVICES

Contract No.:	430-11497	Task Authorization No.:		Amendment No.:	
Project Name:					

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

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

Sample Only

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

Public Utility District No. 2
of Grant County, Washington

Arch Staffing and Consulting

Approved for District

Accepted by Staffing Firm

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: District Representative

Title: _____

Date: _____

Date: _____

APPENDIX "D"
NON-DISCLOSURE AGREEMENT

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

RECITALS

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

- District customer information protected under RCW 19.29A, Consumers of Electricity;
- District employee information;
- District vendor information;
- All technical and business information or material that has or could have commercial value or other interest in the business or prospective business of the District;
- All information and material provided by the District which is not an open public record subject to disclosure under RCW 42.56, Public Records Act;
- All information of which unauthorized disclosure could be detrimental to the interests of the District or its customers, whether or not such information is identified as Protected Information; and
- Any information identified and designated by the District as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII), and/or Critical Infrastructure Protection (CIP) Protected Information in accordance with the State of Washington, Federal Energy Regulatory Commission (FERC) and/or North American Reliability Corporation (NERC), which have established regulations for the protection of sensitive plans, drawings, and records defined as SSI, CEII, and/or CIP Protected Information. SSI, CEII, and CIP Protected Information are further defined in Appendix "E".

Because of the sensitive nature of such information that may be provided to the Staffing Firm, Staffing Firm must execute and deliver this NDA to the District prior to receiving such Protected Information from the District.

NOW, THEREFORE, the Parties agree as follows:

1. **Incorporation by Reference.** The recitals set forth above are incorporated herein as if fully set forth.
2. **Protected Information Disclosure.** All information and drawings that are disclosed by the District to the Contractor, which are designated as confidential, SSI, CEII, and/or CIP Protected Information, shall be protected hereunder as Protected Information.

3. **Non-Disclosure.** Subject to the provisions of Section 4 and unless the parties agree otherwise, this non-disclosure obligation shall survive the termination of this NDA. Staffing Firm shall not disclose or disseminate Protected Information and shall:
 - A. Restrict disclosure of Protected Information solely to its agents and employees with appropriate District authorization and not disclose such Protected Information to any others; and
 - B. Advise and require all of its officers, agents, employees, representatives, prospective and successful subcontractors, consultants and employees thereof with access to the Protected Information to execute an NDA in this same form with the District prior to allowing them access to the Protected Information; and
 - C. Use the Protected Information provided hereunder only for purposes directly related to performance of the work under Contract 430-11497.
 - D. In the event third parties attempt to obtain the Protected Information by legal process, the Staffing Firm agrees that it will not release or disclose any Protected Information until the District has received notice of the legal process and has been given reasonable opportunity to contest such release of information and/or to assert the confidentiality privilege.
4. **Ownership and Return of Protected Information.** All Protected Information shall remain the property of the District. Staffing Firm is responsible for safeguarding and returning all Protected Information or shall certify, by signed, statement delivered to the District, the destruction of all original Protected Information provided along with any copies made by the Staffing Firm. Such delivery shall be to the District, Attention Kristin Fleisher, Procurement Officer, 14352 Highway 243 S, Building 6, Beverly, Washington 99321
5. **Compliance Audit.** The District may audit Staffing Firm's compliance with this NDA.
6. **Applicable Law.** This NDA is made under, and shall be construed according to, the laws of the State of Washington and the Federal Energy Regulatory Commission regulations. Venue for any action brought pursuant to this NDA shall, at the District's option, be in Grant County Superior Court, Grant County, Washington or in the United States District Court for the Eastern District of Washington.
7. **Assignment.** This NDA may not be assigned.
8. **Violations.** Staffing Firm understands and agrees that the District is providing the Protected Information to Staffing Firm in reliance upon this NDA, and Staffing Firm will be fully responsible to the District for any damages or harm caused to the District by a breach of this NDA by Staffing Firm or any of its officers, directors, agents, employees, subcontractors, consultants or affiliates. Staffing Firm acknowledges and agrees that a breach of any of its promises or agreements contained herein will result in irreparable injury to the District for which there will be no adequate remedy at law, and the District shall be entitled to apply for equitable relief, including injunction and specific performance, in the event of any breach or threatened breach or intended breach of this NDA by Staffing Firm. Such remedies, however, shall not be deemed to be the exclusive remedies for any breach of the Agreement but shall be in addition to all other remedies available at law or in equity. In addition to injunctive relief, civil or criminal penalties may be imposed for each violation of this NDA.

- 9. **Attorney's Fees.** In the event it is necessary for the District to utilize the services of an attorney to enforce any of the terms of this NDA, it shall be entitled to compensation for its reasonable attorney's fees and costs. In the event any legal action becomes necessary to enforce the provisions of the NDA, the substantially prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief allowed, regardless of whether the dispute is settled by trial, trial and appeal, arbitration, mediation, negotiation or otherwise, and regardless of whether suit is formally filed.
- 10. **Corporate Authority; Binding Signatures.** The individual executing this NDA on behalf of Staffing Firm warrants that he or she is an authorized signatory of the entity for which they are signing, and have sufficient institutional authority to execute this NDA.
- 11. **Electronic Signatures.** Signatures transmitted electronically shall be deemed valid execution of this NDA, binding on the parties.
- 12. **Effective Date and Term.** This NDA shall become effective immediately and remain in full force and effect until Staffing Firm has returned all Protected Information to the District provided, however, the obligations contained in Section 3 shall survive the termination of this NDA.

CONTRACTOR: Name: _____

 Address: _____

 Phone: _____

 Email: _____

 Signature: _____

 Print Name: _____

 Title: _____

 Date: _____

APPENDIX “E”

DEFINITIONS OF PROTECTED INFORMATION

Definition of Critical Infrastructure Protection (CIP)

Pursuant to section 215 of the Federal Power Act (FPA), the Federal Energy Regulatory Commission (FERC) approved the Critical Infrastructure Protection (CIP) Reliability Standards. The CIP Reliability Standards require certain users, owners, and operators of the Bulk-Power System to comply with specific requirements (CIP-002 through CIP-014) to safeguard critical cyber assets. Penalties for non-compliance with NERC CIP can include fines, sanctions or other actions against covered entities.

Definition of Critical Energy Infrastructure Information (CEII)

The Critical Energy Infrastructure Information (CEII) guidelines of the Federal Energy Regulatory Commission (FERC) define CEII as specific engineering, vulnerability, operational or detailed design information about proposed or existing critical energy infrastructure (physical or virtual) that relates to the production, generation, transportation, transmission or distribution of energy, could be useful to a person planning an attack on critical infrastructure, is exempt from mandatory disclosure, and gives strategic information beyond the location of the critical infrastructure. 18 CFR §388.113 and RCW 42.56.520.

Definition of Bulk Electric System Cyber System Information (BCSI)

The North American Electric Reliability Corporation (NERC) has been designated by the FERC, through the Energy Policy Act of 2005, to establish and enforce standards and requirements for the reliable operation of the Bulk Electric System. The Bulk Electric System includes the District’s electrical generation resources, transmission lines, and interconnections with neighboring electric systems. Information related to the District’s Bulk Electric System Cyber Systems (BCS) is required to be protected due to the sensitive security nature of such information, and the need to protect public safety (hereinafter referred to as “CIP Protected Information”). BCSI generally (not exclusively) is defined as information about the BCS that could be used to gain unauthorized access or pose a security threat to the BCS and affect the reliable operations of the Bulk Electric System. The District is required to protect this information including, but not limited to, network topology/diagrams; floor plans for computing centers; equipment layouts; security configuration information and other information as defined in the NERC standards. FERC Order No. 706, issued January 18, 2008; 18 CFR Part 40; and RCW 42.56.070.

Definition of Security Sensitive Information (SSI)

Security Sensitive Information is those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal or terrorist acts, which are acts that significantly disrupt the ability of the District to fulfill its mission and goals and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety. SSI includes: (a) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; (b) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism; and (c) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.

Bulk Electric System (BES)

Unless modified by the lists shown below, all Transmission Elements operated at 100 kV or higher and Real Power and Reactive Power resources connected at 100 kV or higher. This does not include facilities used in the local distribution of electric energy. Inclusions:

- I1 - Transformers with the primary terminal and at least one secondary terminal operated at 100 kV or higher unless excluded by application of Exclusion E1 or E3.
- I2 – Generating resource(s) including the generator terminals through the high-side of the step-up transformer(s) connected at a voltage of 100 kV or above with: a) Gross individual nameplate rating greater than 20 MVA. Or, b) Gross plant/facility aggregate nameplate rating greater than 75 MVA.
- I3 - Blackstart Resources identified in the Transmission Operator's restoration plan
- I4 - Dispersed power producing resources that aggregate to a total capacity greater than 75 MVA (gross nameplate rating), and that are connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage of 100 kV or above. Thus, the facilities designated as BES are: a) The individual resources, and b) The system designed primarily for delivering capacity from the point where those resources aggregate to greater than 75 MVA to a common point of connection at a voltage of 100 kV or above.
- I5 –Static or dynamic devices (excluding generators) dedicated to supplying or absorbing Reactive Power that are connected at 100 kV or higher, or through a dedicated transformer with a high-side voltage of 100 kV or higher, or through a transformer that is designated in Inclusion I1 unless excluded by application of Exclusion E4.

Bulk Electric System (BES) Cyber Asset

A Cyber Asset that if rendered unavailable, degraded, or misused would, within 15 minutes of its required operation, misoperation, or non-operation, adversely impact one or more Facilities, systems, or equipment, which, if destroyed, degraded, or otherwise rendered unavailable when needed, would affect the reliable operation of the Bulk Electric System. Redundancy of affected Facilities, systems, and equipment shall not be considered when determining adverse impact. Each BES Cyber Asset is included in one or more BES Cyber Systems.



