

**SECTION IV
CONTRACT**

Contract Number 220806

THIS AGREEMENT made and entered into as of the last date written below, by between PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY (hereinafter called the "District") and _____, located at _____ (hereinafter called the "Contractor").

WITNESSETH: That the District and the Contractor, in consideration of the mutual covenants contained hereinafter, agree as follows:

**ARTICLE I -
CONTRACT DOCUMENTS**

The complete Contract includes the Invitation for Bids, Notice and Instructions to Bidders, the Proposal, Specifications for Material, Contract, and all modifications incorporated in these Documents before their execution. The foregoing documents shall hereinafter be called "Contract Documents". All obligations of the District and the Contractor are fully set forth and described herein.

In the event of a discrepancy between any of the Contract Documents, as above defined, at the request of the Contractor, the District shall give a written interpretation thereof, which interpretation shall govern.

**ARTICLE II -
CONTRACT COST**

The Contractor agrees to sell and deliver to the District, at the delivery point specified in the Notice and Instructions to Bidders, and the District agrees to purchase from the Contractor, the following Material in accordance with the Contract Documents and the provisions of the Contractor's Proposal attached hereto and made a part hereof:

One (1) 3-phase, 12 MVA Power Transformer without LTC and delivery by truck to the site specified below, with losses to be evaluated in accordance with Section I, Item 10:

TOTAL PRICE _____
(Do not include Washington State Sales Tax.)

Delivery of the unit to the Neah Bay Substation
1200 Backtrack Rd
Neah Bay, Washington
_____ (Weeks)

Location of Plant of Manufacturing: _____

Alternate Bid Provisions and Specifications:

**ARTICLE III -
SUBMITTAL DRAWINGS, INSPECTION, AND TESTING**

Within twenty-one (21) days after execution of this Contract, the Contractor shall furnish to the District three (3) copies each of the detail dimensional drawings and design specifications for the construction of the Material to be furnished under this Contract. The Contractor shall keep the District informed of the construction and test schedule of the Material to be furnished such that the District may at any time and at its own discretion make inspection and witness tests of the Material. The Contractor shall furnish three (3) copies each of the complete and detailed Operation and Maintenance Manual, Inspection Manual, and Test Data for the materials under this Contract prior to shipment of the Material to the District.

**ARTICLE IV -
SHIPMENT AND DELIVERY**

Upon the shipment of any Material hereunder, the Contractor shall submit to the District a detailed statement of the Materials shipped and scheduled arrival date. The District shall, upon receipt of such Materials, make final payment therefor to the Contractor not later than ninety (90) days after delivery and acceptance of the Materials.

**ARTICLE V -
REJECTION OF MATERIALS**

The Materials furnished hereunder shall become the property of the District when delivered at the point to which shipment is to be made; provided, however, that the District may reject any such Materials as do not comply with the Specifications for Materials and Warranties of the Contractor and Manufacturers either before or after incorporation of such Materials into the Project. Upon any such rejection, the Contractor shall replace the rejected Materials with Materials complying with the Specifications for Materials and Warranties, f.o.b. at the destination stated in Contractor's proposal for the item(s). No payment shall be made for such rejected Materials until they have been replaced to the satisfaction of the District's Engineer by the Contractor.

**ARTICLE VI -
WARRANTY**

Notwithstanding acceptance of any Materials by the Engineer of the District, or any certificate which may have been given, or payment which may have been made by the District, if any defective Materials shall be discovered within eighteen (18) months after receiving the Materials or within one (1) year of being energized, whichever is longer, the Contractor shall replace any such defective Materials as promptly as possible after notice in writing from the District; or in the event of failure by the Contractor so to do, the District may make such replacement and the cost and the expense thereof shall be paid by and recoverable from the Contractor.

**ARTICLE VII -
MANUFACTURERS' GUARANTEES**

All manufacturers' guarantees of Materials shall be transferred and assigned to the District upon delivery of any Materials and before payment is made for such Materials. Such guarantees shall be in addition to those required of the Contractor by other provisions of this Contract.

ARTICLE VIII -

STANDARDS

All transformer hardware, fittings, pipe fittings, bolts, etc. shall meet the requirements of the latest applicable IEEE, NEMA, ASME, and ANSI Standards. Transformer bushings shall be readily replaceable with U.S.-manufactured bushings without the requirement of adapters, etc.

ARTICLE IX - INDEMNITY

The Contractor shall defend, hold harmless, and indemnify the District from any and all claims, suits, and proceedings for infringement of any patent or patents covering Materials purchased hereunder.

ARTICLE X - PERFORMANCE/PAYMENT BONDS

The Contractor agrees to furnish a bond(s) in the penal sum not less than the bid cost of the Material, on an appropriate form(s), with a Surety or Sureties acceptable to the District. In the event that the Surety or Sureties on the performance/payment bond delivered to the District shall at any time become unsatisfactory to the District, the Contractor agrees to deliver to the District another or an additional bond. Should the successful Bidder fail or refuse to execute such counterparts or to furnish a Performance/Payment Bond within ten (10) days after written notification of the acceptance of the Proposal by the District, the Bidder will be considered to have abandoned the Proposal. In such event, the District shall be entitled (a) to enforce the bid bond in accordance with its terms, or (b) if a certified check has been delivered with the Proposal, to retain from the proceeds of the certified check the difference (not exceeding the amount of the certified check) between the amount of the Proposal and such larger amount for which the District may in good faith contract with another party to furnish the Material. The term "successful" Bidder shall be deemed to include any Bidder whose Proposal is accepted after another Bidder has previously refused or has been unable to execute the Bond.

ARTICLE XI - TERMINATION OF CONTRACT

In the event that any of the provisions of this Contract are violated by the Contractor or by any of the Contractor's subcontractors, the District may serve written notice of intention to terminate such Contract upon the Contractor, which notice shall specify the reasons therefor. Unless within ten (10) days after serving such notice upon the Contractor such violation shall cease and an arrangement for the correction thereof satisfactory to the District be made, the Contract shall, upon the expiration of the said ten (10) days, cease and terminate. In the event of any such termination, the District may purchase the Materials necessary for complete performance of this Contract for the account and at the expense of the Contractor, and the Contractor shall be liable to the District for any excess cost occasioned thereby.

Contractor

By _____
Signature

Typed

Title _____

Dated _____

**PUBLIC UTILITY DISTRICT NO. 1
OF CLALLAM COUNTY**

By _____

Sean Worthington, General Manager

Dated _____

SAMPLE