



**PUGET SOUND ENERGY**  
*The Energy To Do Great Things*

## **Sedro Woolley Substation 230 kV Expansion Project**

### **Invitation to Bid**

Date: February 7, 2011

PSE Project Manager: Kevin O'Connor  
Contact Info: (425) 456-2489  
Email: [kevin.oconnor@pse.com](mailto:kevin.oconnor@pse.com)

Contract Administrator: Pete Anderson  
Contact Info: 425.462-3920  
Email: [pete.anderson@pse.com](mailto:pete.anderson@pse.com)



# Notice of Pre-Bid Conference

## Sedro Woolley Substation 230 kV Expansion Project

The PSE Project team is requesting your attendance to a Pre-Bid conference to discuss in detail the aforementioned project.

**When:** February 15, 2012

**Time:** 10:00 AM

**Location:** Sedro Woolley Substation  
24972 Minker Road  
Sedro Woolley, WA. 98284

**Please contact Pete Anderson at (425) 462-3920 to confirm your firm's interest in this Project and attendance at this Pre-Bid Meeting.**



## Invitation to Bid

You are invited to submit your bid for the construction of the **Sedro Woolley Substation 230 kV Expansion Project** (the "Project"), located in Sedro Woolley, State of Washington, for Puget Sound Energy, Inc. ("Owner"), in accordance with the following bid documents, one set of which is enclosed for your use:

### Hardcopy

1. Notice of Pre Bid Conference
2. Instructions To Bidders
3. Bid Form
4. Schedule of Bid Prices
5. Bid Submittal Requirements
6. Project Conditions
7. Contract for Construction
8. Release and Certificate of Payment
9. Certificate of Insurance
10. Responsible Contractor Guidelines

### CD Attachments

- 3.1 Vicinity Map
- 3.2 Station One Line Diagram
- 3.3 Drawings
  - 3.3.1 Drawing List
  - 3.3.2 Substation Drawing List
- 3.4 Engineering Specifications
- 3.5 SAP Material List
- 3.6 Geotechnical Reports and Additional Reports for Reference Only
- 3.7 Outage Request Form
- 3.8 Daily Log (example)
- 3.9 Site Safety Plan (Example)
- 3.10 Approved Yard Rock Sources
- 3.11 Request For Information (RFI) Form
- 3.12 Approved Disposal Sites

If one or more of the bid documents is not enclosed herewith and has not previously been made available to the bidder, the same may be obtained at the address shown below.

Puget Sound Energy, Inc.  
Contract Services, EST 07E  
P.O. Box 97034  
Bellevue, Washington 98009-9734  
Telephone (425) 462-3920

Date: February 7, 2012  
Puget Sound Energy, Inc.

By:   
\_\_\_\_\_  
Pete Anderson  
Senior Contract Administrator  
Contract Services Department

## Instructions to Bidders

### A. General

1. Bid documents will be furnished only to selected bidders. No bid documents will be furnished directly to any proposed or potential subcontractor.
2. Questions of a technical or contractual nature should be sent via email and directed to the following address:

Puget Sound Energy, Inc.  
Contract Services  
P. O. Box 97034 (EST 07E)  
Bellevue, WA 98009-9734  
Attn: Pete Anderson  
Phone: (425) 462-3920  
Email: [pete.anderson@pse.com](mailto:pete.anderson@pse.com)

3. Each bidder must furnish with the bid a list of proposed subcontractors indicating that portion of the Work to be subcontracted to each.

### B. Preparation and Submission of Bids

1. All bids must be in strict conformity with the bid documents and any addenda.
2. All bids must be submitted on the Bid Form and Schedule of Bid Prices included in the bid documents. All blank spaces in the Bid Form and the Schedule of Bid Prices must be completed by the bidder. The Bid Form must be duly executed by the bidder and any interlineations, alternations or modifications to the Bid Form or the Schedule of Bid Prices must be explained in writing and initialed by the bidder. The completed Bid Form must specify the full legal name and business address of the bidder (and the bidder's street address if it differs from its business address). Bids by a partnership or joint venture must list the full legal names and addresses of all partners or joint ventures. Bids by a corporation must specify the corporation's place of incorporation. The name of each signatory must be typed or otherwise clearly imprinted below each signature. Satisfactory evidence of the authority of any signatory to sign on behalf of the bidder must be furnished by the bidder upon request of Owner.
3. Each bid must be submitted to Owner in a sealed opaque envelope. The upper left-hand corner on the face of the envelope shall specify the following:
  - (a) the name of the bidder; and
  - (b) the name of the Work:



**Sedro Woolley Substation 230 kV Expansion Project**

4. Each bid must be addressed to and submitted so as to be received by Owner **no later than 2:00 P.M. on Wednesday February 29, 2012** at the following address:

*If by Courier:*

Puget Sound Energy, Inc.  
Contract Services  
355 110 Ave. NE EST-07E  
Bellevue, Washington 98004  
Attn: Pete Anderson

*If by US Mail:*

Puget Sound Energy, Inc.  
Contract Services  
P O Box 97034, EST-07E  
Bellevue, WA 98009-9734  
Attn: Pete Anderson

5. The last day to submit questions will be February 23, 2012.
6. Bids may be sent by email to [pete.anderson@pse.com](mailto:pete.anderson@pse.com).
7. Bid security will **not** be required.
8. The preparation and submission of a bid will be by and at the expense of the bidder.

**C. Examination of Bid Documents.**

Each bidder must carefully examine the bid documents and all addenda. If any bidder (a) finds any discrepancies, omissions, or ambiguities in the bid documents, (b) is uncertain as to the intent or meaning of any provision of the bid documents, or (c) has any question regarding the bid documents, the bidder must promptly notify Owner thereof in writing at the appropriate address specified in paragraph A.2. Replies to such notices may be made in the form of addenda which will be issued simultaneously to all persons who have obtained the bid documents from Owner

**D. Site Inspection and Conditions.**

In addition to examination of the bid documents, each bidder must examine the site and conduct such other examinations and investigations as are necessary to become fully informed of all existing or expected conditions and matters that might in any way affect the cost or performance of Work. *The project team will be conducting an onsite pre-bid meeting on February 15, 2012 at 10:00 a.m., the site will be able to be inspected at that time.*

**E. Substitutions.**

1. To obtain approval of substitutions, bidders must submit a written request thereof so as to be received by Owner at the appropriate address specified in paragraph A.2. above and no later than five (5) calendar days prior to the time specified in paragraph B.4. above for the submission of bids. Each such request must set forth in a detailed and clear manner



a complete description of the substitution for which approval is sought, together with all data and other information necessary to demonstrate comparability of the substitution.

2. Any approval by Owner of any substitution proposed by bidders will be made in the form of addenda which will be issued simultaneously to all persons who have obtained the bid documents from Owner.
3. Owner reserves the right to withhold its approval of any or all substitutions proposed by bidders and to deny any or all requests for such approvals.

**F. Modifications or Withdrawal of Bids.**

1. A bidder may modify or withdraw their bid by written request, provided that the request is received by Owner at the address and prior to the time specified in paragraph B.4. above for the submission of bids. Following withdrawal of its bid, a bidder may submit a new bid, provided that such new bid is received by Owner at the address and prior to the time specified in paragraph B.4.
2. Owner may modify any provision of the bid documents at any time prior to the time specified in paragraph B.4. above for the submission of bids. Such modifications may be made in the form of addenda which will be issued simultaneously to all persons who have obtained the bid documents from Owner.

**G. Award or Rejections of Bids.**

1. Bids will be opened privately and Owner reserves the right to keep any and all bids confidential.
2. Formal interviews may be scheduled with selected bidders to further review and discuss the Project.
3. All bids are subject to further negotiation.
4. The contract, if awarded, will be awarded on the basis and after consideration and evaluation of price, resource assignment and commitment, and any other factors deemed pertinent by Owner, including the factors as specified in the Schedule of Bid Prices.
5. Owner reserves the right to reject any or all bids or to waive any informality in the bids or bidding.

**H. Contract Execution.**

1. Prior to execution of the contract, the bidder to whom the contract is awarded (the "successful bidder") must deliver to Owner certificates of insurance and any other documents required by the bid documents.

2. If requested by Owner, the successful bidder must assist and cooperate with Owner in preparing the formal contract. Within three (3) days after presentation of the formal contract, the successful bidder must duly execute the same and return it for execution by Owner. The failure of the successful bidder to duly execute and return the contract, together with certificates of insurance and any other required documents, will constitute a breach of contract by such bidder and entitle Owner, in addition to all other rights and remedies of Owner, to award the contract to any other bidder.
3. All bid documents shall remain the property of Owner. If requested by Owner, the unsuccessful bidders shall return all bid documents to Owner at the address specified in paragraph B.4. above, without mutilation, marks or annotation.



**Bid Form**

To: Puget Sound Energy, Inc.  
Contract Services  
P. O. Box 97034 (EST-07E)  
Bellevue, WA 98009-9734  
Attn: Pete Anderson  
Project: **Sedro Woolley Substation 230 kV Expansion Project**

In response to your Invitation to Bid for the above referenced Work the undersigned offers to furnish all resources required to complete the Work in accordance with the contract documents and any addenda thereto and for the prices set forth in the Schedule of Bid Prices attached hereto.

The undersigned certifies that it has examined and is fully familiar with all provisions of the contract documents and any addenda thereto; that it has carefully checked all of the words and figures shown in the attached Schedule of Bid Prices; and that, by careful examination of the contract documents, the Bid Submittal Requirements, any addenda thereto, the site(s) and all other pertinent conditions, satisfied itself as to the nature, location, character, quality, and quantity of the Work required by the contract documents and as to the conditions and other matters that may be encountered at the site(s) or that may affect performance of the Work or the cost or difficulty thereof.

If awarded the contract, the undersigned agrees to duly execute and deliver to Owner, within five (5) days after presentation, the contract, together with all certificates of insurance and other documents required by the contract documents.

The undersigned acknowledges receipt, understanding and full consideration of Addenda Nos. \_\_\_\_\_

Bidder's Washington State Contractor License No. \_\_\_\_\_ Expiration Date \_\_\_\_\_

Legal Name of Bidder: \_\_\_\_\_

Business Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: (\_\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_\_) \_\_\_\_\_

State of Incorporation (if incorporated): \_\_\_\_\_

This bid constitutes a firm offer to Owner which cannot be withdrawn until a formal contract of the Work is fully executed by Owner and another bidder or the later of (a) the expiration of thirty (30) calendar days after the submission of this bid and (b) the undersigned withdraws this bid by written notice thereof to Owner.

Authorized Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

## Bid Submittal Requirements

### Sedro Woolley Substation 230 kV Expansion Project

Bidders are requested to provide and/or respond to each item below, all of which will be included in the evaluation of the bid.