APPENDIX "F"

BACKGROUND CHECK/IDENTITY VERIFICATION BY STAFFING FIRM

Contractor Name: _____ Date: _____
Contract Number: _____ Procurement Officer: _____
Project Manager: _____

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

Accordingly, we certify that:

- 1. A background check has been conducted on the following employee(s) that includes a seven year criminal history records check, a current residence check and a residence check at other locations where, during the seven years immediately prior to the date of the criminal history records check, the employee has resided for six consecutive months or more; and the assessment of the employee is consistent with the safe and efficient performance of the services and meets the minimum standard for criminal checks as set forth by the attached Evaluation Criteria.
2. Employment eligibility identity verification has been completed to ensure employee is legally permitted to work in the United States. (Citizenship, Federal I-9 form verification)

Table with 5 columns: Employee Name, Background Check Completion Date, Indicate Pass (P) or Fail (F), Identity Verification Completion Date, PRA Completion Date (District use only)

(Do not send actual background check documents)

Name of company where background check was performed: _____

Certified by: _____

Title: _____

Phone No.: _____

Email: _____

Return this form to: CIPDocuments@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 Staffing Firm 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: _____

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11527 with Volt Workforce Solutions (Volt), in an amount not to exceed \$8,620,260.00 and with a contract completion date of December 31, 2025.

3419

MEMORANDUM

DATE: August 26, 2022

TO: Richard Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Chief Operations Officer

FROM: Julie E. Pyper, Senior Manager Enterprise Project Management Office/Organizational Change Management/Operations Budget and Analytics

SUBJECT: New Contract 430-11527 for Volt Workforce Solutions

Purpose:

To request Commission approval to award a new contract with Volt Workforce Solutions (Volt), Contract No. 430-11527 for \$8,620,260 with an expiration of December 31, 2025. Volt provides staff augmentation services. We expect to primarily use these services for project management and organizational change management when we have a capacity and or capability needs.

Discussion:

Volt provides Grant PUD with contracted labor resources whose skills and capacity are needed to execute projects and run business activities that directly support Grant PUD's business objectives and the strategic plan. This contract is an on-demand agreement utilizing statement of work task authorizations for each resource procured. Grant PUD cannot successfully execute its strategic plans and related project work without staff augmentation and specialized services.

We currently have two contracts in place for contracted resources – Arch and VOLT. These contracts are set to expire the end of the 2022.

- VOLT
 - Award date: 7/14/2018
 - Completion date: 12/31/2022
 - Current Contract Price: \$3,850,000

- Arch
 - Award date: 11/18/2019
 - Completion date: 11/15/2022
 - Current Contract Price: \$6,000,000

We are asking for Commission approval for two new contracts – one each for Volt and Arch – to continue to provide these staff augmentation services.

Justification:

Each project and/or activity that will require staff augmentation to reduce risk and create a successful outcome will be independently justified and funded, either through capital or O&M budgets. Scaling our resources up and down quickly and efficiently via on demand staff augmentation is an effective long-term

strategy for resourcing projects. Staff augmentation and resources required to execute projects will typically be included and justified in the budget and value statement for the project itself. This contract is merely a mechanism for acquiring those resources as efficiently as possible.

If not approved, project and other ongoing work will be unable to be executed in the desired time frame, with high quality results. Additionally, we will not be able to execute future projects or support individuals through change events until other work is concluded to create capacity with our own staff.

Financial Considerations:

Grant PUD has ability to negotiate rates and accept or reject potential staff augmentation resources presented by Volt. Having this contract in place significantly lowers the administrative work required to onboard resources by maintaining a relationship with a proven partner and issuing task/work authorizations. Quickly scaling resources up and down per project demand and priority is more efficient than adding full-time resources which have a long-term impact to District finances.

Grant PUD also has other staff augmentation contracts in place and can leverage those current and past agreements for competitive purposes.

The following is the breakdown of the funds being requested for this contract:

Volt - Named	\$ 3,120,260.00
Volt - TBD	\$ 5,500,000.00
VOLT - TOTAL	\$ 8,620,260.00

“Volt – Named” are resources that are already under contract under the existing contract. The amount is our estimate for currently contracted resources through either the duration of assigned work or through the duration of the proposed contract (as the work is expected to extend past the current proposed contract expiration date).

“Volt – TBD” is placeholder for expected but unknown specific contracted resources. We proposed a placeholder for these currently unknown but expected resource needs in both the Volt and Arch contracts. In combination, the proposed placeholders are \$10,500,000. These funds will not be spent unless they are assigned to a specific effort.

Contract Specifics:

The current contract is proving to be effective for the nature of the services provided by this contract – staff augmentation -. In addition, due to the contract structure, the rates of contracted resources are negotiated on a Task Authorization by Task Authorization basis ensuring that the District is strictly paying for the value of each contracted resource on an individual by individual basis (not a general rate schedule).

Recommendation:

Commission approval of Contract No. 430-11527 for \$8,620,260 with Volt Workforce Solutions to expire on December 31, 2025.

Legal Review:

See attached e-mail(s).

From: [Jeff Grizzel](#)
To: [Julie Pyper](#)
Cc: [Kamryn Shannon](#); [Guy Wanner](#)
Subject: RE: APPROVAL REQUEST: Volt Commission memo
Date: Monday, July 18, 2022 1:32:14 PM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)

Approved Julie.

Jeff

From: Julie Pyper <jpyper@gcpud.org>
Sent: Friday, July 15, 2022 1:56 PM
To: Jeff Grizzel <jgrizzel@gcpud.org>
Cc: Kamryn Shannon <kshannon@gcpud.org>; Guy Wanner <gwanner@gcpud.org>
Subject: APPROVAL REQUEST: Volt Commission memo

Jeff – please review and provide your approval of the Volt Commission memo. You can provide your approval via email or print/sign/scan.

Please let me know if you have any questions or concerns. Thank you and take care, Jules

Julie E. Pyper

Senior Manager

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

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[Learn more about Organizational Change Management](#)

DESK 509.754.5089

EXT. 4153

CELL 509.429.2420

EMAIL jpyper@gcpud.org



grantpud.org

From: Julie Pyper

Sent: Wednesday, July 13, 2022 10:26 AM

To: Jeff Grizzel <jgrizzel@gcpud.org>; Kamryn Shannon <kshannon@gcpud.org>; Guy Wanner <gwanner@gcpud.org>

Subject: RE: Julie Pyper shared "Volt Commission Memo July 2022" with you.

Hi there – This memo – for Volt - has been updated with the proposed contract amounts. I believe it's ready to go. Please let me know if you have any questions or comment. Thank you and take care, Jules

Julie E. Pyper

Senior Manager

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

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[Learn more about Organizational Change Management](#)

DESK 509.754.5089

EXT. 4153

CELL 509.429.2420

EMAIL jpyper@gcpud.org



grantpud.org

From: Julie Pyper

Sent: Wednesday, June 29, 2022 4:07 PM

To: Jeff Grizzel <jgrizzel@gcpud.org>; Kamryn Shannon <kshannon@gcpud.org>; Guy Wanner <gwanner@gcpud.org>

Subject: Julie Pyper shared "Volt Commission Memo July 2022" with you.



Julie Pyper shared a file with you

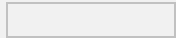
Hi there - This is a DRAFT Commission memo for the new Volt contract. I generally just need to add the NTE amount and breakdown of named resources versus TBD. Just sending this along for comments and letting folks know that it's already drafted. Please feel free to hack and whack or comment. Thank you and take care, Jules



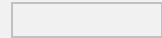
[Volt Commission Memo July 2022](#)



This link only works for the direct recipients of this message.



[Privacy Statement](#)



AGREEMENT FOR PROFESSIONAL SERVICES

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

R e c i t a l s :

The District desires to obtain professional staff augmentation services; and

The District recognizes the need for efficient sourcing of talent and personnel that is necessary to achieve the organization’s goals and desired timeframes; and

Utilizing outside firms specializing in sourcing project management, organization change management and associated skillsets will support successful delivery of these efforts.

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

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

1. Scope of Services

These Contract Documents for professional staff augmentation services are anticipated to include, but not be necessarily limited to the following:

- A. Contractor shall recruit, interview, and/or screen to identify workers for the District with the skills and qualifications requested by the District for placement on temporary assignment(s) with the District or for direct hire by the District by means of a Task Authorization for Professional Services (“Services”). An individual submitted to the District for a possible direct hire position shall hereinafter be called a “Candidate.” An individual employed by the Contractor and placed on a temporary assignment with the District shall hereinafter be called a “Professional Employee.” Each Professional Employee shall be assigned by the Contractor to perform work for the District under the District’s supervision, direction and instruction in one or more job positions as ordered by the District at the location(s) directed by the District.

If Professional Employee(s) works more than 50% of the time at any of the District’s facilities, it is agreed that the District will be primarily responsible for compliance with the Occupational Safety and Health Act and comparable state laws and regulations, to the extent those laws apply to provided Professional Employees working at District facilities.

If Professional Employee(s) works less than 50% of the time at any of the District’s facilities, it is agreed that the Contractor will be primarily responsible for compliance with the Occupational Safety and Health Act and comparable state laws and regulations, to the extent those laws apply to provided Professional Employees working at non-District facilities.

- B. The District will authorize the Contractor to perform specific tasks by means of a Task Authorization for Professional Services (Appendix “C”) to be signed by both the District and the Contractor. Such authorization may be issued by the District Representative. The

authorization will define the scope of the task, any time requirements and budget limitations.

