

**CONTRACT AGREEMENT
FOR PROFESSIONAL SERVICES**

Agreement No. 240316

THIS AGREEMENT, including Exhibit A through Exhibit G, is made and entered into as of the date last written below, by and between **PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY**, hereinafter referred to as the "District," and **CONSULTANT**, hereinafter referred to as the "Consultant". The District and the Consultant are hereinafter referred to collectively as the "Parties".

IN CONSIDERATION of the mutual promises set forth herein, the Parties hereto agree as follows:

**ARTICLE 1
SCOPE OF SERVICES**

1.1 Project Background and Purpose

The Sequim Substation Microgrid Design project is supported with funding from Washington's Climate Commitment Act (CCA). The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov. This funding acknowledgement was provided by the State of Washington and is being transmitted by the District as a State requirement for grant eligibility. Grants, and any individual payment thereto, are funded by the Climate Commitment Act. RCW 42.17A.555 prohibits using public agency resources to support or oppose ballot measures. This acknowledgement, including the provision of any funds made available through the State program, should not be interpreted as the District's support or opposition to any measure relating to the Climate Commitment Act.

The microgrid will increase community resilience by providing reliable power to a communications hut that supports internet to the remote Olympic Peninsula region including multiple federally recognized tribes, 911 operations, local hospitals, local schools, City of Sequim, emergency management, as well as Clallam PUD's own SCADA system. This critical infrastructure uses a backup LPG generator during outages.

The project site is located in rural Washington, along the coast, in an area that is highly likely to be affected by an earthquake in the Cascadia Subduction Zone. Local jurisdictions and emergency management departments are actively planning and coordinating efforts to strengthen local infrastructure to prepare for this threat. The proposed microgrid will add resilience to the North Olympic Peninsula's broadband network by increasing the amount of time the communication hut located on the site has backup power. Extended back-up power will be achieved through the integration of a solar based microgrid with an existing propane powered backup generator. With the existing propane backup generator, the site can stay running for approximately three days before it needs refueling. With the added microgrid, we can extend backup operation from several days to several weeks.

The proposed project will also benefit all North Olympic Peninsula residents by strengthening disaster preparedness and recovery. Western Washington is subject to the Cascadia Subduction Zone Earthquake. In the next 50 years, Oregon State University researchers predict a one in three chance of a magnitude 8.0 earthquake and a one in ten chance a magnitude 9.0 earthquake, both causing

widespread devastation. Because the Olympic Peninsula is fed from a radial transmission line supplied by BPA, our communities could be without power for a prolonged, undetermined amount of time. The proposed microgrid design can establish a microgrid without power from the main grid.

The Sequim Substation Microgrid will be the first solar and battery supported microgrid project in Clallam County. In addition to the resiliency benefits that we intend to achieve, the project will also allow us to look at the potential benefits of peak shaving and demand response efforts necessary to prepare Clallam PUD's distribution system for a greenhouse gas free electrical grid.

1.2 Scope of Services

The consultant must provide design services to develop a microgrid that incorporates existing solar PV, EV chargers, and our communications hut. The communication hut that will be powered by the proposed microgrid installation supports the fiber optic broadband backbone network operated by the District, which serves 7 internet providers operating on the North Olympic Peninsula. The project site is an existing decommissioned substation in Sequim located at 150 North Govan Avenue, Sequim, WA 98382, with a 31.4KW solar PV system.

The design work will include a bill of materials, all needed equipment, and services to complete the fully functional microgrid, as well as bid documents, plans, and specifications the District will use for the construction of the microgrid.

The design will also need to include plans for a 200 kWh lithium-ion battery, a battery building with the latest fire mitigation techniques applied, and microgrid controller capable of islanding, demand response, economic dispatch, and peak shaving.

Goals

- Create microgrid design that implements design requirements to serve the communications hut during major outages and longer duration outages related to a Cascadia earthquake event or other natural disaster.
- Create bidding document for release for construction.

Design Requirements

- Wiring diagrams (for batteries, low voltage switchgear, microgrid controller etc.).
- Bill of materials
- Structure to house battery and microgrid interface.
- NFPA fire safety design for battery system.
- Microgrid functionality including communication protocol, demand response, energy resource optimization, voltage support, self-sustained operation, etc.
- Integration of EV chargers with a separate disconnect.
- Low voltage switchgear.
- Integration of existing LPG generator.
- Integration with Clallam PUD's SCADA system.
- Monitoring and recording equipment.
- Develop methodology, define data requirements, perform financial evaluation, model microgrid assets, layout control strategy, and assist in control system development.
- Include spare capacity for future generation/storage/load increase
- Assume backup propane is only to be used if battery/solar PV/grid is not available

- Preference towards Lithium-ion battery energy storage system, but will consider other highly feasible energy storage systems.

1.3 Schedule of Work

Consultant shall commence work upon receipt of notice to proceed from the District. Time is of the essence of this agreement and completion of services shall be no later than January 23, 2025.

ARTICLE 2 COMPENSATION

2.1 Fee

The District shall compensate Consultant for time and expenses, not-to-exceed amount of \$XXX,XXX, in accordance with the Consultant's proposal as shown on Exhibit G – XYZ FEES.