1. Provide a **Lump Sum Base Bid** plus Breakdown Pricing for the specified scope of work as shown on the Schedule of Bid Prices. Include as an attachment **Hourly Labor and Equipment Rates** for the personnel and equipment expected to be engaged in all aspects of the Work, including subcontracted work.
2. Provide a descriptive Project **Work Plan** that addresses all work sequencing, labor and equipment resource utilization, project management, safety enforcement, and quality control to support the Preliminary Construction Schedule.
3. Provide a **Preliminary Construction Schedule** that clearly indicates how you intend to phase the work to meet the targeted Project milestone dates, completion date and closeout time identified in the Project Conditions.
4. List the **Key Personnel** assigned to this Project including, at a minimum, the Project Manager, General Foreman/Superintendent, lead Crew Foremen (if known), Safety Representative, and Quality Control Representative. Include for each individual their current qualifications and **relevant** work history.
5. List major **Subcontractors** proposed to be engaged in the Work with their qualifications and **relevant** work history.
6. List any **Assumptions, Clarifications, or Exceptions** to the Project, Project Conditions, Contract Documents, or the work or site conditions affecting your bid.

# Schedule of Bid Prices

## Sedro Woolley Substation 230 kV Expansion

Order No. 111016865

Contractor \_\_\_\_\_

Project Total Lump-Sum Base Bid: \$ \_\_\_\_\_  
(Excluding State and Local Sales Tax)

Provide current fully loaded Labor and Equipment hourly rates for all work, including work to be performed by proposed subcontractors.

### Lump-Sum Bid Breakdown for the following Items:

1. **Mobilization/Demobilization:** \$ \_\_\_\_\_
2. **Removal/Demolition:**
  - a. Foundations, 115 kV yard \$ \_\_\_\_\_
3. **Civil:**
  - a. Erosion and Sediment Control \$ \_\_\_\_\_
  - b. Storm Drainage \$ \_\_\_\_\_
  - c. SPCC System \$ \_\_\_\_\_
  - d. Foundations, 230 kV yard \$ \_\_\_\_\_
  - e. Foundations, 115 kV yard \$ \_\_\_\_\_
  - f. Final Grading, Yard Surfacing \$ \_\_\_\_\_
  - g. Trenching \$ \_\_\_\_\_
4. **Electrical** (as defined by Project Documents)
  - a. Safety Watch \$ \_\_\_\_\_
  - ~~b. Security Conduit~~ \$ N/A per addendum #1
  - c. Cable Trench, Preformed \$ \_\_\_\_\_
  - d. Conduit \$ \_\_\_\_\_
  - e. Grounding System \$ \_\_\_\_\_
5. **Site Security** \$ \_\_\_\_\_
6. **Option 1:** (not in base bid)
  - a. Foundations, Capacitor Bank area \$ \_\_\_\_\_
  - b. Conduits and Grounding, Cap Bank \$ \_\_\_\_\_

### Adders

Pricing is not to be included in the Lump Sum Base Bid. Material to be verified by delivery ticket.

- Imported, compacted structural fill \$ \_\_\_\_\_ (per cubic yard)
- Top course \$ \_\_\_\_\_ (per cubic yard)
- Yard rock \$ \_\_\_\_\_ (per ton)

# **Project Conditions**

## **Sedro Woolley Substation 230 kV Expansion Project**

**February 7, 2012**

**Sedro Woolley Substation 230 kV Expansion**  
**Project Conditions**  
Table of Contents

Sedro Woolley Substation 230 kV Expansion .....	3
1.0 Project Scope and Description .....	3
2.0 Project Conditions .....	3
2.1 PC-1 Contract Order of Precedence .....	3
2.2 PC-2 Project Representatives .....	4
2.3 PC-3 Meetings and Reports .....	5
2.4 PC-4 Schedule .....	6
2.5 PC-5 Safety and Quality Control Programs .....	6
2.6 PC-6 Qualified Electrical Workers .....	7
2.7 PC-7 Quality and Compliance Observations, Inspection and Testing .....	7
2.8 PC-8 Construction Coordination .....	8
2.9 PC-9 Change Approval Record (CAR) .....	8
2.10 PC-10 Substation Entry Orientation .....	9
2.11 PC-11 Work Site Restrictions .....	9
2.12 PC-12 Inadvertent Discoveries .....	10
2.13 PC-13 Security .....	10
2.14 PC-14 Submittals .....	10
2.15 PC-15 Permits .....	11
2.16 PC-16 Equipment .....	11
2.17 PC-17 System Operations Orientation .....	12
2.18 PC-18 Outages .....	12
2.19 PC-19 Erosion and Sediment Control .....	12
2.20 PC-20 Environmental Contamination .....	13
2.21 PC-21 Materials .....	14
2.22 PC-22 Weather Conditions .....	15
2.23 PC-23 Road Maintenance .....	15
2.24 PC-24 Paving and Surface Restoration .....	15
2.25 PC-25 Ground Resistance testing .....	15
2.26 PC-26 Demolition and removal of Substation equipment .....	16
2.27 PC-27 Restoration and Mitigation .....	16
2.28 PC-28 Project Close-out and Acceptance .....	16
2.29 PC-29 Exceptions .....	17

3.0 Project Documents and Attachments ..... 18

3.1 Vicinity Map ..... 18

3.2 Station One Line Diagrams ..... 18

3.3 Drawings..... 18

3.4 Engineering Specifications ..... 18

3.5 SAP Materials List..... 18

3.6 Geotechnical Reports and Additional Reports for Reference Only ..... 18

3.7 Outage request form ..... 18

3.8 Daily log - example ..... 18

3.9 Site Safety Plan ..... 18

3.10 Approved Yard Rock Sources ..... 18

3.11 Request For Information (RFI) form ..... 18

3.12 Approved Disposal Facilities ..... 18

# Sedro Woolley Substation 230 kV Expansion

## 1.0 Project Scope and Description

- 1.1 Owner proposes to construct an expansion of the 230 kV facilities in Sedro Woolley Transmission Substation, including the installation of 230 / 115 kV transformer bank #2, to provide increased capacity to growing customer load and to improve reliability to Skagit Co.
- 1.2 The Project shall be a general contract for the construction of these facilities in accordance with the Project Documents, including drawings, specifications, permits, maps, reports, logs, and other documents and attachments. This includes all labor, materials, tools, equipment and supervision necessary to complete the Work.
- 1.3 The Project consists of constructing new foundations for deadend structures, bus supports, disconnect switches and circuit breakers, installing SPCC containment, and installing cable trenching, underground conduits and ground mats. The Project Scope is not limited to the provided summary listed below and may be augmented by subsequent addenda. The scope of this Project consists of:
  - 1.3.1 Grading- cut and fill
  - 1.3.2 Drainage installation
  - 1.3.3 Install SPCC curb and containment
  - 1.3.4 Foundation construction with augered and continuous cast augered piles for deadend towers
  - 1.3.5 Removal of existing oil breaker foundations
  - 1.3.6 Foundation construction for circuit breakers and disconnect switches
  - 1.3.7 Foundation construction for bus supports
  - 1.3.8 Foundation construction for capacitor banks
  - 1.3.9 Install vaults within the substation property
  - 1.3.10 Install pre-formed cable trench
  - 1.3.11 Conduit Installation
  - 1.3.12 Ground mat installation
  - 1.3.13 Final surfacing-yard rock
- 1.4 Project Address.  
24972 Minkler Road  
Sedro Woolley, WA 98284

## 2.0 Project Conditions

The following conditions are project specific conditions and shall not limit the generality of the provisions of the Contract For Construction.

### 2.1 *PC-1 Contract Order of Precedence*

- 2.1.1 In interpreting the terms and conditions of the Contract and the various Contract Documents incorporated by this reference and modifying the terms and conditions, the following order of precedence, which is presented in descending order, shall be followed:

- 2.1.1.1 Change Orders with higher numbers having precedence over lower numbers
  - 2.1.1.2 Permit Conditions
  - 2.1.1.3 Project Description, Scope of Work and Project Conditions
  - 2.1.1.4 Project Drawings
  - 2.1.1.5 Engineering Specifications
  - 2.1.1.6 Owner's Standard Specifications and Practices
  - 2.1.1.7 The Contract for Construction and General Conditions
- 2.1.2 Unless otherwise stated all "day" or "days" are calendar days (Monday through Sunday).

**2.2 PC-2 Project Representatives**

2.2.1 Owner will be represented on this Project by the following individuals or their designee.

Position	Name	Office #	Cell#
Project Manager	Kevin O'Connor	425-456-2489	206-612-2597
Construction Manager	Tom Kerfonta	425-456-2586	425-218-6392
Construction Coordinator	Shane Baker		253-740-3382
Contract Administrator	Pete Anderson	425-462-3920	206-604-3941
Substation Elec Engineer	Kassidy Warren	425-457-5339	
Substation Civil Engineer	Rob Stewart	425-456-2714	

- 2.2.2 Contractor shall assign a Representative (Project Manager) for this Project to act as a single point of contact with Owner's management, and to coordinate, manage and oversee all aspects of Contractor's Work.
- 2.2.3 Contractor shall assign a General Foreman/Superintendent to manage and oversee Contractor's field operations, and to act as Contractor's representative on-site.
- 2.2.4 Contractor shall provide and identify a Certified Erosion and Sediment Control Lead (CESCL) in compliance with permit requirements. The CESCL shall be responsible to ensure the correct placement and maintenance of all erosion control measures and repair any areas of erosion on the site as required by Owner, or by jurisdiction rules, regulations and permits.
- 2.2.5 Contractor shall provide dedicated Key Personnel (Project Manager, Foremen, General Foremen/Superintendents, and CESCL). It is expected that crews offered by Contractor and approved by Owner at the pre-construction meeting will not be changed prior to the start of construction.
- 2.2.6 Owner's Construction Manager shall be provided contact information (phone numbers and email addresses) of all Key Personnel and shall be fully informed of any changes in Key Personnel at least 72-hours in advance of initiating the changes.
- 2.2.7 Any changes in field Key Personnel (Superintendent, General Foreman, and CESCL) shall only be allowed with the approval of Owner's Construction Manager. Approval shall be given if Owner is satisfied that the transition has been conducted in a smooth and orderly fashion, the new crew possesses equivalent or superior skills,

and there will be no delays in meeting Project schedule. Multiple changes in key personnel such as Foremen or the General Foreman/Superintendent will not be allowed.

- 2.2.8 Key Personnel, field crews and/or equipment or material, shall not be diverted from the Project to accomplish any other work for Owner or other clients without prior approval of Owner's Construction Manager or, if not available, Owner's Project Manager. Any such approval of reassignment of Contractor resources shall result in no adjustment to the Project cost or completion date; unless such adjustment is agreed to at the time resources are released from the Project. If approved, such adjustments to the Project cost and/or schedule shall be documented by a Change Approval Record ("CAR") at the earliest practical opportunity.