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

2. Independent Contractor

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

3. Performance Requirements

- A. In connection with temporary assignment of Professional Employees, Contractor shall:
 - 1. Furnish Professional Employees who have the skills and qualifications required by District and provide to such Professional Employees the specific address and name of the person to report to at the District premises;
 - 2. Direct its Professional Employees to perform their duties in accordance with the District's supervision, direction and instruction;
 - 3. Direct its Professional Employees to comply with the rules, policies and procedures of the District including, but not limited to, harassment policies, drug and alcohol policies, fire protection, safety and security;
 - 4. Schedule its Professional Employees to work in coordination with the business needs and requirements of the District, which shall be communicated by the District to the Contractor and to each Professional Employee assigned to the District;
 - 5. Pay its Professional Employees' wages and provide them with standard benefits offered by the Contractor;
 - 6. Withhold and transmit payroll taxes in accordance with applicable law; provide unemployment and workers' compensation insurance benefits and handle any claim(s) by a Professional Employee thereunder;
 - 7. Remove any Professional Employee from assignment to the District for any lawful reason at the District's request;

8. Communicate to the Professional Employee decisions concerning matters of hiring, firing, discipline, payroll practices, employee benefits and communicate with Professional Employees with respect to their duties as Professional Employees;
 9. Require each Professional Employee assigned to the District to agree in writing: (i) to hold in trust for the District and not to disclose to any other party all confidential information of the District; (ii) that all inventions, developments or improvements conceived or created by Professional Employee while performing work for the District which relates to work or projects of the District shall be the exclusive property of the District; and (iii) to assign and transfer to the District all of Professional Employee's right, title and interest in and to such inventions, developments or improvements and to any patents, copyrights and applications pertaining thereto;
 10. At Contractor's cost, provide seven days of holiday pay to its Professional Employees assigned to the District, at eight hours pay to such Professional Employees per holiday, for the holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day After Thanksgiving and Christmas Day, provided that the Professional Employee was assigned to the District during the applicable holiday ("Holiday Benefits"). Professional Employees shall be eligible for Holiday Benefits upon commencement of their assignment with the District and shall be eligible for Holiday Benefits provided that the Professional Employee is actively on assignment with the District and has not been removed from assignment.
 11. Require each Professional Employee assigned to the District to execute any reasonable District-generated documents related to performance of work for the District; and
 12. Conduct or arrange for background, drug testing or other assignment eligibility screening of Professional Employees as required by the District and as permitted by law.
- B. In connection with temporary assignment of Professional Employees, the District will:
1. Supervise, direct and control the day-to-day work and/or tasks performed and to be performed by Professional Employees while assigned to the District in accordance with District's rules, policies and procedures;
 2. Bring all issues regarding the overall performance of Professional Employees' duties to Contractor's attention in a timely manner for Contractor to discuss directly with the Professional Employee;
 3. Furnish a safe and appropriate work environment, provide appropriate safety and hazardous materials training, and all tools and other materials, including protective devices, wearing apparel, instruments and/or other materials, required for Professional Employees to perform their duties in compliance with all local, state and federal employment, safety, health and environmental laws and regulations;

4. Properly supervise, control, and safeguard its premises, processes, and/or systems and be responsible for its business operations, products, services and intellectual property;
 5. Not request, require or permit Professional Employees to (i) operate any motorized vehicle or equipment or (ii) handle or be entrusted with (a) unattended premises, cash, checks, credit cards, merchandise, negotiable instruments, or other valuables or (b) sensitive financial information, protected health information or personally identifiable information regulated by law, without Contractor's express prior written approval;
 6. Ensure that Professional Employees are provided with all meal and rest periods as required by applicable law;
 7. Exclude Professional Employees from District's benefit plans, policies and practices and not directly inquire or make any offer or promise relating to Professional Employees' compensation or benefits;
 8. Promptly inform Contractor of any alternate work schedule ("AWS") requirements in the State of Washington and cooperate with Contractor in order to comply with applicable law in regard to the implementation and proper election of an AWS;
 9. Notify Contractor in advance of any foreign travel requirements as to its Professional Employee(s);
 10. Provide to Contractor, prior to execution, any reasonable document(s) which the District requests that Professional Employees sign, including, but not limited to, confidentiality agreements, and Contractor shall require that Professional Employees sign such document(s) for the benefit of the District; and
 11. Provide specific background, drug testing and/or other assignment eligibility screening requirements for Professional Employees in writing to Contractor.
- C. In connection with direct placement of Candidates, Contractor shall:
1. Source Candidates based on the District's lawful hiring and qualifications criteria; and
 2. Administer and/or arrange for any lawful pre-screening tests to be conducted as determined by the District, including drug and/or background checks as permitted by law.
- D. In connection with direct placement of Candidates, the District will:
1. Establish and communicate to Contractor the job description, selection and screening criteria in accordance with the law;
 2. Make any and all hiring decisions and communicate such decisions with the Candidate; and

3. Inform Contractor in writing of the District's decision to hire Candidate and provide information as to Candidate's compensation structure such that Contractor may calculate its fee in accordance with the executed Task Authorization.

4. Complaints Involving Professional Employees

- A. Contractor and the District will each promptly notify the other of any formal or informal complaint(s) by a Professional Employee regarding working conditions, the conduct of any employee of Contractor or District in relation to Professional Employee's assignment to District, or any other material matter related to their assignment or the ending thereof.
- B. In the event that Professional Employee initiates or threatens formal legal proceedings against Contractor and/or District, each shall promptly inform the other in writing by giving notice as provided in Section 21 (Notices).
- C. Contractor and the District will cooperate in good faith in any investigation of such Professional Employee complaint, subject to any confidentiality requirements or restrictions under applicable law. Regardless of whether a matter may be subject to indemnification by either party, the parties agree to cooperate and provide reasonable assistance to one another in the investigation, defense, and resolution of any formal complaint, claim, action, or proceeding brought against either of them by (i) a Professional Employee or (ii) an employee or independent contractor of the District involving a Professional Employee.

5. Time Records

Each Professional Employee will present a time record to the District setting forth the hours worked. Time records may be collected and approved electronically; in the event that the District requires use of an electronic timekeeping system other than Contractor's proprietary and/or preferred timekeeping system(s), The District represents that such system shall comply with applicable employment, wage and hour and other laws, including appropriate protection of Professional Employee personal data, and agrees to provide the Contractor with all information it is required to maintain under applicable law as the Professional Employee's employer of record. An authorized representative of the District must approve the time record certifying that such time is correct. It is the District's responsibility to keep the District's copy of the time record to verify and match with Contractor invoices.

6. Job Description

District acknowledges that Contractor assigns a Professional Employee on the basis of a particular job description and that the District is not to change Professional Employee's job duties without Contractor's prior written approval.

7. Non-Solicit

Except as provided for in Appendix "A", Conversion Fees, neither party will directly solicit for employment any employ of the other party that provided or was involved in the receipt of services under this agreement during the terms of the applicable statement of work and for a period of 180 days thereafter. The foregoing will not prohibit either party from employing an individual who applies for a position in response to an internal posting, employment advertisement or other general solicitation of employment, or from hiring individuals that are no longer employed by a party.

8. Transition

District shall not permit, approve, consent, allow and/or ratify the employment of a Professional Employee assigned by Contractor to the District to another supplier of temporary personnel, contingent staffing firm, consulting service, outsourcing agency, or any other third party entity for assignment or re-assignment to the District for a period of 180 days following the later of (i) the expiration, termination, or cancellation of this Agreement or (ii) the termination of the Professional Employee's assignment in the same or similar position as assigned by Contractor to the District. In consideration of the foregoing, Contractor agrees that in the event this Agreement is terminated the work being performed by Professional Employees at the time of the notice of termination is provided shall continue for so long as the work is requested by the District, pursuant to the terms and conditions of this Agreement. Contractor's and the District's obligations pursuant to this section shall survive termination of this Agreement and both parties shall continue to comply with the terms and conditions of this Agreement with regard to each and every remaining Professional Employee assigned to the District until all such work is terminated by the District.

9. Term - Schedule

The terms of this Agreement shall commence on January 1, 2023, and shall remain in full force and effect until December 31, 2025 or until terminated pursuant to Section 23.

10. Compensation and Payment

A. Compensation for services rendered shall be per the rates set forth in each Task Authorization. Rates shall not be subject to change until one year after the effective date of this Agreement. Any changes to rates shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter. Each such change shall be negotiated between the Contractor, Professional Employee and the District. The rate change shall be documented with a fully executed amendment to the Task Authorization prior to any such rate increase going into effect. If the District issues payment within 10 days, the payment due shall be reduced by 2%. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

Compensation for all reimbursable costs shall be per the rates set forth in Appendix "A", Rate Schedule.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of \$8,620,260.00 USD unless a Change Order authorizing the same is issued in accordance with Section 5 below.

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

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

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

- D. Payment will be made by the District upon completion of work following District approval of Contractor's invoices. Invoice shall be subject to the review and approval of the District. Invoice shall be in a detailed and clear manner supported by such information the District may require. The District will make payment to Contractor within 30 days after District's receipt and approval of said invoice.
- E. The District Representative may approve additional Contractor employees, personnel categories, and/or equipment rates to be added to the Rate Schedule, if applicable, provided that any additional employees have at least equivalent training and skills and are compensated at the same or lower rates than those listed on the current approved Rate Schedule for similar work. There shall be no change in the total Contract not to exceed amount. All additions must be approved in writing prior to performing services under the Contract.

11. Change Orders

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

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

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

12. Taxes

- A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Contractor shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and subcontractors performing work related to this Contract.
- B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:
 - 1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail

sales and use taxes due and Contractor shall be reimbursed by the District for the same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.