Consultant will submit invoices monthly for costs incurred in the previous month, provided that the cumulative invoiced amount is not greater than the not-to-exceed amount of \$xx,xxx. The District agrees to pay all undisputed invoice amounts within thirty (30) days of the invoice date. The District agrees to notify Consultant of any disputed invoice amounts within ten (10) business days of receipt of the invoice. Consultant's total compensation shall not exceed \$xx,xxx, without the prior written approval of the District.

2.2 Payment Address

All payments due Consultant shall be paid to:

Consultant name
Mailing address
City State Zip

2.3 Additional Services

The District may request that Consultant perform additional services not included within the specific Scope of Work set forth in this agreement. Any such services to be provided by Consultant may be described in change orders executed by the District. The Parties intend that a change order executed by the Parties shall become a supplement to and part of this agreement.

ARTICLE 3 INDEMNIFICATION, LIMITATION OF LIABILITY, AND INSURANCE

3.1 Indemnification

Consultant agrees to indemnify, defend, and hold harmless the District from and against third-party claims for damages for personal injury or loss, including death, and property damage connected with the services performed and arising out of the negligence of Consultant's employees, officers, and agents. This duty to indemnify, defend and hold harmless shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the District or its agents or employees. Consultant's duty to indemnify, defend and hold harmless the District for liability for damages arising out of bodily injury to persons or damage to

property caused by or resulting from the concurrent negligence of both parties or their agents or employees shall apply only to the extent of the negligence of Consultant's employees, officers or agents.

Consultant specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW. Further, the indemnification obligation under this agreement shall not be limited in any way by any limitation on benefits payable to or for any third party under the workers' compensation acts.

Consultant's duty to defend, indemnify and hold harmless the District shall include personnel-related costs, reasonable attorneys' fees, court costs, and all other claim-related expenses.

The District and Consultant hereby certify that the terms and conditions of the foregoing indemnity provision are the subject of mutual negotiation by the parties and are specifically and expressly agreed to in consideration of the mutual benefits derived under the terms of this agreement.

This provision shall survive the termination of this agreement.

3.2 Mutual Cyber Security Indemnification

Both parties agree to be responsible for the protection of their own computers, servers, hard drives, information systems, and email accounts from cyber security breaches, including but not limited to malicious software, viruses, hacking, and phishing scams ("Cyber Security Breaches"). Each party shall indemnify the other from any damages, liabilities, or expenses of every kind, including but not limited to reasonable attorney's fees, resulting from or arising out of their own Cyber Security Breaches, including wire fraud attempts directed to the other party resulting from such Cyber Security Breaches.

3.3 Workers' Compensation

Consultant shall maintain workers' compensation and employer's liability insurance of a form and in an amount as required by state law.

3.4 General Liability

Consultant shall maintain comprehensive general bodily injury and property damage liability, including automobile (owned, non-owned, or hired), in the amount of One Million Dollars (\$1,000,000), combined single limits per occurrence and annual aggregate. Consultant shall provide to the District a certificate of insurance, with the District named as an additional insured, prior to the performance by Consultant of any Services in the Scope of Work. Consultant shall provide ten (10) days written notice to the District prior to cancellation of any such policy.

ARTICLE 4 TERMINATION

4.1 Termination of Agreement

This agreement may be terminated by either party at any time upon thirty (30) days prior written notice. In the event of termination by the District, Consultant shall cease work under the agreement and shall expend additional time only as necessary for the proper winding up of services. In the event

of termination not the fault of Consultant, Consultant shall be compensated for services performed prior to termination, together with materials costs then due.

ARTICLE 5 OWNERSHIP OF DOCUMENTS

5.1 Ownership of Documents

All plans, specifications, reports, and other design documents prepared by Consultant pursuant to this agreement are instruments of service which shall be deemed the property of the District. Any reuse of completed documents or use of partially completed documents without written verification or concurrence by Consultant for the specific purpose intended will be at District's sole risk and without liability or legal exposure to Consultant.

5.2 District-Provided Information

The District shall furnish the Consultant available studies, reports, and other data pertinent to Consultant's services and Consultant shall be entitled to use and rely upon all such information provided by District or others in performing Consultant's services under this agreement.

ARTICLE 6 SUBSTITUTION OF KEY PERSONNEL

6.1 Substitution of Key Personnel

Consultant may not substitute key Project personnel, including, but not limited to the Project Manager, Project engineer/scientist, and all sub-consultants, without prior written consent of the District. Such a substitution without the District's prior authorization shall constitute grounds for termination of this agreement without notice to Consultant. In such event, the District shall not be liable to Consultant for fees and costs incurred by or on behalf of the substitute key Project personnel. The District will not unreasonably withhold approval of substitution.

In the event the District provides written consent to the substitution of key Consultant or sub-consultant Project personnel, Consultant shall be solely responsible for the fees and costs incurred by Consultant in bringing the substitute personnel to a level of Project understanding that is satisfactory to the District.