### 2.3 **PC-3 Meetings and Reports**

- 2.3.1 There will be a pre-construction conference with Contractor's Project Manager, General Foreman/Superintendent and key subcontractors prior to commencing the Work. The date and time will be determined after Contract award.
- 2.3.2 Contractor shall conduct weekly Construction Coordination Meetings at the site or an agreeable location.
- 2.3.3 The purpose of these meetings shall be to review contract and design requirements, submitted and approved materials, the planned sequence of field activities, and potential safety hazards prior to the commencement of related work. The meetings shall include Owner's Construction Manager (and other Owner representatives as appropriate), Contractor's General Foreman/Superintendent, CESCL, safety personnel and appropriate subcontractors and material suppliers. Contractor is responsible for managing these meetings and providing meeting minutes within two business days for Owner's review.
- 2.3.4 Contractor's Project Manager shall submit a Weekly Status Report to Owner's Project Manager and Construction Manager. This report shall detail:
- 2.3.4.1 Discuss Submittals and Requests For Information (RFI).
  - 2.3.4.2 Tasks completed since the prior report.
  - 2.3.4.3 Tasks planned to occur prior to the next scheduled report.
  - 2.3.4.4 A summary of any changes (CAR Log) or problems which occurred, and/or remain unresolved, since the prior report which may affect the Project scope or schedule.
  - 2.3.4.5 A safety report.
  - 2.3.4.6 A schedule of all Testing and Permit inspections.
  - 2.3.4.7 A correction log of all discrepancies.
  - 2.3.4.8 CESCL's Log
- 2.3.5 If Contractor's Weekly Status Report is not sufficient to effectively communicate the status of the Work, or to provide an adequate basis for management coordination of the Work, Owner may require additional Construction Coordination meetings.

## 2.4 **PC-4 Schedule**

- 2.4.1 Unless otherwise directed by Owner, Contractor shall commence the Work when scheduled and continue until completion of all the Work.
- 2.4.2 Without limiting the generality of Section 8 Construction Schedule; Progress Reports of the Contract For Construction, Contractor shall provide a detailed construction schedule, in either Primavera (preferred) or MS Project, to Owner's Project Manager. Contractor shall utilize the following milestones to develop its construction schedule to final inspection and punch list completion.
  - 2.4.2.1 Notice To Proceed (NTP)
  - 2.4.2.2 Mobilization
  - 2.4.2.3 Contractor Permits submitted
  - 2.4.2.4 Outage Requests submitted and scheduled
  - 2.4.2.5 Material pick-up
  - 2.4.2.6 Construction Start
  - 2.4.2.7 Major Milestones (supplied by Contractor or Owner)
  - 2.4.2.8 Customer/City Commitments
  - 2.4.2.9 Construction Complete
  - 2.4.2.10 Punch List complete
  - 2.4.2.11 Accepted Work Sketches/Drawings
  - 2.4.2.12 Project Closeout
- 2.4.3 Hours for operation shall be limited to 7:00 AM to 7:00 PM, Monday through Friday and 9:00 AM to 6:00 PM on Saturday. Sunday work shall not be allowed. Contractor shall comply with all jurisdiction requirements for construction work hour restrictions as noted in permits.
- 2.4.4 Parameter in which a schedule needs to be built around, includes the following:
  - 2.4.4.1 Outage Type: Limited to individual bays as required.
  - 2.4.4.2 Project Completion Date: Foundations for 230 kV structures, SPCC containment, and 115 kV circuit breaker additions shall be 31 May 2012. Foundations for 115 kV capacitor bank and related equipment shall be 31 August 2012.
- 2.4.5 Outage availability is subject to change due to system configuration and constraints.
- 2.4.6 Both Owner's Project Manager and Construction Manager shall be informed of all delays or changes in the schedule. Contractor shall provide, in writing, the reasons and a recovery plan.

## 2.5 **PC-5 Safety and Quality Control Programs**

- 2.5.1 Contractor shall ensure that it has a Safety Program suitable for the type of work required for this Project. Contractor shall provide a copy of its Safety Program upon request by Owner. Owner will not accept any liability for the content of or Contractor's adherence to their Safety Program.

2.5.2 Contractor shall supply Owner with Project site specific safety plan to include, but not be limited to, identification of nearest emergency/urgent care facilities, and accident notification process. The plan must be approved by Owner's Construction Manager prior to work commencing. Report all recordable injuries to Owner's Construction Manager immediately.

2.5.2.1 Contractor shall provide all personnel with proper protective clothing which includes but shall not be limited to safety vests, hard hats, eye protection and hearing protection and shall enforce their use at all times.

2.5.2.2 Contractor shall furnish the Material Safety Data Sheets (MSDS) for all chemicals or solvents that will be used or supplied during the course of the Work which shall include but not be limited to paint thinners, cleaning fluids and lubricants.

2.5.3 Contractor shall furnish all temporary fire protection for the Work in accordance with requirements of WAC 296-24. Contractor shall furnish all the necessary fire extinguishing equipment and safety equipment during construction.

2.5.4 Contractor shall ensure that it has a Quality Control Program suitable for the type of work required for this Project. Contractor shall provide a copy of its Quality Control Program upon request by Owner. Owner will not accept any liability for the content of or Contractor's adherence to their Quality Control Program.

## 2.6 ***PC-6 Qualified Electrical Workers***

2.6.1 All work on electrical equipment, bus, cable, conduit, conductor, grounding and controls shall be performed by qualified electrical workers.

## 2.7 ***PC-7 Quality and Compliance Observations, Inspection and Testing***

2.7.1 Owner may observe all aspects of construction for this Project, for purposes including ensuring the quality of the Work, ensuring the timely identification of needed corrections, and facilitating later acceptance of the Project.

2.7.2 Owner will contract with an independent testing agency for inspection and testing services.

2.7.3 Contractor's General Foreman/Superintendent shall be responsible for coordinating observations, inspections and tests; and shall:

2.7.3.1 Prepare and maintain a schedule of all required or anticipated inspections and Owner observations.

2.7.3.2 Coordinate the Work to assure that obstructions are not put in place until required inspections or observations have been performed.

2.7.3.3 Notify Owner's Construction Manager and all relevant testing or inspection agencies 24-hours in advance of scheduled inspections, observations or approvals. Independent testing agencies shall be provided with adequate time and full access for each test area, inspection item and/or structural element. If inspection cannot be performed, the General Foreman/Superintendent shall submit a plan to Owner's Construction Manager for verification of conformance of the work element in question.

- 2.7.3.4 Monitor and log the correction of all discrepancies noted by Owner's representative or by independent testing agencies.

## 2.8 **PC-8 Construction Coordination**

- 2.8.1 Contractor will be issued one full-size stamped "Foreman's Copy" and two working copies (1 full and 1/2 size) of Construction Drawings.
- 2.8.2 Contractor shall take field direction only from the PSE Construction Manager or Construction Coordinator.
- 2.8.3 Contractor shall be responsible for having all existing utilities located before construction.
- 2.8.4 Contractor shall be responsible for the installation, maintenance, and removal of plates (tacked or pinned). Plates shall be the non-skid type.
- 2.8.5 Contractor shall be responsible for providing all necessary temporary power and communication required during construction, including permitting and inspection. Temporary power shall transfer to Owner control after Contractor work has been completed and final acceptance by Owner.
- 2.8.6 Contractor shall furnish all sanitary facilities for their crews.
- 2.8.7 Contractor shall provide for surveying services. Surveying shall include, but not be limited to, the establishment of the baselines, an elevation reference monument, locations of necessary vaults, As-Built drawings for drainage, foundations and general grade elevations.
- 2.8.8 Contractor shall not delay the start of the Project due to incomplete inventory of material or equipment.
- 2.8.9 Any delay as a result of Contractor's action is the sole responsibility of Contractor.

## 2.9 **PC-9 Change Approval Record (CAR)**

- 2.9.1 Any deviation from Project documentation, including drawings, permits, procedures, Owner's operating standards, and pre-construction discussion shall be administered using the Change Approval Record (CAR) process.
- 2.9.2 Owner recognizes that revision(s) to the Description of Work after Contract award may be required. Total costs incurred by Contractor for subcontractor charges and/or material invoices, which are a direct result of an authorized revision to the Project Scope, may include a markup of not more than 5% for the pass through of the charges. No markup will be allowed on the Contractor's own labor and equipment rates or costs. *Costs for additional insurances, B&O taxes, and bonds shall be considered Contractor overhead and is not subject to direct recovery.*
  - 2.9.2.1 The markup for all charges from subcontractors of every tier may include a markup of no more than 5% of material costs and posted labor and equipment costs.
- 2.9.3 Contractor shall submit a proposed change request to Owner's Construction Manager no later than three days after discovery of a contract change. Supporting documentation (including but not limited to, copies of detailed subcontractor proposal, material invoices, updated schedule, detailed timesheets) will be submitted to Owner's Construction Manager. Owner's Construction Manager shall prepare a

CAR form, with all documentation submitted, for signatures. Contractor shall transmit a change request to Owner's Construction Manager via e-mail.

- 2.9.4 One or more CAR's will be presented to Contractor on a formal Change Order. Contractor shall not invoice on a CAR, only on an executed Change Order(s).

## 2.10 **PC-10 Substation Entry Orientation**

2.10.1 Substation Entry Orientation shall be required for all Contractor personnel performing any work by their employees within an energized substation. Contractor shall contact Owner's Construction Manager to schedule the Orientation, no later than 14 days prior to Work within the energized substation. This Orientation will be conducted at the substation.

2.10.2 If new personnel are added to Contractor's list of personnel at anytime during the Construction phase:

2.10.2.1 Contractor's Supervisor shall conduct an on-site Orientation prior to the new employee being allowed to enter or perform work at Owner's substation.

2.10.2.2 Contractor's Supervisor shall schedule an Orientation, within five days of employee's start date, through Owner's Construction Manager. This must be completed within 14 days of employee's start date.

2.10.3 Contractor shall be responsible for notifying Owner's Construction Manager immediately upon discovery of any safety or entry guideline incidents or procedure violations.

## 2.11 **PC-11 Work Site Restrictions**

2.11.1 All work is located inside of an energized substation; Contractor shall comply with substation practices noted in WAC 296-45. Also, Contractor shall provide safety watch for all nonqualified persons as described in WAC 296-45.

2.11.2 Operations at work site structure locations shall be confined to the immediate area surrounding the structure.

2.11.2.1 Site may intermittently have PSE substation crews, performing duties.

2.11.3 Contractor shall ensure setup of all equipment, including but not limited to trucks, augers, cranes, etc. shall be restricted in sensitive areas. Any Work performed in sensitive areas shall have a written plan approved by Owner's representative prior to Work commencing.

2.11.4 Prior to mobilization to a new work site, Contractor's Foreman shall review all site restrictions with Owner's Construction Manager. Owner's Construction Manager may review that all conditions have been met before work commences.

2.11.5 It is Contractor's responsibility to prevent anyone from entering the construction site without being properly equipped with appropriate personal safety devices.