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

13. Hold Harmless and Indemnification

Each party (the "Indemnifying Party") shall, at its sole expense, indemnify, defend, save, and hold harmless the other party (the "Indemnified Party"), its officers, agents, and employees from all claims or losses, including costs and legal fees at trial and on appeal, and damages or claims for damages to property or persons, suffered by anyone whomsoever, to the extent caused by any negligent act of or omission of the Indemnifying Party or its subcontractors, excluding damages caused by the negligence of the Indemnified Party, in performing or receiving of the Services under this Agreement or any subcontracts. In situations where liability for damages arises from claims of bodily injury to persons or damage to property, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Indemnifying Party or its subcontractors. As between Contractor and the District, Contractor and the District each waive its immunity under industrial insurance, Title 51 RCW, to the extent necessary to effectuate this indemnification/hold harmless agreement. The Indemnifying Party's indemnification obligation shall not apply to liability for damages to the extent arising out of bodily injury to a person or damage to property caused by the negligence of the Indemnified Party or its agents or employees and not attributable to any negligent act or omission on the part of the Indemnifying Party. In the event of damages to a person or property caused by or resulting from the concurrent negligence of the Indemnified Party or its agents or employees and the Indemnifying Party or its agents or employees, the Indemnifying Party's indemnity obligation shall apply only to the extent the claim arose of the Indemnifying Party's (including that of its agents and employees) negligence, the parties agree to proportionate responsibility according to their respective duties and obligations under this Agreement and applicable law.

Both parties acknowledges that by entering into this Contract with the other, they have mutually negotiated the above indemnity provision with the other. Both parties' 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.

In no event shall either party be liable for any indirect, incidental, consequential, exemplary, special, punitive or lost profit damages of any kind or nature arising out of or related to this Agreement and/or the Services rendered hereunder regardless of the form of action (whether in contract, tort, negligence, strict liability, or otherwise) and regardless of how characterized, even if such party has been advised of the possibility of such damages.

14. Insurance

- A. Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Contractor shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best or A by S&P, as enumerated below. Any deductible, self-insured retention or coverage via captive \$25K or above must be disclosed and is subject to approval by the

District's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the Contractor and not recoverable under any part of this Contract.

Contractor Required Insurance

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

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

with the following **minimum limits:**

- e. \$2,000,000 Each Occurrence
- f. \$1,000,000 Personal Injury Liability
- g. \$4,000,000 General Aggregate (per project)
- h. \$2,000,000 Products and Completed Operations Aggregate

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

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

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

3. **Automobile Liability Insurance:** Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned (if any), rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of \$1,000,000 per accident**

for bodily injury, property damage, or death combined and containing appropriate uninsured motorist and No-Fault insurance provision, where applicable.

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

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

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

5. **Professional Liability/Network Security Insurance:** Contractor shall obtain professional errors and omissions liability insurance in an amount of **not less than \$5,000,000 per claim and in the aggregate**. Coverage shall respond to wrongful acts in the rendering of, or failure to render, professional services under this Agreement, electronic data losses or damage or breaches of electronic data security including disclosures of private or Protected 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 two years after termination of the Agreement will be deemed to have been made during the policy period.

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

6. **Employment Practices Liability:** Contractor shall provide Employment Practices liability insurance with a **minimum limit of \$1,000,000 per claim**.

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

If Contractor shall hire subcontractor for any operations and risk involving professional services exposure, this requirement may not be satisfied by subcontractor's policies. Any exceptions must be mutually agreed in writing with the District.

7. **Crime:** Contractor shall provide crime insurance with a **minimum limit of \$1,000,000 per claim.**

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

If Contractor shall hire subcontractor for any operations and risk involving professional services exposure, this requirement may not be satisfied by subcontractor's policies. Any exceptions must be mutually agreed in writing with the District.

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

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

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

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

- D. Cancellation of Insurance - The Contractor shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies, to the extent commercially available, or Contractor shall endeavor to provide 30 days advance written notice to the District for cancellation or any material change in coverage or condition. Should the Contractor receive any notice of cancellation or notice of nonrenewal from its insurer(s), Contractor shall provide immediate notice to the District no later than two days following receipt of such notice from the insurer. Notice to the District shall be delivered by facsimile or email.

15. Assignment

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

16. Records - Audit

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

17. Nondisclosure

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

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

18. Public Records Act

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

19. Applicable Law

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

20. Subcontracts/Purchases

The Contractor is not authorized to enter into any subcontracts or make any purchases of materials or equipment.

21. Notices

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

District
Julie Pyper
Public Utility District No. 2
of Grant County, Washington
PO Box 878
154 A Street SE
Ephrata, WA 98823
(509) 429-2420
jpyper@gcpud.org

Contractor
Jakob Packebush
Volt Workforce Solutions
304 West Pacific Avenue, Suite 210
Spokane Valley, Washington 99201
(509) 954-2229
jpackebush@volt.com

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

22. Ownership of Work Product/Copyright

- A. All rights in the various work produced for or under this Agreement, including but not limited to study plans, results, drafts, charts, graphs, videos, summaries and any other forms of presentation, collectively referred to as "Work Product" shall belong to and be the exclusive property of the District. Contractor shall not use the Work Product outside the scope of this Contract without express written permission from the District.
- B. Contractor acknowledges and agrees that all services/work are specifically ordered under an agreement with Public Utility District No. 2 of Grant County, Washington, and shall be considered "work made for hire" and "Work Product" for purposes of copyright. All copyright interest in Work Product shall belong to and be the exclusive property of the District.
- C. Contractor shall attach and require each of its subcontractors to attach the following statement to all Work Product:

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

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

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

23. Termination

- A. District may, at any time, for any reason, terminate Contractor's services in connection with this Agreement, or any part thereof, by designating that portion of the services to be terminated. In case of termination pursuant to this Section A, District will make payment at the rates specified in this Agreement for services properly performed up to the date of termination. However, in no event shall Contractor be entitled to any other payment to or any anticipated fee or profit on unperformed work.
- B. In the event of Contractor's breach or abandonment of this Contract, the District may thereupon and without further notice, terminate this Agreement. The District without waiving any other remedies available to it, may retain any monies otherwise due Contractor under this Agreement to the extent such sums are required to compensate District, in whole or in part, for any loss or damage caused by Contractor's breach or abandonment.

24. Non-Waiver

No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or

Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

25. Physical Security

If any performance under this Contract is to be conducted on District facilities or worksites, it shall be the responsibility of the Contractor to ensure that its employees and those of its Subcontractors are informed of and are required to abide by the District's Security Policies as if fully set out herein a copy of which shall be provided to the Contractor by the District Representative at the preconstruction meeting or prior to beginning work. Without limiting the foregoing, Contractor (where applicable as indicated below), 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 (Contractor to notify the District).
- F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Contractor in the amount of \$50.00 per badge and the fee for lost or non-returned keys may include the cost to re-key the plant facilities. The Contractor is strictly prohibited from making copies of keys.
- G. Not permit 'tailgating' through any controlled access point (i.e. person(s), authorized or unauthorized, following an authorized person through an entry point without individual use of their issued ID badge or key).
- H. Return all District property, including but not limited to keys and badges, to the District Representative when an individual's access to the facility is no longer needed.

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

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

Prior to receiving access to any District facilities, all Contractors, Contractor's employees, subcontractors and subcontractor's employees, material suppliers and material supplier's employees, or any person who will be engaged in the work under this Contract that requires access to District facilities, shall be required to take and pass the District's Security and Safety Awareness

training before being issued a security access badge to access District facilities. Under no circumstances will the failure of any Contractor or subcontractor employee to pass the required training, be grounds for any claim for delay or additional compensation.

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

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

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

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

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

27. 2008 Early Retirement Factors Acknowledgement

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

28. Protected Information

The State of Washington, Federal Energy Regulatory Commission (FERC) and/or North American Reliability Corporation (NERC) has established regulations for the protection of sensitive plans, drawings and records defined as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII) and/or Bulk Electric System Cyber System Information (BCSI), reference Appendix "E". In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the District has identified and designated certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as "Protected Information"). Because of the sensitive nature of certain District Protected Information that could be used in this Contract, Contractor is bound by the terms and conditions set forth in the Non-Disclosure Agreement (NDA) executed at the time of this Agreement and included as Appendix "D".

29. 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, electronic access to Bulk Electric System Cyber Assets or Protected Information. Criminal background checks may be conducted in such depth as the District reasonably determines to be necessary or appropriate for the type of access to be granted.

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

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

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

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

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

31. CIP Training

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

32. Contractor Safety Requirements

The following applies if Contractor, or any of its sub-consultants, subcontractors, or suppliers of any tier, performs any activities on premises owned, leased, possessed, or controlled by the District. The Contractor Safety Requirements shall be required when applicable as determined by the District Representative based upon the scope of work. To the extent applicable, the Contractor shall ensure that all workers, sub-consultants, subcontractors, and suppliers are required to comply

with these requirements. In fulfilling these requirements, the Contractor shall also comply with material and equipment manufacturer instructions, and safety and health requirements in accordance with WAC 296-126-094 and this Agreement where applicable. If there are conflicts between any of the requirements referenced in the Contract Documents, the more stringent requirement shall prevail.

A. General

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

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

1. The Contractor shall not be entitled to any adjustment of the Contract price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor's, Subcontractor's, or supplier's control.
2. The District's conduct does not alter or waive the Contractor's safety and health obligations.
3. Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
4. Non-compliance with safety requirements could lead to termination of the contract in accordance with Section 23.

C. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Contract.

1. The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.
2. In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements

of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, subcontractor, and their workers shall fully cooperate with the District in this investigation.