ARTICLE 7 GENERAL PROVISIONS

7.1 Representation

Each party hereto designates as the primary contact person for each party regarding performance of this agreement.

District Representative

Colin Young
PUD No. 1 of Clallam County
P O Box 1000
Carlsborg, WA 98324

Consultant Representative

Proj Mgr.
Consultant name
Mailing
City, ST zip1

7.2 Non-Discrimination

In the performance of the terms of this agreement, Consultant shall not engage in discrimination in the employment of persons because of race, creed, color, religion, national origin, age, physical handicap, marital status, sexual orientation or gender.

7.3 Dispute Resolution

Any dispute that arises out of the interpretation, performance, enforcement, or any other aspect of this agreement shall be governed by the laws of the State of Washington, and, unless the Parties agree in writing otherwise, shall be resolved by submitting the same to binding arbitration, which shall proceed according to the Washington Arbitration Act and shall be conducted within Clallam County, Washington; provided, however, that each party shall select a nominating person within ten (10) days of notice of the dispute from any party to the others. The District shall elect one nominating person, and Consultant shall elect one nominating person. The two nominating persons shall then meet and promptly select the arbitrator. If, within thirty (30) days of the notice of the dispute, the nominating persons do not select a person who agrees to serve as arbitrator, the arbitrator shall be selected by a Superior Court judge of Clallam County, State of Washington. The Parties shall require a written decision by the arbitrator as a condition of the selection of the arbitrator. The prevailing party as determined by the arbitrator shall be entitled to its reasonable attorney fees and costs associated with the arbitration. The Parties shall share equally the cost of the arbitration proceeding. Venue for any action brought on the arbitration award, including enforcement of such award, shall be in the Superior Court of Clallam County, State of Washington, and such action shall be governed by application of the laws of the State of Washington. The prevailing party in any such action on the arbitration award shall be entitled to its reasonable attorney fees and costs associated with such action.

7.4 Integration, Modification and Severability

This agreement, including all exhibits, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This is the entire agreement between the parties, there are no other agreements or representations not set forth herein, and this agreement incorporates and supersedes all prior negotiations, agreements, and representations. This agreement may not be modified except in writing signed by an authorized representative of each party.

If any provision of this agreement, or any phrase or clause within such provision, is deemed by law to be void, invalid, or inoperative for any reason, that phrase, clause or provision shall be deemed modified to the extent necessary to make it valid and operative; or, if it cannot be so modified, then such phrase, clause or provision shall be deemed severed from this agreement with the remaining phrases, clauses and provisions continuing in full force and effect as if the agreement had been signed with the void, invalid or inoperative portions so modified or eliminated. In addition, a phrase, clause or provision shall be substituted which is consistent with the intent of this agreement and the severed phrase, clause or provision.

7.5 Headings; Waiver; Assignment

The headings used in this agreement are for general reference only and are not part of the agreement. A waiver by any party of any provision or of a breach of this agreement must be provided in writing and shall not be construed as a waiver of any other provision or any succeeding breach of

the same or any other provisions herein. Neither party hereto may assign its duties and obligations hereunder without the prior written consent of the other party.

7.6 Counterparts

This agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

7.7 Verification Regarding Debarment, Suspension And Other

By entering into this agreement, the Consultant verifies that it and the principals:

- Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- Have not within a three-year period preceding this agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction: violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and

Have not within a three-year period preceding this agreement had one or more public transactions (Federal, State, or local) terminated for cause or default.

7.8 Right To Audit

The District shall have the right to audit all contractor records pertaining to the work performed at any time during a project and within one year after the completion of the work. At the District's discretion, prior to awarding a project, contractors may be removed from the list of approved bidders if exception is taken to the District's auditing requirements. Should a contractor refuse to allow the District to audit their records during the course of a project, the District may terminate the contract or agreement and deny the opportunity to bid on future District projects.

7.9 Contractor Or Third-Party Worker Retirement Status Verification

The parties hereto acknowledge that under Title 41 of the Revised Code of Washington, the District is obligated to report to the Washington Department of Retirement Systems any retirees in its employ, including contractors and subcontractors and their workers, who retired from certain Washington State retirement systems. Failure to report could result in a financial liability to the District.

Accordingly, Contractor agrees to and shall report to the District the retirement status of all of its workers, subcontractors, and subcontractors' workers who will be performing services for the District under this Agreement. Contractor shall be responsible to pay any financial liability imposed upon the District by the Washington Department of Retirement Systems for pension overpayments resulting from Contractor's failure to properly report to the District such retirement status. In the alternative, Contractor may provide to the District the Social Security numbers of all its workers, subcontractors, and subcontractors' workers who will be performing services for the District under this Agreement, and the District shall undertake to verify the retirement status of those workers. In such event, Contractor shall be responsible to pay any financial liability imposed upon the District by the Washington Department of Retirement Systems for pension overpayments resulting from Contractor's

failure to provide proper Social Security numbers for each such worker.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date and year first above written.

Public Utility District No 1 of Clallam County

Consultants Name

By: _____

By: _____

Title: _____

Title: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

SAMPLE