2.11.6 Access keys or locks, as needed may be obtained from Owner's Construction Manager upon Contract award.

2.11.7 Contractor parking around the Project shall not hinder normal facility operations and shall not, at any time, block fire lanes or access to any portions of any facility. Vehicle access to the Project will be limited to work vehicles only.

- 2.11.8 Contractor and its subcontractor personnel shall not park their personal vehicles on the street or in the commercial areas where general parking has been prohibited for construction or safety purposes. Under no circumstances shall Contractor personnel park their personal vehicles in private business parking lots without prior written approval from the business owner, at Contractor's expense.
- 2.11.9 Specific site access notes:
  - 2.11.9.1 Contractors may park inside the first fence.

## 2.12 **PC-12 Inadvertent Discoveries**

- 2.12.1 Contractor shall abide by all regulations pertaining to discovery of archaeological resources, including but not limited to the Revised Code of Washington (RCW) Chapters 27.34, 27.53, 27.44, 79.01, and 79.90 and the WAC Chapter 35.48 as applicable, or their successors.
- 2.12.2 Inadvertent Discovery of Archaeological Deposits:
  - 2.12.2.1 In the event of an archaeological find during any phase of construction, Contractor shall take actions as necessary to secure the immediate area to protect the findings, with as little disruption to the site as possible.
  - 2.12.2.2 Contractor shall immediately notify Owner's Construction Manager. If Owner's Construction Manager is not reachable then Contractor shall contact Owner's Project Manager.
- 2.12.3 Inadvertent Discovery of Burial Sites or Human Remains:
  - 2.12.3.1 In the event of an inadvertent discovery of human remains or associated burial objects, Contractor will take actions as necessary to secure the immediate area to protect the findings, with as little disruption to the remains as possible.
  - 2.12.3.2 Contractor shall immediately contact Owner's Construction Manager. If Owner's Construction Manager is not reachable then Contractor shall contact Owner's Project Manager.

## 2.13 **PC-13 Security**

- 2.13.1 If the site is currently equipped with a security system, Contractor will need to disarm and arm the system every time entering or leaving the site.
- 2.13.2 Contractor shall be responsible to call Owner's Load Office at 425-882-4650 every time they enter/disarm the station and exit/arm the transmission switching station.
- 2.13.3 Contractor shall immediately notify Owner's Construction Manager of any incidents or abnormal events that appear to be a threat to Owner's facilities or may disrupt Contractor's construction.

## 2.14 **PC-14 Submittals**

- 2.14.1 After NTP, Contractor shall provide a populated Submittal Log to Owner's Construction Manager as the initial contract submittal. Contractor shall manage the Submittal Log throughout the duration of the Project.

- 2.14.2 Testing and certification of materials required for submittals shall be paid for by the Contractor.
- 2.14.3 Unless otherwise specified by Owner's Construction Manager, submittals shall be received by Owner's Construction Manager a minimum of 14 days before any task is performed relating to the required submittal.
- 2.14.4 Failure to adhere to this requirement may result in work stoppage by Owner. All costs associated with Owner directed work stoppage or any subsequent rework shall be at Contractor's expense. Work shall resume when directed by Owner.
- 2.14.5 In the event that a submittal is rejected or sections are required to be resubmitted as noted by Owner, Contractor is required to resubmit within three days of being notified of the rejection or resubmittal. Owner's review time is reset to seven days for the new submittal.
- 2.14.6 The Submittal Log template is available in Appendix D of the Engineering Specifications.

## 2.15 *PC-15 Permits*

- 2.15.1 Contractor shall comply with all jurisdiction requirements for construction work hour restrictions as noted in the permits.
- 2.15.2 In the event of a discrepancy between the Contract Documents and any permit requirements, the more stringent shall prevail.
- 2.15.3 Without limiting the generality of Section 6 Contractor's Responsibility of the Contract for Construction, Owner will furnish the following permits without cost to Contractor.
  - 2.15.3.1 None
- 2.15.4 Contractor shall obtain all other permits required for the performance of the Work. It is Contractor's responsibility to arrange for all permit inspections and appropriate inspector authorized signatures. Local codes and permit conditions are incorporated by reference herein.

## 2.16 *PC-16 Equipment*

- 2.16.1 Equipment and tools to be used for the Work shall be in good working order and of adequate capacity. Owner shall provide no equipment or tools for Contractor's use, unless otherwise specified.
- 2.16.2 Contractor (and its' support) shall provide proper equipment on site or available on short notice to accommodate any unforeseen changes in the field conditions or in the construction practice. Delays, caused by the lack of available or appropriate equipment, are at Contractor's expense.
- 2.16.3 Vehicles shall not be fueled at the construction site unless prior written approval has been given to Contractor by Owner's Environmental representative through Owner's Construction Manager. Precautions shall be taken to prevent and contain any spillage. Fueling will not be allowed within 100-feet or adjacent to any sensitive areas/buffers.
- 2.16.4 Contractor shall identify and secure the sites for their construction trailer, equipment, material laydown areas, and temporary field office. Contractor will not be allowed to use Owner's properties such as substations, etc.

## 2.17 *PC-17 System Operations Orientation*

- 2.17.1 Contractor personnel identified as Superintendent, Foreman and any journeymen are required to attend Owner's System Operations Orientation prior to starting Work. This orientation will take place at the Owner's facility in Redmond, WA. Owner's Construction Manager will coordinate the Orientation prior to the start of the Project.
- 2.17.2 If the above mentioned Contractor personnel have completed the Orientation and have continuously worked on Owner's property without a break of 12 months or longer, they may not be required to attend the Orientation. If during the last 12 months they have not taken a clearance, they are required to attend the Orientation.

## 2.18 *PC-18 Outages*

- 2.18.1 Contractor shall coordinate outage scheduling on the existing substation, transmission and distribution lines with the assistance of Owner's Construction Manager and Owner's Operations Center for all construction activities.
  - 2.18.1.1 Contractor shall determine any unplanned high voltage outage requirements for the Work. The information found on the "Outage Request" form shall be called-in to arrange for an outage. All outages must be coordinated through Owner's Load Dispatcher. He can be reached at 425-882-4640, 0830 to 1330, Monday through Friday.
  - 2.18.1.2 Owner will provide one radio to communicate with either Load Dispatcher for outage coordination. The radio will be used to obtain and release all clearances. The radio shall be "ON" at all times during construction activities.
- 2.18.2 Contractor shall be responsible for the installation and removal of all grounding, as required, for all de-energized lines.
- 2.18.3 Contractor will be notified of all pre-arranged outages that have been obtained on any of the lines, so that he may better coordinate the construction activities.
- 2.18.4 Owner will provide Contractor the latest version of Owner's distribution circuit maps, and transmission one-line drawings showing the affected lines. Contractor shall review and evaluate the circuit maps to develop his outage plan. Questions concerning what will be allowed in the way of outages shall be discussed with Owner's Construction Manager.
- 2.18.5 Contractor shall be required to submit to Owner's Construction Manager a written plan seven days in advance for all outage/clearance requests. An Owner's representative will review the plan. A field meeting may be held to ensure complete understanding by Owner and Contractor on where the clearance points will be taken.
- 2.18.6 Owner shall be responsible for all switching activities and may require up to 72-hours notification prior to receiving requested outage.

## 2.19 *PC-19 Erosion and Sediment Control*

- 2.19.1 Contractor shall be responsible for all aspects of erosion and sediment control in accordance with WAC 173-226, including implementing any required corrective actions, and/or changes to Best Management Practices (BMPs) or operating procedures that are necessary to maintain the Project in compliance with these laws and regulations.
- 2.19.2 This project does not have a project specific NPDES permit.

- 2.19.3 Contractor, and its CESCL, shall be responsible for all necessary storm water monitoring, inspections, documentation and paperwork, and discharge monitoring reports (DMRs). Completed DMRs will have the proper signature, in accordance with WAC 173-226-090(3)(b), and will be submittal to the Washington State Department of Ecology (WSDOE) as required, with copies sent concurrently to Owner's Construction Manager. Records shall be kept on-site as required and shall be accessible for review by Owner and any agency inspectors.
- 2.19.4 Contractor shall review with Owner's Construction Manager, within 12 hours of it becoming known, the details of any exceedance of water quality standards that is required by law to be reported to WSDOE within 24 hours. Such review shall occur prior to the report being submitted to WSDOE.

## 2.20 *PC-20 Environmental Contamination*

- 2.20.1 In the event of an environmental incident (i.e. any oil spill), Contractor shall immediately contact Owner's Construction Manager and notify Owner's Spill Pager (206-994-3186). Contractor shall initiate spill containment measures.
- 2.20.2 Contractor shall coordinate with Owner's Environmental Services Department for the excavation and removal of contaminated soil and concrete samples. Contractor is advised that soil testing and results can take up to four working days. If the tests are positive, additional cleanup and testing will be required. Contractor shall allow adequate time in the bid and Project Schedule for this activity.
- 2.20.3 Contractor shall comply with BMPs and be responsible for providing all erosion control materials. Materials shall include, but not limited to, straw bales, straw mulch, wood stakes, silt fencing fabric and posts, jute matting, sandbags, bentonite, plastic, quarry spawl and rock check dams. These materials will be used around, but not limited to, irrigation and drainage ditches, and adjacent to streams, creeks and rivers, wetlands and wetland buffers. Contractor shall be responsible for any sediment that escapes containment.
- 2.20.4 When working in wetlands, wetland buffers or stream buffers, Contractor shall mulch all areas disturbed by construction activities or egress/ingress traffic after work is completed, or within seven days of finishing work at a specific site. Contractor shall limit the work area as identified by Owner and implement Owner Standard 0150.3200 Techniques for Temporary Erosion and Sediment Control.
- 2.20.5 Contractor shall ensure that fill, sediment, and/or untreated storm water is not discharged into adjoining wetlands, sediment or surface waters, including drainage systems, ditches, catch basins and any area that drains to surface waters.
- 2.20.6 Any wetland or riparian system damage resulting from Contractor activities outside of areas strictly defined within Owner's permit package shall be the sole responsibility of Contractor.
- 2.20.7 Listed below are Owner approved options available for handling soil within the fenced boundary of the substation. Contractor shall comply with Owner's standard substation for soil handling procedures.
- 2.20.7.1 Excess soil may be reused within the substation boundary as approved by Owner's Construction Manager. Owner requires that the BMP be followed to ensure construction actions eliminate the risk of off-site transport of soil by erosion or other natural processes. Soil within the fenced portion of the substation should not be placed outside of the fenced substation boundary.

2.20.7.2 Excess soil that can not be re-used shall be transported off site for disposal at an Owner-approved permitted facility at which the soil is land filled as "alternative conditional cover" and not recycled or redistributed.