3. All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.
 4. For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- D. The Contractor/subcontractor shall conduct and document job briefings each morning with safety as an integral part of the briefing. The Contractor/Subcontractor shall provide an equivalent job briefing to personnel and/or visitors entering the job site after the original job briefing has been completed for work within their scope. Immediately upon request, the Contractor shall provide copies of the daily job briefing and any other safety meeting notes to the District Representative. The notes, at a minimum, shall include date, time, topics, and attendees and shall be retained by the Contractor for three years after completion of all work.
- E. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to other work being performed that may impact the Contractor's work.
- F. Job Site Reviews Performed by Contractor: Each Contractor and Subcontractor shall perform and document weekly safety reviews of their work area(s) by a competent person as defined by WAC 296-62-020. Immediately upon request, the Contractor shall provide a copy of the documented job site review to the District Representative. Contractor and Subcontractor supervisors/foremen shall take immediate action to correct violations, unsafe practices, and unsafe conditions. The Contractor and Subcontractor shall be solely responsible to review and monitor the work area or location of all their employees during the performance of work.

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

Specialized Work

- G. Requirements for Contractor Representative Attendance at Safety Meetings: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to attend the District monthly safety meeting. The above is a District requirement.
- H. Involvement in Job Briefs by Others/Involvement of Others in Contractor's Job Briefs: When work completed by the Contractor will or may affect work being completed by other contractors or by District staff, the Contractor shall ask for a representative from the other contractor or District staff to participate in the Contractor's daily job brief for the purpose

of informing the other party of safety hazards that may be encountered as a result of the affected work. Job brief discussion shall include hazards that the other contractor or District staff may encounter as part of the Contractor's work, mitigation measures, clearance points and boundaries, effects that equipment taken out of service or put back into service could have on other parties, Personal Protective Equipment (PPE) requirements and contingency plans. The above is a District requirement.

1. Personal Protective Equipment

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

2. Emergencies

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

To contact the Wanapum Control Room from:

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

To contact the Priest Rapids Control Room from:

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

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

To contact the Dispatch Center from:

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

The Dispatch Center is manned 24 hours per day.

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

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

3. Security

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

Hydroelectric Facility Work Requirements

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

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

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

Public Utility District No. 2
of Grant County, Washington

Volt Workforce Solutions

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

**APPENDIX “A”
RATE SCHEDULE**

DIRECT EXPENSES:

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

STAFFING SERVICES:

CONVERSION FEE:

For a Professional Employee assigned by Contractor to District which the District seeks to directly hire during the assignment to District. If District elects to hire a Professional Employee directly, District agrees to compensate Contractor as follows based on the Professional Employee’s anticipated first year gross annual direct salary with District:

CONVERSION FEE COMPENSATION	
Number of Hours Professional Employee is on Assignment with the District	Percent Fee
1 - 160	20%
161 - 320	18%
321 - 480	15%
481 - 640	12%
641 - 800	10%
801 - 960	7%
961 - 2080	5%
Above 2080	0%

The number of hours on assignment will be based on a rolling 12-month time frame.

DIRECT PLACEMENT:

A. **DIRECT PLACEMENT FEE:**

District agrees to pay Contractor a direct placement fee of 20% of the Candidate’s anticipated total first year’s gross annualized direct salary or, if non-salaried, anticipated total first year’s compensation based on 2,080 working hours a year. Payment of Contractor’s fee must be received by Contractor no later than 30 days after either the date of the invoice or the Candidate’s start date with District, whichever occurs later. Contractor’s fees are due and payable if, and only if, District, directly or indirectly, hires or engages the Candidate as a permanent employee, temporary employee or independent contractor, for any position or project, as originally contemplated or otherwise, within one year after Contractor’s most recent communication with District relating to that Candidate. This provision shall survive termination or cancellation of the Agreement.

B. **CONDITIONAL GUARANTEE:**

Provided that Contractor's referral fee is timely paid in full as stated above, Contractor guarantees that if any Candidate referred by Contractor voluntarily terminates or is terminated from his or her position with District for good and lawful cause within 30 calendar days from the Candidate's start date with District, Contractor will either provide a substitute Candidate to District without additional charge or, if Contractor is unable to do so within 30 days after Contractor is notified of the termination, Contractor's referral fee will then be applied as a credit towards District's next direct placement order. Contractor must receive notification, in writing, of all the facts relating to the termination of said Candidate within five business days of such termination.

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 \$59.00 per day. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at www.gsa.gov.

Lodging: Lodging will be billed at cost, including applicable taxes, not to exceed 200% of the Federal Per Diem maximum lodging rate for the location where the work is being performed. The current federal maximum lodging rate for all Grant County locations is \$96.00. The District Representative may increase this limit in writing when circumstances require.

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

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

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

APPENDIX "B"
CHANGE ORDER
NO. __

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

- A. Description of Change:

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

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

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

Public Utility District No. 2
of Grant County, Washington

Volt Workforce Solutions

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

**APPENDIX “C”
TASK AUTHORIZATION FOR
PROFESSIONAL SERVICES**

Contract No.:	430-11527	Task Authorization No.:		Amendment No.:	
Project Name:					

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

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

1. Overview of Services

The Contractor’s Professional Employees shall perform their duties under the supervision, direction, and control of the District’s designated managers, in accordance with District directions and instructions. Contractor Professional Employees shall be actively managed by District and report directly to District the status and results of their work.

District shall be responsible for determining the business requirements in terms of functional and technical specifications, preparation and validation of formal deliverables, and implementing and supporting the solutions developed by Contractor Professional Employees.

Contractor Professional Employees shall not perform any management functions beyond status reporting. Contractor Professional Employees shall not have any formal work product or deliverables within this Scope of Services. District shall provide the work plans, methodology, and deliverable definitions to guide the Services of Contractor Professional Employees.

2. Details of Job Description

Position Title: Insert Position Title here
Requestor Department: Insert Name of Requesting Department here

Job Description (to be provided by District):

Insert Customer provided job description here

Skill Set Requirements (to be provided by District):

Insert Customer provided requirements here

3. Qualification Criteria

Contractor shall use reasonable efforts to identify Professional Employees to District with the skills and qualifications requested by District for placement on temporary assignment(s) with District or for direct hire by District. Services shall be deemed accepted when rendered.

4. SLAs

The Services provided hereunder shall not be subject to Service Levels.

5. Location(s) where Services will be performed

Work performed under this Scope of Services shall be performed at:

Insert Address(es) of Customer location(s) here

Travel Required by Contractor Professional Employees: No travel is anticipated – any travel that would become necessary would be negotiated and discussed at time of request. Compensation for all reimbursable costs shall be per the rates set forth in Appendix “A”, Rate Schedule.

District shall provide physical access to the location in accordance with the District’s security and access policies. Access shall be provided during the District’s normal business hours and at other times as designated and permitted by District.

District shall provide a suitable working environment for Contractor Professional Employees to perform work assigned by District. The working environment shall consist of, at a minimum, for each resource, individual workspace with a dedicated computer workstation and telephone, file storage space, and meeting room and office supply room access as appropriate.

District shall provide the required computing environment necessary to perform the assigned work, including a workstation with requisite hardware and software, user access to systems, internet access, email, and productivity tools. In the case of third party hardware and software required to perform the assigned work, District shall be responsible for obtaining, and any costs thereof, the necessary license rights and access privileges to enable Contractor Professional Employees to perform assigned work.

6. Contractor Professional Employees, Key Professional Employees, Subcontractors & Dependent Providers

Named Resource(s): **Insert names of Professional Employees here**

No positions under this Scope of Services shall be considered Key Contractor Positions and no Contractor Professional Employees assigned under this Scope of Services shall be considered Key Professional Employees.

7. Fees & Payment Terms

Fees are based on the applicable hourly Bill Rates shown below. Unless otherwise agreed to by both parties in writing, the following rates and fees shall apply to Services provided to District:

Position Title: **Title of Position Here** **Straight Time Bill Rate:** **Insert Straight Time Bill Rate here**

Overtime Bill Rate: **Insert Overtime Rate here**

Fixed hourly billing rates shall be in US Dollars and include all i) payroll, payroll taxes and fringe benefits; ii) insurance costs; iii) indirect and overhead burden; and iv) profit.

Training and orientation time, if any, conducted by District for Professional Employees shall be considered billable time.

The fees above are exclusive of out of pocket travel expenses, which shall be reimbursed per the rates set forth in Appendix "A", Rate Schedule.

8. Commencement & Completion Date of Scope of Services;

Anticipated Duration of Assignment: Insert Length of Assignments here

Work Schedule: 40 hours per week, Monday through Friday, 8:00 a.m. – 5:00 p.m.; after hours work on a prearranged basis as approved by District in writing prior to incurring additional hours.

9. Contractor Scope of Services Relationship Manager

Jakob Packebush
304 West Pacific Avenue, Suit 210
Spokane Valley, WA 99201

Telephone: (509) 891-7000
Email: jpackebush@volt.com

10. District Scope of Services Relationship Manager

Julie Pyper
PO Box 878
154 A Street SE
Ephrata, WA 98823

Telephone: (509) 429-2420
Email: jpyper@gcpud.org

Compensation is to be paid in accordance with and subject to the limitations in Section 10 of the Contract Documents. In addition, the total cost of the above described work shall not exceed \$_____ without advance amendment of this Task Authorization by the District.