## 2.21 *PC-21 Materials*

- 2.21.1 Quantities, when shown in the Project Documents, are for Owner's estimating purposes only. Contractor shall prepare its own estimated quantities that are required to complete the Work per the drawings, specifications and Contract.
- 2.21.2 Contractor shall designate a Material Coordinator who is responsible for inventory, requests, pick-up, issues, etc. Additionally, this person shall coordinate material activities through Owner's Construction Manager.
- 2.21.3 Owner will furnish to Contractor the material identified in the SAP Materials List to be incorporated or installed into the Work or used in performing the Contract. All other material listed on the Project Documents but not on SAP Materials List are to be provided by Contractor.
- 2.21.4 Owner will load material onto Contractor furnished vehicles under the direction of Contractor. Contractor shall verify the quantity and condition of materials received on the SAP Materials List. Also, any discrepancy, such as shortages or missing material, shall be noted on the SAP Materials List. The original copy of this documentation shall be provided to Owner's Construction Manager within 72-hours of receipt of materials. Contractor will transport and unload the material at the site at its own expense unless otherwise specified. Once the material has been signed for by Contractor it becomes Contractor's responsibility, any shortages or missing material shall be replaced at Contractor's expense.
- 2.21.5 Material that is shipped directly to the job site from a vendor facility is Contractor's responsibility to unload, inventory, inspect and sign for upon delivery. The signed shipping manifest must be returned to Owner's Construction Manager within 48-hours of delivery. Owner's Construction Manager must be notified immediately of any rejections and/or discrepancies at the time of receipt. Once the material has been signed for by Contractor it becomes Contractor's responsibility; any shortages or missing material shall be replaced at Contractor's expense. Contractor shall follow manufacturer's specifications, guidelines, and drawings for offloading, handling and storage of materials. Material that may be direct shipped include:
- 2.21.5.1 Pre-formed cable trenches
  - 2.21.5.2 Vaults
- 2.21.6 Contractor shall have, maintain and secure a staging site for all materials. The staging site shall be able to support a flat bed trailer delivery and off-load.
- 2.21.7 Contractor shall request, in writing, material pick-up a minimum of 14 days in advance through Owner's Construction Manager. Owner shall kit this material pick-up.
- 2.21.8 Material may be picked up between the hours of 7:00 AM and 3:00 PM.; **Contractor must pick up all staged materials within five days of the initial pick-up date**, unless otherwise directed by Owner's Construction Manager.
- 2.21.9 Substation coded material will be furnished at Owner's Shuffleton Warehouse, 1101 Lake Washington Blvd. N., Renton, WA 98056
- 2.21.9.1 All visitors must check-in at the office.

2.21.9.2 Vest, hardhat and safety glasses must be worn at all times.

2.21.10 Pick up of any additional material must be scheduled a minimum 48-hours in advance through Owner's Construction Manager.

2.21.11 At the end of the Project, all material returns must be scheduled through Owner's Construction Manager. All material must be broken down, sorted by material type and labeled with the proper job number or it will not be accepted. Contractor shall deliver returns to Owner's Shuffleton Warehouse; a 48-hour notice is required.

## **2.22 PC-22 Weather Conditions**

2.22.1 Owner reserves the right to determine when weather conditions will materially affect the quality of the Work. During such weather conditions, the Owner may direct Contractor to delay performance of Work until such time that the quality of the Work will no longer be affected.

2.22.2 Contractor shall allocate 3 weather days due to wet season construction (typically November through April) in their schedule. Owner's Construction Manager shall approve weather days.

## **2.23 PC-23 Road Maintenance**

2.23.1 Contractor shall be responsible for any repair or maintenance of public or private roads required as a result of its work.

2.23.2 Contractor shall be responsible for providing and maintaining any access roads, including snow removal for the duration of construction.

## **2.24 PC-24 Paving and Surface Restoration**

2.24.1 Contractor shall provide all saw cutting, coring, and grinding of asphalt or concrete.

2.24.2 Contractor shall conform to jurisdiction's requirements for curb, gutter and sidewalk restoration.

2.24.3 Contractor shall be responsible for all paving restoration, temporary and permanent. This includes, but is not limited to concrete or asphalt.

2.24.4 Contractor shall comply with the jurisdiction's restoration standards for all permanent paving restoration residing within the jurisdictional ROW.

## **2.25 PC-25 Ground Resistance testing**

2.25.1 A soil resistivity test (refer to Owner's Standard 8325.8010 Measuring Station Soil Resistivity) needs to be done once the site work is complete to sub grade elevation. This test will be completed by Owner and will be coordinated by Owner's Construction Manager.

2.25.2 Once the ground grid installation is complete, a ground grid resistance test (refer to Owner's Standard 8325.8210 Station Ground Grid Resistance Test) needs to be completed. This test will be completed by Owner and will be coordinated by Owner's Construction Manager.

## **2.26 PC-26 Demolition and removal of Substation equipment**

- 2.26.1 Before starting any demolition or removal of any equipment within the substation, all control wiring must be disabled or isolated and verified by Owner's representative.
- 2.26.2 Contractor shall fill out all install/remove forms before any demolition or removal begins. Contractor shall attach ID tags to each piece of returned equipment with Owner's substation name and Removal Work Order number.
- 2.26.3 All oil-filled equipment shall be prepared for removal and or temporary storage per Owner's Standard 0150.3125 Temporary Storage of PCB Items. Contractor shall work with Owner's Construction Manager to help coordinate removal of equipment.
- 2.26.4 Contractor shall be responsible to contain leaking equipment (e.g., transformers, CTs, PTs, etc.) that contains oil. Contractor shall have an area designated for leaking oil per Owner's Standards 0150.3100 Cleanup of Oil Spills and 6315.0101 Identifying New, Used and Board Order Electrical Equipment. Contractor shall also have tubs, absorbent bags, etc. available on-site. Contractor shall contact Owner's Construction Manager for proper disposal as it occurs (not at the end of the Project).
- 2.26.5 Contractor personnel shall be qualified to handle Hazardous Waste, if required.

## **2.27 PC-27 Restoration and Mitigation**

- 2.27.1 Restoration shall include but not be limited to general removal of all litter and debris, repair of damaged asphalt or concrete, roadway and sidewalk restoration, agency-approved removal of any erosion and/or sediment control measures installed by Contractor, and the removal of any deep rutting and any manmade devices (such as sumps, construction access points, etc.) due to construction activities, and stabilization of all areas of soil disturbance created by the Work.
- 2.27.2 Contractor shall, upon completion of activities at each site or within seven days, be required to restore any natural areas with approved "Weed-Free" straw and seed mixtures (or in accordance with specific permit requirements that may apply). All associated mitigation costs shall be the responsibility of Contractor.
- 2.27.3 If Owner or Contractor receives complaints from an impacted property owner or permitting jurisdiction, or if Contractor has substantially suspended construction activities for five days, restoration shall be completed immediately by Contractor at Contractor's expense. This out of sequence work shall not constitute a CAR.
- 2.27.4 Contractor shall accomplish mitigation work in accordance with permitting authority or jurisdiction requirements or Owner Standards, whichever is more stringent.

## **2.28 PC-28 Project Close-out and Acceptance**

- 2.28.1 Contractor shall notify Owner's Construction Manager, in writing, when work is completed and the Contractor is ready for final inspection. Owner's representatives shall perform a final inspection or quality audit of the Project, and a punch list of items deemed to be deficient and in need of rework shall be developed and forwarded to Contractor. Contractor shall correct all items on the punch list to Owner's satisfaction.
- 2.28.2 Contractor shall make every reasonable effort to rectify all punch list items within 14 days of receipt of the punch list. Delays beyond 14 days because of lack of equipment or qualified personnel are not acceptable. If the original crew has been

removed from the work site, labor resources and equipment of equal or better quality shall be used in completing the rework.

- 2.28.3 Upon completion of construction, Contractor shall complete all required Owner documentation including, but not limited to, a completion letter, as-built drawings, CAR's and resulting Change Orders, equipment install/remove forms, and other documentation.
- 2.28.4 The Foreman's Copy shall be returned with all field changes marked in red and Contractor's Foreman must sign all sheets. This as-built drawing must be reviewed by Owner's Construction Manager and returned to Owner's Project Manager prior to final payment to Contractor.
- 2.28.5 Owner will provide Contractor with a Letter of Acceptance of the Work; upon Contractor's correction of all punch list items and Owner's receipt of all required documentation. Commencement of construction warranties and final payment to Contractor will occur only upon issuance of this Letter of Acceptance.

## 2.29 *PC-29 Exceptions*

- 2.29.1 None.

### 3.0 Project Documents and Attachments

- 3.1 Vicinity Map
- 3.2 Station One Line Diagrams
- 3.3 Drawings
  - 3.3.1 Drawing List
  - 3.3.2 Substation Drawing Set
- 3.4 Engineering Specifications
- 3.5 SAP Materials List
- 3.6 Geotechnical Reports and Additional Reports for Reference Only
- 3.7 Outage request form
- 3.8 Daily log - example
- 3.9 Site Safety Plan
- 3.10 Approved Yard Rock Sources
- 3.11 Request For Information (RFI) form
- 3.12 Approved Disposal Facilities

# **Contract for Construction**



# PUGET SOUND ENERGY

*The Energy To Do Great Things*

## Contract For Construction

No. \_\_\_\_\_

This Contract for Construction dated as of \_\_\_\_\_, is made by and between **Puget Sound Energy, Inc.** ("Owner") and \_\_\_\_\_ ("Contractor"). Owner and Contractor agree as follows:

1. **Description of Work.** Contractor shall perform for Owner the following work: all construction services required to construct \_\_\_\_\_ Included in this work is \_\_\_\_\_ (the "Work"). The Work shall include all labor, materials, equipment, tools, vehicles, supervision and resources required for Contractor to complete the Work and fulfill its obligations under this Contract. Contractor shall perform the Work in accordance with, and shall comply with, all of the provisions of this Contract and the attached documents, which shall include the following as applicable, and which by this reference are incorporated hereby by reference (collectively, the "Contract Documents"): Schedule of Unit Prices, Project Conditions, Bid Addenda, and \_\_\_\_\_.

2. **Schedule for Performance.** Contractor shall not commence performance of any of the Work until Contractor's receipt of written notice to proceed from Owner ("Notice to Proceed"). Upon receipt of a Notice to Proceed. Upon execution of this Contract, Contractor shall promptly commence and diligently perform the Work for each project assigned so as to complete the Work for each project in accordance with the Construction Schedule (as defined in Section 8 below) and the Contract Documents. Time is of the essence in the performance of Work.

3. **Compensation.** As full compensation for satisfactory performance of the Work, Owner shall pay Contractor \_\_\_\_\_ as identified in the attached Schedule of \_\_\_\_\_ Prices subject to the provisions of Section 14 Payments.

4. **Relationship of Parties.** Contractor shall be and act as an independent contractor (and not as the agent or representative of Owner) with regard to performance of the Work and this Contract. Contractor shall not represent that it is, or hold itself out as, an agent or representative of Owner, and in no event shall Contractor be authorized to enter into any agreements or undertakings for or on behalf of Owner. Subject to compliance with the requirements of this Contract, Contractor shall perform the Work in accordance with its own methods.