Public Utility District No. 2
of Grant County, Washington

Volt Workforce Solutions

Approved for District

Accepted by Contractor

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: District Representative

Title: _____

Date: _____

Date: _____

APPENDIX "D"

NON-DISCLOSURE AGREEMENT

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

RECITALS

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

- District customer information protected under RCW 19.29A, Consumers of Electricity;
- District employee information;
- District vendor information;

- All technical and business information or material that has or could have commercial value or other interest in the business or prospective business of the District;
- All information and material provided by the District which is not an open public record subject to disclosure under RCW 42.56, Public Records Act;
- All information of which unauthorized disclosure could be detrimental to the interests of the District or its customers, whether or not such information is identified as Protected Information; and
- Any information identified and designated by the District as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII), and/or Critical Infrastructure Protection (CIP) Protected Information in accordance with the State of Washington, Federal Energy Regulatory

Commission (FERC) and/or North American Reliability Corporation (NERC), which have established regulations for the protection of sensitive plans, drawings, and records defined as SSI, CEII, and/or CIP Protected Information. SSI, CEII, and CIP Protected Information are further defined in Appendix "E".

Because of the sensitive nature of such information that may be provided to the Staffing Firm, Staffing Firm must execute and deliver this NDA to the District prior to receiving such Protected Information from the District.

NOW, THEREFORE, the Parties agree as follows:

1. **Incorporation by Reference.** The recitals set forth above are incorporated herein as if fully set forth.
2. **Protected Information Disclosure.** All information and drawings that are disclosed by the District to the Contractor, which are designated as confidential, SSI, CEII, and/or CIP Protected Information, shall be protected hereunder as Protected Information.
3. **Non-Disclosure.** Subject to the provisions of Section 4 and unless the parties agree otherwise, this non-disclosure obligation shall survive the termination of this NDA. Staffing Firm shall not disclose or disseminate Protected Information and shall:
 - A. Restrict disclosure of Protected Information solely to its agents and employees with appropriate District authorization and not disclose such Protected Information to any others; and
 - B. Advise and require all of its officers, agents, employees, representatives, prospective and successful subcontractors, consultants and employees thereof with access to the Protected Information to execute an NDA in this same form with the District prior to allowing them access to the Protected Information; and
 - C. Use the Protected Information provided hereunder only for purposes directly related to performance of the work under Contract 430-11527.
 - D. In the event third parties attempt to obtain the Protected Information by legal process, the Staffing Firm agrees that it will not release or disclose any Protected Information until the District has received notice of the legal process and has been given reasonable opportunity to contest such release of information and/or to assert the confidentiality privilege.
4. **Ownership and Return of Protected Information.** All Protected Information shall remain the property of the District. Staffing Firm is responsible for safeguarding and returning all Protected Information or shall certify, by signed, statement delivered to the District, the destruction of all original Protected Information provided along with any copies made by the Staffing Firm. Such delivery shall be to the District, Attention Guy Wanner, Procurement Officer, 14352 Highway 243 S, Building 6, Beverly, Washington 99321
5. **Compliance Audit.** The District may audit Staffing Firm's compliance with this NDA.
6. **Applicable Law.** This NDA is made under, and shall be construed according to, the laws of the State of Washington and the Federal Energy Regulatory Commission regulations. Venue for any action brought pursuant to this NDA shall, at the District's option, be in Grant County Superior

Court, Grant County, Washington or in the United States District Court for the Eastern District of Washington.

7. **Assignment.** This NDA may not be assigned.
8. **Violations.** Staffing Firm understands and agrees that the District is providing the Protected Information to Staffing Firm in reliance upon this NDA, and Staffing Firm will be fully responsible to the District for any damages or harm caused to the District by a breach of this NDA by Staffing Firm or any of its officers, directors, agents, employees, subcontractors, consultants or affiliates. Staffing Firm acknowledges and agrees that a breach of any of its promises or agreements contained herein will result in irreparable injury to the District for which there will be no adequate remedy at law, and the District shall be entitled to apply for equitable relief, including injunction and specific performance, in the event of any breach or threatened breach or intended breach of this NDA by Staffing Firm. Such remedies, however, shall not be deemed to be the exclusive remedies for any breach of the Agreement but shall be in addition to all other remedies available at law or in equity. In addition to injunctive relief, civil or criminal penalties may be imposed for each violation of this NDA.
9. **Attorney's Fees.** In the event it is necessary for the District to utilize the services of an attorney to enforce any of the terms of this NDA, it shall be entitled to compensation for its reasonable attorney's fees and costs. In the event any legal action becomes necessary to enforce the provisions of the NDA, the substantially prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief allowed, regardless of whether the dispute is settled by trial, trial and appeal, arbitration, mediation, negotiation or otherwise, and regardless of whether suit is formally filed.
10. **Corporate Authority; Binding Signatures.** The individual executing this NDA on behalf of Staffing Firm warrants that he or she is an authorized signatory of the entity for which they are signing, and have sufficient institutional authority to execute this NDA.
11. **Electronic Signatures.** Signatures transmitted electronically shall be deemed valid execution of this NDA, binding on the parties.
12. **Effective Date and Term.** This NDA shall become effective immediately and remain in full force and effect until Staffing Firm has returned all Protected Information to the District provided, however, the obligations contained in Section 3 shall survive the termination of this NDA.

CONTRACTOR: Name: _____
 Address: _____

 Phone: _____
 Email: _____
 Signature: _____

Print Name: _____

Title: _____

Date: _____

APPENDIX “E”
DEFINITIONS OF PROTECTED INFORMATION

Definition of Critical Infrastructure Protection (CIP)

Pursuant to section 215 of the Federal Power Act (FPA), the Federal Energy Regulatory Commission (FERC) approved the Critical Infrastructure Protection (CIP) Reliability Standards. The CIP Reliability Standards require certain users, owners, and operators of the Bulk-Power System to comply with specific requirements (CIP-002 through CIP-014) to safeguard critical cyber assets. Penalties for non-compliance with NERC CIP can include fines, sanctions or other actions against covered entities.

Definition of Critical Energy Infrastructure Information (CEII)

The Critical Energy Infrastructure Information (CEII) guidelines of the Federal Energy Regulatory Commission (FERC) define CEII as specific engineering, vulnerability, operational or detailed design information about proposed or existing critical energy infrastructure (physical or virtual) that relates to the production, generation, transportation, transmission or distribution of energy, could be useful to a person planning an attack on critical infrastructure, is exempt from mandatory disclosure, and gives strategic information beyond the location of the critical infrastructure. 18 CFR §388.113 and RCW 42.56.520.

Definition of Bulk Electric System Cyber System Information (BCSI)

The North American Electric Reliability Corporation (NERC) has been designated by the FERC, through the Energy Policy Act of 2005, to establish and enforce standards and requirements for the reliable operation of the Bulk Electric System. The Bulk Electric System includes the District’s electrical generation resources, transmission lines, and interconnections with neighboring electric systems. Information related to the District’s Bulk Electric System Cyber Systems (BCS) is required to be protected due to the sensitive security nature of such information, and the need to protect public safety (hereinafter referred to as “CIP Protected Information”). BCSI generally (not exclusively) is defined as information about the BCS that could be used to gain unauthorized access or pose a security threat to the BCS and affect the reliable operations of the Bulk Electric System. The District is required to protect this information including, but not limited to, network topology/diagrams; floor plans for computing centers; equipment layouts; security configuration information and other information as defined in the NERC standards. FERC Order No. 706, issued January 18, 2008; 18 CFR Part 40; and RCW 42.56.070.

Definition of Security Sensitive Information (SSI)

Security Sensitive Information is those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal or terrorist acts, which are acts that significantly disrupt the ability of the District to fulfill its mission and goals and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety. SSI includes: (a) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; (b) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism; and (c) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.

Bulk Electric System (BES)

Unless modified by the lists shown below, all Transmission Elements operated at 100 kV or higher and Real Power and Reactive Power resources connected at 100 kV or higher. This does not include facilities used in the local distribution of electric energy. Inclusions:

- I1 - Transformers with the primary terminal and at least one secondary terminal operated at 100 kV or higher unless excluded by application of Exclusion E1 or E3.
- I2 – Generating resource(s) including the generator terminals through the high-side of the step-up transformer(s) connected at a voltage of 100 kV or above with: a) Gross individual nameplate rating greater than 20 MVA. Or, b) Gross plant/facility aggregate nameplate rating greater than 75 MVA.
- I3 - Blackstart Resources identified in the Transmission Operator's restoration plan
- I4 - Dispersed power producing resources that aggregate to a total capacity greater than 75 MVA (gross nameplate rating), and that are connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage of 100 kV or above. Thus, the facilities designated as BES are: a) The individual resources, and b) The system designed primarily for delivering capacity from the point where those resources aggregate to greater than 75 MVA to a common point of connection at a voltage of 100 kV or above.
- I5 –Static or dynamic devices (excluding generators) dedicated to supplying or absorbing Reactive Power that are connected at 100 kV or higher, or through a dedicated transformer with a high-side voltage of 100 kV or higher, or through a transformer that is designated in Inclusion I1 unless excluded by application of Exclusion E4.

Bulk Electric System (BES) Cyber Asset

A Cyber Asset that if rendered unavailable, degraded, or misused would, within 15 minutes of its required operation, misoperation, or non-operation, adversely impact one or more Facilities, systems, or equipment, which, if destroyed, degraded, or otherwise rendered unavailable when needed, would affect the reliable operation of the Bulk Electric System. Redundancy of affected Facilities, systems, and equipment shall not be considered when determining adverse impact. Each BES Cyber Asset is included in one or more BES Cyber Systems.



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

Contractor Name: _____ Date: _____
Contract Number: _____ Procurement Officer: _____
Project Manager: _____

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

Accordingly, we certify that:

- 1. A background check has been conducted on the following employee(s) that includes a 7-year criminal history records check, a current residence check and a residence check at other locations where, during the 7 years immediately prior to the date of the criminal history records check, the employee has resided for 6 consecutive months or more; and the assessment of the employee is consistent with the safe and efficient performance of the services and meets the minimum standard for criminal checks as set forth by the attached Evaluation Criteria.
2. Employment eligibility identity verification has been completed to ensure employee is legally permitted to work in the United States. (Citizenship, Federal I-9 form verification)

Table with 5 columns: Employee Name, Background Check Completion Date, Indicate Pass (P) or Fail (F), Identity Verification Completion Date, PRA Completion Date (District use only). The table contains 7 empty rows for data entry.

(Do not send actual background check documents)

Name of company where background check was performed: _____

Certified by: _____

Title: _____

Phone No.: _____

Email: _____

Return this form to: CIPDocuments@gcpud.org

*** Access will not be granted until this Background Check has been completed and training taken***

These are sub-sections of the “Grant County PUD Personnel Risk Assessment Program” relevant to Vendor(s) and/or Contractor(s). For the complete program please contact rcstaff@gcpud.org

Evaluation Criteria:

Contractors with physical or electronic access to District High or Medium Impact BES Cyber Systems and their associated EACMS and PACS, shall certify a background check was met using the following criteria:

Whether the individual has ever been convicted of any of the following FELONIES:

- Murder
- Kidnapping
- Manslaughter
- Fraud, theft, and/or robbery
- Criminal sexual conduct
- Arson

Whether the individual has ever been convicted of the following MISDEMEANORS:

- Violence related
- Honesty related

Whether the individual has ever been convicted of a single misdemeanor, other than minor traffic offenses, which are generally defined as traffic offenses that did not involve property damage and/or personal injury.

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

In the event the individual has been convicted of a felony or misdemeanor, the Contractor shall not assign such individual to a District location without first discussing such conviction with the District and obtaining the approval of the District’s PRA Committee for such assignment in accordance with the District’s Personnel Risk Assessment Program. The District reserves the right to refuse the assignment of an individual who does not pass the above Evaluation Criteria after review and consideration of the extenuating circumstances by the District’s PRA Committee.

FOR GRANT PUD USE ONLY

If Background Check failed enter date of PRA Committee Review: _____ Pass ___ Fail ___
(Check one)

Signature of PRA Committee member: _____

For Commission Review – 9/27/2022

RESOLUTION NO. XXXX

A RESOLUTION ESTABLISHING NEW RATE SCHEDULE NO. 18 – ESTIMATED UNMET DISTRICT LOAD COST RECOVERY ADJUSTMENT CLAUSE (“EUDL CRAC”) RIDER AND AMENDING RATE SCHEDULE NO. 15 – LARGE INDUSTRIAL SERVICE

Recitals

1. Pursuant to RCW 54.16.040, Grant PUD is authorized to regulate and control the use, distribution, rates, service, charges, and price of electric energy;
2. Resolution No. 8879 previously adopted Rate Schedule Nos. 1, 2, 3, 6, 7, 14, 15, 16, and 85;
3. Effective October 11, 2022, Rate Schedule No. 18 – Estimated Unmet District Load Cost Recovery Adjustment Clause (“EUDL CRAC”) Rider, will determine the cost recovery and billing process for this mechanism, currently included in Rate Schedule No. 15 – Large Industrial Service. The proposed tariff includes new language pertaining to the allocation and the cost sharing of the Estimated Unmet District Load Cost Recovery Adjustment Clause, or EUDL CRAC. In particular, the revised language addresses the calculation of the EUDL CRAC mechanism in accordance with Section 5 of the Commission’s Resolution No. 8768, recognizing the “preferential access” of retail customers to the Priest Rapids Project power supply;
4. Effective October 11, 2022, Rate Schedule No. 15 – Large Industrial Service, will be modified to remove the existing language in the tariff addressing the EUDL CRAC, now included as part of the new Rate Schedule No. 18; and
5. The General Manager and Grant PUD staff recommend establishing the proposed new Rate Schedule No. 18 and amending Rate Schedule No. 15 as set forth in Exhibits A and B, respectively.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that effective October 11, 2022, Rate Schedule No. 18 and revised Rate Schedule No. 15 are hereby effective as set forth in Exhibits A and B, respectively.

BE IT FURTHER RESOLVED that as of October 11, 2022, Resolution No. 8879 as it relates to Rate Schedule No. 15 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 11th day of October, 2022.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

September 14th, 2022

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Dave Churchman, Chief Customer Officer
Rich Flanigan, Senior Manager Wholesale Marketing and Supply

FROM: Julio Aguirre Carmona, Lead Financial Analyst
Amanpreet Singh, Principal Economist
Depree Standley, Financial Analyst

SUBJECT: Approval of new Rate Schedule No. 18 – Estimated Unmet District Load Cost Recovery Adjustment Clause (“EUDL CRAC”) Rider and Revised Rate Schedule No. 15 – Large Industrial Service.

Purpose: To request Commission approval to establish a new Rate Schedule No. 18 – Estimated Unmet District Load Cost Recovery Adjustment Clause Rider and a revised Rate Schedule No. 15 – Large Industrial Service.

Background: The Rates & Pricing Staff is recommending the approval of a new rate schedule, Rate Schedule No. 18 – Estimated Unmet District Load Cost Recovery Adjustment Clause Rider, to facilitate the administration and application of the EUDL CRAC mechanism going forward, as well as to add clarity and consistency in the cost allocation of this adjustment clause. The EUDL CRAC mechanism is intended to address the cost recovery of future incremental supply costs, currently only applicable to customers served under Rate Schedule No. 15. These costs are also referred to in the proposed Rate Schedule No. 18 as the Total EUDL CRAC.

The Total EUDL CRAC is currently calculated as the dollar difference between the proceeds derived from the sale of the Reasonable Portion pursuant to the District’s Marketing Plan filed with FERC in August 2003 and the Estimated District Power Cost, which is the estimated cost of acquiring the monthly amount of capacity and energy for the EUDL as defined in Section 4 (c) (4) of the District’s Power Sales Contract. The EUDL CRAC mechanism applies only if and when the proceeds derived from the sale of the Reasonable Portion are less than the Estimated District Power Cost.

Discussion:

Proposed Rate Schedule No. 18: The proposed Rate Schedule No. 18 will facilitate a more efficient administration of the EUDL CRAC mechanism by removing it from the existing Rate Schedule No. 15 retail tariff while at the same time providing a regulatory framework for its application to existing or future customers. Also, the proposed new Rate Schedule No. 18 provides clarifying language regarding the allocation of any present or future EUDL CRAC amounts among affected customer classes in place at the time the resolution was passed. Upon approval of Resolution 8768, the Commission granted “*preferential access*” to all retail customers for the first 7,300,000 kWh of monthly consumption, from the Priest Rapids Project power supply.¹ However, the current formula for the calculation of the EUDL CRAC mechanism included as Exhibit 1, in the current approved version of the Rate Schedule No. 15

¹ Please see Section 5 of Commission’s Resolution 8768 approved on May 12th, 2015. The preferential access amount is also equivalent to 10 average megawatts (“aMW”) per customer/year.

tariff, does not clearly explain how the preferential access energy granted to all retail customers is accounted for in the allocation of the annual EUDL CRAC amount.

Because customers served currently under Rate Schedule No. 15, were granted preferential access for at least a portion of their annual energy load, it is appropriate to recognize that the allocation of the EUDL CRAC should not impact these customers' allocated share of the Priest Rapid Project energy supply. Therefore, the EUDL CRAC amounts shall be allocated as a function of the excess energy above the applicable customers' preferential access amounts, also defined in the tariff as *non-preferential access load*. The new language added in this case to Rate Schedule No. 18, which was not previously included in Rate Schedule No. 15, addresses how the cost for the EUDL CRAC amounts will be allocated to all affected customers in proportion of their specific non-preferential access load compared to the aggregated non-preferential access load, in any given calendar year.

The proposed language in the new Rate Schedule No. 18 also introduces some additional terminology regarding the timing of the calculation and the recovery periods that more clearly explains the application of the EUDL CRAC mechanism in future years.

Finally, Staff is also proposing to add some clarifying language to describe that any customer subject to the EUDL CRAC, or in this case to the new Rate Schedule No. 18, will retain their cost responsibility for the EUDL CRAC for the year in which they received electric service under the applicable retail rate schedule, even after terminating or changing their electric service.

2. Revisions to Rate Schedule No. 15: The proposed revisions to Rate Schedule No. 15 are clerical language changes necessary to remove the language applicable to the EUCL CRAC mechanism, which is currently included as Exhibit 1 in the Rate Schedule No. 15 tariff.

Recommendation: To adopt via resolution the attached proposed Rate Schedule No. 18 – EUDL CRAC Rider and the proposed revised Rate Schedule No. 15 – Large Industrial Service as proposed with an effective date of October 11, 2022.

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

Randalynn Hovland

To: Rich Flanigan
Subject: RE: Legal Review of Proposed RS18 and Changes to RS15

Sorry, Julio just catching up on emails today. I approve. Thanks!

Rich Flanigan

Sr. Manager

Wholesale Marketing and Supply

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RATE SCHEDULE No. 18
ESTIMATED UNMET DISTRICT LOAD COST RECOVERY ADJUSTMENT CLAUSE (“EUDL CRAC”) RIDER

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

APPLICABILITY: To customers served under retail Rate Schedule No. 15 – Large Industrial Service

DEFINITIONS:

“Reasonable Portion (RP)” shall mean that 30% portion of the Priest Rapids Project Output required by the Federal Energy Regulatory Commission (FERC) pursuant to Public Law 83-544 to be offered for sale by the District.