5. **Authorized Representatives.** In the administration of this Contract, Owner shall be represented by the Program Manager, Engineer identified below, or, if no person is listed, by the person designated from time to time in writing by Owner as Owner's representative assigned to administer this Contract. Contractor shall designate and have at all times a competent representative, acceptable to Owner, to represent and act with full authority for Contractor (the "Contractor's Representative"). Contractor's Representative shall be the person identified below, or, if no person is listed, Contractor shall give Owner written notice of the name, address and telephone number (day and night) of Contractor's Representative immediately after execution of this agreement and upon any change in such designation. Contractor's

Representative shall have full authority to act in the name and on behalf of Contractor and to accept all notices and other communications to Contractor under this Contract. Contractor's Representative shall be present, or be duly represented by a competent individual acceptable to Owner who is present, at the site of performance of the Work at all times when Work is actually in progress. All notices, requests, approvals, consents, orders, instructions, directions and other communications given to the Contractor's Representative by Owner shall be as binding as if given to Contractor.

PSE Project Manager:

Contractor's Representative:

Phone: \_\_\_\_\_ (work)  
\_\_\_\_\_ (mobile)

Phone: \_\_\_\_\_ (work)  
\_\_\_\_\_ (mobile)

Email: \_\_\_\_\_

Email: \_\_\_\_\_

6. **Contractor's Responsibilities.**

(a) **General Responsibilities.**

(i) Contractor shall provide all labor, materials, equipment, tools, vehicles, supervision and resources necessary to complete the Work, all of which shall be provided in full accord with and reasonably inferable from the Contract Documents as being necessary to produce the indicated results.

(ii) Contractor represents that it is, and that at all times during performance of the Work it shall be, fully experienced and properly qualified, licensed, equipped, organized and financed to perform the Work.

(iii) Contractor shall efficiently, expeditiously and effectually perform the Work in an orderly and workmanlike manner. Contractor shall enforce discipline and order among its employees, agents, officers, representatives, subcontractors and/or independent contractors (collectively, "Support"). Contractor shall ensure that all persons performing Work comply with all jobsite work rules. Contractor shall ensure that only fully experienced and properly qualified persons perform the Work. Contractor shall, if so requested by Owner, remove from performance of the Work any person whom Owner determines to be incompetent, insubordinate, careless, disorderly or otherwise objectionable. Contractor shall not thereafter use such person in the performance of the Work without Owner's prior written permission. Contractor shall not hire any employee of Owner to perform any of the Work.

(iv) Contractor shall confine all operations in the performance of the Work (including, but not limited to, offices, storage, assembly, vehicle and equipment parking, ingress, egress, and movement of materials, equipment and workers) to such areas and during such time periods as are specified in this Contract or designated by Owner. Unless otherwise directed by Owner, Contractor shall deliver to unload and store at the Work site all materials, equipment and other items to be installed, used, consumed or incorporated in the Work or otherwise used in connection with this Contract. Should Contractor find it necessary or advantageous to use any additional land for ingress to or egress from the Work site, or movement of materials equipment or workers to or from work areas, or for any purpose whatever, Contractor shall provide and make its own arrangements for the use of such additional land.

(v) Contractor shall keep its work areas and access to such areas cleared of rubbish, refuse and other debris, and in a neat, clean and safe condition. Contractor shall clean up garbage, equipment parts, oil filters, fuel and oil spills and similar items on a daily basis. Any disposal of fuel, oil or equipment waste within the confines of the Work site shall be subject to Owner's prior approval. Upon completion of any portion of any of the Work, Contractor shall promptly remove from the Work site all rubbish, refuse and other debris, and any equipment, temporary structures and surplus materials that will not be used at or near the same location during later stages of the Work.

(vi) Contractor must report to Owner any OSHA recordable injuries that occur while performing work on behalf of Owner. A recordable injury includes any injury that results in treatment beyond first aid, restricted workdays, and/or lost workdays. Contractor will report its OSHA recordable injuries for the previous month by the 5th day of each month (e.g. all October OSHA recordable injuries are reported by November 5th). The first report will be due the 5th day of the month following commencement of the Work.

(vii) Whenever Contractor has knowledge of any actual or potential labor dispute that may in any way affect, delay or arise in connection with or as a result of the performance of this Contract, Contractor shall immediately notify and submit all relevant information to Owner.

(b) Compliance with Laws; Permits

(i) Contractor shall comply, and shall ensure that the Work and all of Contractor's Support complies, with all applicable laws, ordinances, rules, regulations, orders, licenses, permits and other requirements, now or hereafter in effect, of any governmental authority (including, but not limited to, such requirements as may be imposed upon Owner and applicable to the Work). Contractor shall execute and deliver to Owner all documents as may be required to effect or to evidence such compliance. All laws, ordinances, rules, regulations, orders, licenses and permits required to be incorporated in agreements of this character are incorporated herein by this reference.

(ii) Unless otherwise specified in this Contract or directed by Owner, Contractor shall obtain and pay for all permits, inspections, licenses and fees and shall furnish all bonds, security or deposits required to perform the Work in accordance with this Contract. Contractor shall advise Owner in writing and consult with Owner prior to applying for any permit or other authorization from, or entering into any agreement with, any governmental authority with regard to the Work.

(iii) Except as may be restricted by federal, state or local laws or regulations, Owner grants Contractor access to Owner's premises as necessary to perform the Work. Contractor acknowledges that certain portions of Owner's premises may have restricted access and requires prior authorization or an Owner designated escort to allow Contractor access. If notified by Owner's Project Manager that access is restricted, Contractor shall follow Owner's requirements and all federal, state or local laws or regulations requiring background checks and drug and alcohol testing of all Support prior to performing any Work.

(iv) Owner has entered into this Contract with Contractor based upon PSE's reasonable belief that Contractor, like Owner, adheres to the strictest of ethical standards. In connection therewith, Contractor has reviewed the PSE Corporate Ethics and Compliance Code, available at <http://www.pse.com/aboutpse/CorporateInfo/Pages/Our-Ethics.aspx>. Contractor warrants that it and its Support will not, directly or indirectly, offer, promise, authorize

or give anything of value to a government official, a political party, a candidate for political office or any other person connected to a government in any way, for the purposes of: (a) influencing an act or decision of that government official (including a decision not to act) in connection with Owner's business or in connection with Contractor's business with Owner; or (b) inducing such a person to use his or her influence to affect any government act or decision in connection with Owner's business or in connection with Contractor's business with Owner. Contractor further warrants that neither it nor any of its Support have offered or given, or will offer or give, any gifts or gratuities to Owner's employees, agents or representatives for the purpose of securing this Contract or securing favorable treatment under this Contract. In addition, Contractor will notify Owner immediately if any of its Support are officials or representatives of any government or are candidates for such government positions. Any breach of this provision by Contractor shall constitute a material breach of the Contract and shall immediately entitle Owner to terminate the Contract for cause.

(c) Protection of Property and Persons.

(i) Contractor shall take all precautions that are necessary to prevent injury, damage or loss to: (1) its Support or other persons on the Work site and other persons who may be affected thereby; (2) the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or Contractor's Support; and (3) other property at the site or adjacent thereto, including without limitation trees, shrubs, lawns, walks, pavements, roadways, fences, structures, and utilities not designed for removal, relocation or replacement in the course of the Work. Without limiting the generality of the foregoing, Contractor shall erect and maintain such fences, barricades, signs, flags, flashers, excavation covers and other safeguards as are required for safety and protection. Contractor shall inspect all goods, materials, tools, equipment and other items to discover any conditions that involve a risk of injury or damage to persons or property and shall be solely responsible for discovery and correction of, and protection against, such conditions.

(ii) Until completion and acceptance of all of the Work, Contractor shall be responsible for and shall bear any and all risk of loss, deterioration, theft, vandalism or destruction of or damage to the Work and anything used (or to be used or consumed) in connection with the Work unless such loss, theft, destruction or damage results from the sole negligence of Owner. Contractor shall provide storage and comply with all reasonable requests of Owner to enclose or otherwise protect the Work and anything used (or to be used or consumed) in connection with the Work.

(iii) Unless otherwise specified in this Contract or directed in writing by Owner, all existing structures and other improvements damaged, altered or removed by Contractor or any of its Support in connection with the performance of the Work shall be repaired, replaced or otherwise restored by Contractor to at least as good quality and condition as existed prior to such damaging, alteration or removal. Contractor shall restore other areas affected by performance of the Work to at least the condition as existed prior to such performance. Contractor shall protect all land monuments and property markings from disturbance and damage and shall not remove the same without the prior written consent of Owner.

(iv) Unless otherwise specified in this Contract or directed in writing by Owner, Contractor shall ensure that no utility (including all supply, disposal, distribution and communication systems, and all similar or related facilities, equipment and other property) is damaged, altered, removed or interrupted by Contractor or any of its Support in connection with the performance of the Work. Underground utilities shown in Contract Documents, if applicable,

are shown only in their approximate locations due to exact locations being unknown. Contractor shall perform all excavation and other Work that may affect any utility with utmost care so as to protect all utilities (whether or not shown in the Contract Documents) from damage, alteration, removal and interruption. If Contractor requires the temporary shutoff of any utility, Contractor shall request Owner's approval thereof at least twenty-four (24) hours in advance of the time it requires the shutoff. Contractor shall perform the Work requiring the shutoff only after such approval has been obtained and on such days and at such hours as Owner may direct.

(v) Contractor shall ensure that the handling, transporting, storage, and use of explosives in connection with the Work is done only with the highest degree of care. Contractor shall give Owner at least three (3) working days advance written notice of each delivery, storage and use of explosives.

(d) Cooperation and Coordination

(i) Contractor acknowledges and anticipates that the Work may be interfered with and delayed from time to time on account of the concurrent performance of work by Owner or others. Contractor shall fully cooperate with Owner and others and coordinate the Work with such other work so as to minimize any delay or hindrance of any work and to assure orderly and expeditious performance and completion of the Work.

(ii) If any part of the Work depends upon the results of other work by Owner or others, Contractor shall, prior to commencing such Work, notify Owner in writing of any actual or apparent deficiencies or defects in such other work that render it unsuitable for performance of the Work in accordance with this Contract. Failure of Contractor to so notify owner shall constitute acceptance by Contractor of such other work as suitable for performance of the Work in accordance with this Contract, except as to latent defects that may subsequently be discovered in such other work.