“Reasonable Portion Proceeds (RPP)” shall mean the proceeds derived from the sale of the Reasonable Portion pursuant to the District’s Marketing Plan filed with FERC in August 2003.

“Estimated Unmet District Load (EUDL)” shall mean all projected electric energy loads for the District as defined in Section 4 (c) (1) and determined in Section 4 (c) (3) of the District’s Power Sales Contract.

“Estimated District Power Cost (EDPC)” shall equal the estimated cost of acquiring the monthly amount of capacity and energy for the EUDL as defined in Section 4 (c) (4) of the District’s Power Sales Contract.

“Preferential Access Load” shall be equal to 10 aMW or 87,600,000 kWh annually per applicable customer, pursuant to Section 5 of the District’s Resolution 8768. This load is not cumulative every year.

“Non-Preferential Access Load” shall be equal to each applicable customer’s annual energy kWh usage in excess of the Preferential Access Load.

“Total EUDL CRAC” shall be calculated as the difference between the RPP and the EDPC.

“Test Period”: Calendar year used as the basis to calculate the Total EUDL CRAC

“Recovery Period”: Calendar year immediately following the Test Year.

EFFECTIVE: October 11, 2022.

APPLICATION: This rate schedule is designed to recover annually the Total EUDL CRAC. Customers’ electric usage is subject to the rules and regulations applicable to the otherwise applicable rate schedule from which they take retail service, including minimum charges or any other applicable rates.

BILLING AMOUNTS: Each Test Period the District will determine both the EDPC and RPP and will apply the following formula to determine the Total EUDL CRAC to be collected in the Recovery Period:

$$RPP - EDPC = Total EUDL CRAC$$

If the Total EUDL CRAC is greater than or equal to zero (0), then there will be no EUDL CRAC applied for

the following Recovery Period. If Total EUDL CRAC is less than zero (0), then a EUDL CRAC will be applied for the following Recovery Period as defined below.

If it is determined that a EUDL CRAC is to be applied (see above), starting on January 1 of the applicable Recovery Period, the Total EUDL CRAC will be allocated among the applicable customers' load from the Test Period, but not including the Preferential Access Load. This will be done by dividing the Total EUDL CRAC by the actual Non-Preferential Access Load kWh used by all applicable customers' loads from the Test Period to get a dollar amount per kWh and then taking the dollar amount per kWh and allocating to each customer based on their share of the aggregated Non-Preferential Access Load for the Test Period:

Total EUDL CRAC for the Test Period / Actual kWh Non-Preferential Access Load for the Test Period from all applicable customers = \$/kWh for EUDL CRAC

Customer's billable Non-Preferential Access Load kWh for the Test Period x \$/kWh for EUDL CRAC = Annual Customer EUDL CRAC Amount

PAYMENT OPTIONS:

There are two options for the payment of this EUDL CRAC Amount:

- 1) Payment in full on the first billing cycle of the Recovery Period.
- 2) Equal monthly payments during the Recovery Period following the calculation of the EUDL CRAC (If a customer chooses this option and subsequently discontinues receiving service from the District, the balance owing is due and payable with the final bill)

Any customer subject to this EUDL CRAC rider, who may terminate service, change their service agreement, or transfer service to a different rate schedule during the Test Period, shall also remain responsible for their share of the EUDL CRAC amount as calculated in the applicable Test Period in which they used and received electric service under the corresponding retail rate schedule.

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

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

BILLING EXAMPLE:

Assumptions (numbers used do NOT represent actual amounts and are for example purposes only):

RPP = \$ 10,000,000

EDPC = \$ 20,000,000

Total Annual kWh from customers subject to Rate Schedule No. 18 = 500,000,000 kWh

No. of Customers subject to Rate Schedule No. 18 = 4

Preferential Access Load per Customer/Year = 87,600,000 kWh

Total Preferential Access Load = 350,400,000 kWh

Total Non-Preferential Access Load kWh = 149,600,000 kWh

Customer A's annual kWh = 100,000,000 kWh

Customer A's Preferential Access Load kWh = 87,600,000 kWh

Customer A's Non-Preferential Access Load kWh = 12,400,000 kWh

Step 1 - Determine the Total EUDL CRAC in the Test Period:

$$\$ 10,000,000 - \$ 20,000,000 = \$ (10,000,000)$$

Step 2 – Determine \$ / kWh for EUDL CRAC in the Test Period:

$$\$10,000,000 / 149,600,000 \text{ kWh} = \$0.0668 / \text{kWh}$$

Step 3 – Determine Customer A's Annual EUDL CRAC Allocated Amount:

$$12,400,000 \text{ kWh} \times \$ 0.0668 / \text{kWh} = \$ 828,320$$

Step 4 – Billing(s) assessed to Customer A for \$828,320 during the Recovery Period

RATE SCHEDULE No. 15
LARGE INDUSTRIAL SERVICE

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

AVAILABLE: To industrial customers whose Billing Demand is greater than or equal to 15 MW/MVA, provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings on and after *April 1, 2018*, usage will be prorated to the new rates based on number of days after March 31, 2018.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$ 1,000.00 per month
Energy Charge:	\$ 0.02552 per kWh for the first 10,950,000 kWh \$ 0.02909 per kWh for 10,950,001 to 21,900,000 kWh \$ 0.03044 per kWh greater than 21,900,000
Demand Charge:	\$ 5.68 per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12 month period.

ADDITIONAL CHARGES: Customers on this schedule are subject to charges related to the Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL CRAC) as determined in accordance with ~~Exhibit Rate Schedule No. 18 – EUDL CRAC Rider~~ attached hereto and by this reference herein incorporated.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

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

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

EXHIBIT 1—Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL-CRAC)

DEFINITIONS:

“Reasonable Portion (RP)” shall mean that 30% portion of the Priest Rapids Project Output required by the Federal Energy Regulatory Commission (FERC) pursuant to Public Law 83-544 to be offered for sale by the District.

“Reasonable Portion Proceeds (RPP)” shall mean the proceeds derived from the sale of the Reasonable Portion pursuant to the District's Marketing Plan filed with FERC in August, 2003.

“Estimated Unmet District Load (EUDL)” shall mean all projected electric energy loads for the District as defined in Section 4 (c) (1) and determined in Section 4 (c) (3) of the District's Power Sales Contract.

“Estimated District Power Cost (EDPC)” shall equal the estimated cost of acquiring the monthly amount of capacity and energy for the EUDL as defined in Section 4 (c) (4) of the District's Power Sales Contract.

APPLICATION

Each year the District will determine both the EDPC and RPP and will apply the following formula to determine the Total EUDL-CRAC for the following calendar year:

$$\text{RPP} - \text{EDPC} = \text{Total EUDL-CRAC}$$

If the Total EUDL-CRAC is greater than or equal to zero (0), then there will be no EUDL-CRAC applied for the following year. If Total EUDL-CRAC is less than zero (0), then a EUDL-CRAC will be applied for the following calendar year as defined below.

If it is determined that a EUDL-CRAC is to be applied (see above), in January of the following year, the Total EUDL-CRAC will be allocated to the Schedule 15 load for the year. This will be done by dividing the Total EUDL-CRAC by the actual kWh used by all Schedule 15 loads for the previous year to get a dollar amount per kWh and then taking the dollar amount per kWh and allocating to each customer based on their share of the usage for the year, including any usage of previous Schedule 15 loads they have acquired:

$$\text{Total EUDL-CRAC for the year} / \text{Actual Schedule 15 kWh load for the year} = \$/\text{kWh for EUDL-CRAC}$$

$$\text{Customer's billable kWh} \times \$/\text{kWh for EUDL-CRAC} = \text{annual Customer EUDL-CRAC Amount}$$

There are two options for the payment of this EUDL-CRAC Amount:

- 1) Payment in full on the first billing cycle of the year
- 2) Equal monthly payments during the next calendar year (If a customer chooses this option and subsequently discontinues receiving service from the District, the balance owing is due and payable with the final bill)

EXHIBIT 1—Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL-CRAC)
(Continued)

EXAMPLE:

Assumptions (numbers used do NOT represent actual amounts and are for example purposes only):

~~———— RPP ———= \$ 1,000,000~~

~~———— EDPC ———= \$ 2,000,000~~

~~———— Schedule 15 Total kWh ———= 20,000,000 kWh~~

~~———— Schedule 15 Customer A's billable kWh ———= 5,000,000 kWh~~

Step 1—Determine the Total EUDL-CRAC:

~~———— \$ 1,000,000 — \$ 2,000,000 = \$ (1,000,000)~~

Step 2—Determine \$ / kWh for EUDL-CRAC:

~~———— \$1,000,000 / 20,000,000 kWh = \$0.0500 / kWh~~

Step 3—Determine Customer A's annual EUDL-CRAC:

~~———— 5,000,000 kWh * \$ 0.0500 / kWh = \$ 250,000~~

RATE SCHEDULE No. 15
LARGE INDUSTRIAL SERVICE

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

AVAILABLE: To industrial customers whose Billing Demand is greater than or equal to 15 MW/MVA, provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings on and after *April 1, 2018*, usage will be prorated to the new rates based on number of days after March 31, 2018.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$ 1,000.00 per month
Energy Charge:	\$ 0.02552 per kWh for the first 10,950,000 kWh \$ 0.02909 per kWh for 10,950,001 to 21,900,000 kWh \$ 0.03044 per kWh greater than 21,900,000
Demand Charge:	\$ 5.68 per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12 month period.

ADDITIONAL CHARGES: Customers on this schedule are subject to charges related to the Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL CRAC) as determined in accordance with Rate Schedule No. 18 – EUDL CRAC Rider.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

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

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.