(e) Examination of Contract and Site. Contractor represents and acknowledges that it has carefully examined the Contract Documents and the Work site and has satisfied itself as to (and the Contractor shall have, and does hereby assume, full and sole responsibility for) the nature, location, character, quality and quantity of the Work and all requirements of this Contract, as well as the conditions and other matters that may be encountered at the Work site or affect performance of the Work or the cost or difficulty thereof, including but not limited to those conditions and matters affecting: transportation, access, disposal, handling and storage of materials, equipment and other items; availability and quality of labor, water, electric power and utilities; availability and condition of roads; climatic conditions and seasons; physical conditions at the Work site and the surrounding locality; topography and ground surface conditions; potential water and air pollution conditions; subsurface geology and the nature and quantity of surface and subsurface materials to be encountered; and equipment and facilities needed preliminary to and at all times during the performance of the Work. The failure of Contractor to fully acquaint itself with any applicable condition or matter shall not in any way relieve it from the responsibility for performing the Work in accordance with, and for the compensation provided for in this Contract.

7. Inspection. All Work shall at all times be subject to inspection and testing by Owner. Contractor shall furnish Owner (or its representative) sufficient, safe and proper facilities and equipment at all times and at all places where inspections or tests may take place and all samples, drawings, specifications, data, lists, documents and other information for such inspections and tests as may be performed by Owner. The making of (or failure or delay in

making) any inspection by Owner shall not relieve Contractor of responsibility for performance of the Work in accordance with this Contract, or impair Owner's right to reject defective or noncomplying items or affect any other right or remedy afforded to Owner under this Contract or by law, notwithstanding Owner's knowledge of the defect or noncomplying performance, its substantiality, or the ease of its discovery.

## 8. Construction Schedule; Progress Reports

(a) The Contractor, promptly after being awarded the Contract, shall prepare and submit for Owner's review a detailed construction schedule for the Work (the "Construction Schedule").

(b) Contractor shall continuously update and keep current the Construction Schedule and shall furnish monthly (or more frequently, if requested by Owner) progress reports to Owner on the actual progress of the Work. Such progress reports shall include, but not be limited to, a copy of the updated Construction Schedule indicating progress to date and the duration of any delays for which Contractor believes it is entitled under this Contract to an extension of the time for performance of the Work. The time for performance of the Work shall not be extended on account of any delay, and the compensation under this Contract shall not be increased on account of any delay, unless Contractor includes a timely claim for such extension or adjustment in the progress report covering the period of such delay and Owner agrees in writing to such extension of the Construction Schedule or increase in compensation. Notwithstanding the foregoing, Contractor shall immediately notify Owner in writing of any proposed changes in the Construction Schedule and of any event that Contractor reasonably believes could delay performance and shall indicate the expected duration of the delay, the anticipated effect of the delay on the Construction Schedule and the action being taken to correct the delay situation. The Construction Schedule shall at all times provide for expeditious execution of the Work.

(c) Contractor shall perform the Work in accordance with the most recent Construction Schedule approved in writing by Owner.

## 9. Warranty

(a) Contractor warrants that: (i) the Work shall be performed in a workmanlike and skillful manner; (ii) the Work shall in all respects be of first-class quality, free from all faults and defects in workmanship, material, design (other than a defect in any design provided by Owner) and title, (iii) the Work shall be in compliance with the requirements of this Contract, including the specifications set forth in the Contract Documents; and (iv) all materials, equipment and other items incorporated (or to be incorporated) in the Work or consumed (or to be consumed) in the performance of the Work shall be new and of the most suitable grade for the purpose intended. Subject to extension pursuant to Section 9(b) below, this warranty shall continue until the expiration of the later of (i) one (1) year after acceptance by Owner of all of the Work; or (ii) such longer period as may be specified elsewhere in this Contract. The period prior to the expiration of this warranty, as it may be from time to time extended in accordance with the provisions of this Contract, is sometimes referred to in this Contract as the "Warranty Period".

(b) If at any time Contractor receives from Owner written notice of any failure to comply with the warranty set forth herein, Contractor shall promptly and at such times as Owner directs, satisfactorily correct such noncompliance and remedy any damage to other parts of the Work or any other property resulting from such noncompliance. The Warranty Period shall then be extended as to any corrected Work until the expiration of the later of (i) one (1) year after acceptance by Owner of the correction; or (ii) such longer period as may be specified elsewhere

in this Contract. All costs incidental to such correction and remedying (including, but not limited to, the removal, replacement and reinstallation of equipment necessary to gain access and all other costs incurred as the result of the defect or noncompliance) shall be the responsibility of the Contractor.

10. **Environmental Control**. Contractor shall comply with all federal, state, and local laws, statutes, rules, regulations, ordinances, and codes, and any judicial or administrative interpretation thereof or requirement thereunder, relating to the regulation or protection of human health, safety, the environment and natural resources, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Model Toxics Control Act, and all of the rules, regulations and orders promulgated under each of the foregoing. Without limiting the generality of the foregoing, Contractor shall treat, store and dispose of hazardous waste or hazardous substances, as the same are defined in applicable federal, state, or local laws and regulations, in compliance with the requirements of any such regulations. Contractor shall take suitable measures and provide suitable facilities to prevent pollution, oil and chemical spills, soil erosion and the introduction of any substances or materials into any stream, river, lake or other body of water that may pollute or silt the water or constitute substances or materials deleterious to human health or welfare, the environment, or fish or wildlife. Further, Contractor shall use all reasonable efforts to maintain the Work site free from fugitive dust (i.e., dust that becomes airborne or visual). Contractor shall be responsible for all costs of corrective measures required as a result of any pollution, erosion, release, siltation or fugitive dust situation, including its effects on adjacent properties.

11. **Liens**. Contractor shall promptly pay (and secure the discharge of any liens asserted by) all persons and entities furnishing labor, equipment, materials or other items in connection with the performance of the Work.

12. **Records**. Until the expiration of three (3) years after final acceptance by Owner of all the Work, Contractor shall keep and maintain complete and accurate records with regard to the Work and this Contract, including without limitation: (i) information relating to Contractor's costs and expenses related to the Work, which shall be kept in accordance with sound and generally accepted accounting principles applied on a consistent basis, (ii) records of the receipt, possession, storage, use, consumption, installation, incorporation or disposition of all materials, tools, equipment, goods, information, drawings, specifications, data, and other items received, possessed, stored, used, consumed, installed, incorporated or disposed of in connection with the Work, (iii) Contractor's agreements with its Support and suppliers, and (iv) specifications, drawings, bills of lading and shipping documents. Until the expiration of three (3) years after acceptance by Owner of all of the Work, Contractor shall provide Owner access at all reasonable times to all such records for examination, copying and audit.

13. **Rights in Property**

(a) All materials, information, property and other items accumulated or developed in connection with the Work (including, but not limited to, the Contract Documents, drawings, plans, specifications, designs, calculations, maps, sketches, notes reports, data, estimates, models, samples, completed Work and Work in progress), together with all rights associated with ownership of such items (such as copyright and patent rights), shall become the property of Owner when so accumulated or developed, whether or not delivered to Owner. Contractor shall deliver such items to Owner upon request and in any event upon the completion, termination or cancellation of this Contract. If requested by Owner, Contractor shall, at Owner's expense, do

all things necessary or convenient to obtain patents or copyrights on any concepts, methods, processes, products, writings or other items furnished, developed or first reduced to practice in connection with the Work, to the extent that same may be patented or copyrighted.

(b) Without limitation on the foregoing, the Design Standards, Operations Standard Work Practice Standards, Field Construction Standards, and Materials/Tool Catalogs (collectively "PSE Standards") accumulated or developed in connection with the Work or included in this Contract involve valuable property rights of Owner, shall remain the property of Owner, and shall not be used or disclosed by Contractor for any purpose other than for performance of this contract. Contractor is authorized to make a reasonable number of copies of any portion of the PSE Standards solely for the use of Contractor's employees and subcontractors within the scope of the Work.

(c) To the extent Contractor uses any pre-existing intellectual or other property in connection with the performance of the Work, Contractor grants to Owner a worldwide, non-exclusive, perpetual, irrevocable, royalty free, fully paid up, sub-licensable right to use all such property in connection with the Work, including without limitation concepts, methods, processes, products, writings and other items (whether or not copyrightable or patentable).

(d) Contractor shall not, without the prior written consent of Owner, disclose to third parties any information accumulated or developed in connection with the Work unless (i) the information was known to Contractor prior to the date of this Contract; (ii) the information is in the public domain at the time of disclosure by Contractor; or (iii) the information is received by Contractor from a third party that was not bound by an obligation of Confidentiality to Owner. If so requested by Owner, Contractor shall obtain from its Support nondisclosure agreements in form and content satisfactory to Owner.

#### 14. Payments.

(a) Progress payments shall be made as provided below:

(i) Upon completion of each project or as soon thereafter as practicable or on a schedule agreeable to Owner, Contractor shall invoice Owner for Contractor's portion of the compensation under this Contract that is applicable to that portion of the Work satisfactorily completed.

(ii) Each of Contractor's invoices shall set forth in a detailed and clear manner a complete description of all Work for which Contractor is entitled to compensation pursuant to this Contract, shall include this Contract number, and shall be supported by such receipts, documents and other information as Owner may reasonably request from time to time. The submittal of any invoices by Contractor shall constitute a representation by Contractor that the Work described therein has been performed in accordance with this Contract and that Contractor is entitled to payment under this Contract in the amount estimated.

(iii) At the request of Owner, Contractor shall invoice Owner for ninety percent (90%) of Contractor's invoice. Ten percent (10%) of each such approved invoice shall be recognized between Owner and Contractor as retainage. Contractor shall invoice Owner for cumulative retainage upon written notice of acceptance by Owner of the Work applicable to the invoice.

(b) Subject to retainage and withholding (as described in Section 14 (c) below), Owner shall make a progress payment to Contractor within thirty (30) days after Owner's receipt and approval of each of Contractor's invoices, less the total of all amounts previously paid or credited (e.g., as retention) to Contractor.

(c) Payments otherwise payable under this Contract may be withheld, in whole or in part, by Owner on account of (i) the failure of Contractor to correct defective or noncomplying Work; (ii) the failure of Contractor to cure any failure to comply with any of the provisions of this Contract; (iii) the failure of Contractor to pay, satisfy or discharge any lien (or potential lien which reasonable evidence indicates may be filed) of any of Contractor's Support, suppliers or any other person arising out of or in connection with this Contract or the Work; or (iv) Owner's reasonable doubt that this Contract can be completed within the time specified or for the balance then unpaid. If the foregoing causes are removed to the satisfaction of Owner, the withheld payments shall promptly be made. If such causes are not promptly removed after written notice, Owner may (but need not) rectify the same at Contractor's expense and deduct all costs and expenses incurred thereby from such withheld payments.

(d) Contractor shall reimburse Owner on demand for all amounts paid and costs and expenses (including without limitation reasonable attorneys fees) incurred by Owner due, or related to, Contractor's failure to perform any of its obligations under this Contract or otherwise. Owner may, at its option, apply any amounts payable to Contractor under this Contract against any amounts now or hereafter owing by Contractor to Owner under this Contract or otherwise.

(e) Final payment. Final payment constituting the unpaid balance due and owing to Contractor under this Contract shall be made by the Owner to the Contractor when:

(i) Contractor has provided notice to the Owner that the Work is completed and ready for final inspection;

(ii) Contractor has delivered to Owner the final invoice for payment, together with: (A) a bill of sale to convey Contractor's interest, if any, in any personal property acquired by Contractor on Owner's behalf in connection with the development of the Work; (B) permits, if applicable; (C) a notice of completion or other similar document, if any, typically filed in the applicable jurisdiction to evidence completion of construction and/or to commence any applicable statutory period for the filing of mechanics liens; and (D) any other documentation reasonably requested by Owner.

(iii) Owner inspects such Work and finds it to be acceptable; provided, however, that neither final payment nor any remaining retained percentage shall become due until Contractor submits to Owner such receipts, documents and other information as Owner may reasonably request, which may include, but will not be limited to: (A) proof satisfactory to Owner that all payments and claims for which Contractor is responsible under this Contract have been made or settled, (B) a release and waiver by Contractor of all claims against Owner and a release and waiver of all liens and rights of liens of Support or suppliers or otherwise arising out of or in connection with this Contract, the Work or any costs incurred or items furnished in connection therewith, (C) a certificate evidencing that insurance required by the Contract to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least thirty (30) days prior written notice has been given to Owner, (D) a consent of surety, if any, to final payment. If any Support or Supplier refuses to furnish a release or waiver required by Owner, Contractor may furnish a bond satisfactory to Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the

Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

15. **Taxes.** Except as otherwise required by law, Contractor shall be responsible for, bear the expense of and pay all taxes, excises, levies, duties and assessments applicable to or incurred in connection with the Work or this Contract, including but not limited to, sales, consumer, use and similar taxes.

16. **Insurance**

(a) Prior to commencement of the Work, Contractor shall purchase from and maintain with a company or companies lawfully authorized to do business in the jurisdiction in which the Work is performed such insurance as will protect the Contractor from the claims set forth below, which claims may arise out of or result from the Contractor's performance of the Work under the Contract, whether the performance of the Work is done by Contractor, its Support, or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

(i) Claims under workers' compensation, disability benefit and other similar employee benefits acts that are applicable to the Work to be performed;

(ii) Claims for damages because of bodily injury, occupational sickness or disease, or death to Contractor's Support or any other person performing Work;

(iii) Claims for damages insured by usual personal injury liability coverage;

(iv) Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including the loss of use;

(v) Claims for damage because of loss, injury or death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;

(vi) Claims for bodily injury or property damage arising out of completed operations; and

(vii) Claims involving contractual liability insurance applicable to Contractor's obligations under Section 18.

(b) Contractor shall secure and maintain insurance required by Section 16(a) with provisions, coverages and limits substantially as specified in the attached certificate of insurance, endorsement and/or schedule of insurance requirements or, if none is attached, with such provisions, coverages and limits as Owner may from time to time specify to protect Owner, its successors and assigns, and the respective directors, officers, employees, and agents of Owner and their successors and assigns (collectively, the "Owner Parties") from any claims, losses, harm, costs, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) that may arise out of any of the claims set forth above. Contractor shall furnish Owner with such additional assurance and evidence of such insurance (such as a certificate of insurance or copies of all insurance policies) as Owner may request. Contractor shall maintain such insurance without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage requirement to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the

expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the attached certificate of insurance and/or schedule of insurance requirements or the Contract Documents.

(c) Within thirty (30) days after any renewal or any notice of termination, cancellation, expiration or alteration in any policy of insurance required under this Contract, Contractor shall deliver to Owner a certificate of insurance acceptable to Owner with respect to any replacement policy.

(d) All policies of insurance required under this Contract shall: (i) be placed with such insurers and under such forms of policies as may be acceptable to Owner; (ii) with the exception of workers' compensation, employer's liability and professional liability insurance, be endorsed to name the Owner Parties as additional insureds; (iii) be primary insurance with respect to the interests of the Owner Parties; (iv) be excess and non-contributory insurance with respect to any insurance or self-insurance maintained by any of Owner Parties; (v) with the exception of workers' compensation, employer's liability and professional liability insurance, apply severally and not collectively to each insured against whom any claim is made or suit is brought, except that the inclusion of more than one insured shall not operate to increase the insurance company's limits of liability as set forth in the insurance policy; and (vi) provide that the policies shall not be canceled or their limits or coverage reduced or restricted without giving at least thirty (30) days prior written notice to the Purchasing Department of Puget Sound Energy, Inc., PO Box 97034 (EST-07E), Bellevue, WA 98009-9734.

(e) Contractor shall ensure that any policy of insurance that Contractor or any Support carry as insurance against property damage or against liability for property damage or bodily injury (including death) shall include a provision providing a waiver of the insurer's right to subrogation against each of the Owner Parties. To the extent permitted by its policies of insurance, Contractor hereby waives all rights of subrogation against all delineated Owner Parties.

(f) The requirements of this Contract as to insurance and acceptability to Owner of insurers and insurance shall be maintained by Contractor and are not intended in any way to limit or qualify any other obligation of Contractor under this Contract.

17. **Surety Bonds**. In addition to all other bonds that are required by this Contract (if any), Contractor shall furnish to Owner, at such times and in such amount, form and content as Owner may in writing request, surety bonds issued by a surety acceptable to Owner with performance, payment, fidelity and maintenance clauses payable to Owner, in which case the premiums for such bonds shall be paid by Owner.

#### 18. **Indemnity and Release**

(a) Contractor releases and shall defend, indemnify and hold harmless Owner, its subsidiaries and affiliates, and each of their respective shareholders, directors, officers, employees, representatives and agents from and against any and all claims, costs, losses, liabilities, damages, fines, and expenses of any nature (including, without limitation, reasonable attorneys' fees and costs) that arise out of or relate to, directly or indirectly, any actual or alleged: (i) defect in the Work, (ii) fault, negligence, professional error or omission, strict liability or product liability of Contractor or its Support in connection with the Work or this Contract, (iii) infringement or misappropriation of any patent, copyright, trade secret, trademark or other intellectual property right by any Work, (iv) any lien asserted by any Support or Supplier of

Contractor upon any property of Owner in connection with the Work or this Contract, (v) any failure of Contractor, any Support or the Work to comply with any applicable law, ordinance, rule, regulation, order, license, permit and other requirement, now or hereafter in effect, of any governmental authority, (vi) any failure of Contractor or any Support to comply with the requirements of this Contract, or (vii) any breach of or default under this Contract by Contractor.

(b) IN CONNECTION WITH ANY ACTION TO ENFORCE CONTRACTOR'S OBLIGATIONS UNDER THIS SECTION 18, CONTRACTOR WAIVES ANY IMMUNITY, DEFENSE OR PROTECTION UNDER ANY WORKERS' COMPENSATION, INDUSTRIAL INSURANCE OR SIMILAR LAWS (INCLUDING, BUT NOT LIMITED TO, THE WASHINGTON INDUSTRIAL INSURANCE ACT, TITLE 51, OF THE REVISED CODE OF WASHINGTON).

(c) Contractor acknowledges that the foregoing provisions regarding indemnification and waiver are an important part of the consideration for Owner to enter into this Contract, and that the foregoing waiver provision has been mutually negotiated.

## 19. Termination

(a) Termination by Owner for Cause. Owner may terminate this Contract for cause if the Contractor: (1) refuses or fails to supply enough properly skilled workers or proper materials; (2) fails to make payments to Support or suppliers for labor or materials, as applicable, in accordance with the respective agreements between Contractor and such Support or suppliers; (3) disregards applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of a public authority; or (4) materially fails to perform any provision of this Contract.

(b) Termination by Owner for Convenience. Owner may, at its option and at any time for its convenience, terminate this Contract as to all, or any portion, of the Work not then performed by written notice to Contractor.

(c) Obligations after Termination. In the event of any termination pursuant to Section 19(a) or (b), Owner may at its option take over the Work as to which this Contract is terminated and prosecute the same to completion, by contract or otherwise. In addition, upon delivery of any written notice of termination under this Section 19, and without prejudice to any other rights and remedies of Owner, the Owner may: (1) order Contractor to discontinue work on the date and to the extent specified in the notice; (2) take any and all actions necessary for the protection and preservation of the Work; (3) require Contractor to terminate all existing subcontracts and purchase orders and place or enter into no further contracts or purchase orders for materials, equipment, services or facilities (except for Work to be performed prior to the effective date of termination stated in the notice of termination or as directed by Owner); (4) require Contractor to transfer title and deliver to Owner as directed by Owner: (A) all or any part of the materials, Work in progress and completed Work and other items produced as a part of, or acquired in connection with, the performance of the Work terminated, and (B) the completed or partially completed plans, drawings, information and other property that, if this Contract had been completed, would have been required to be furnished to Owner; (5) request from Contractor an inventory of all materials and equipment at the Work site, in transit to the Work site, in storage or manufactured away from the Work site and on order from Contractor's Support; (6) direct Contractor to assign to Owner all or any part of the right, title and interest of Contractor under any of Contractor's agreements with its suppliers and Support to the extent relating to Work as to which this Contract is terminated (Contractor shall include the right to make such assignments in all such agreements); (8) direct Contractor to settle, with the prior written approval of Owner, all outstanding liabilities and all claims arising out of the termination of

agreements with Contractor's Support and suppliers. In addition, upon receipt of any written notice of termination under this Section 19, the Contractor shall: (1) use its best efforts to minimize its cost and expenses due to such termination; (2) if Owner requests, complete performance of such part of the Work, if any, that has not been terminated and (3) take any other action deemed necessary or desirable by Owner for the protection of property of the Owner or the Work.

(d) Payments upon Termination.

(i) If the Owner terminates this Contract for cause pursuant to Section 19(a), the Contractor shall not be entitled to receive further payment until the Work is finished. Upon completion of the Work, Contractor shall only be entitled to payment for that portion of the compensation payable under the Contract which represents that portion of the work satisfactorily performed prior to termination, minus the costs to Owner to finish the Work, which shall include damages incurred by Owner as a result of the termination. Contractor shall not be entitled to recover payment for overhead, profit or damages based on work not performed, or for loss with respect to materials, equipment, tools and construction equipment and machinery. If Owner's costs of finishing the Work plus Owner's damages exceed the unpaid balance owed to Contractor, the Contractor shall pay the difference to the Owner.

(ii) After receipt of any written notice of termination from Owner under Section 19(b), Contractor shall submit to Owner Contractor's termination claim for amounts claimed pursuant to this Section 19(d)(ii), in the form and with the certification prescribed by Owner. Such claim shall be submitted promptly but in no event later than thirty (30) days after the effective date of termination. If Contractor fails to submit its termination claim within the time allowed, Owner may determine on the basis of information available to it the amount, if any, due Contractor by reason of the termination, and such determination shall be final. Upon a termination pursuant to Section 19(b), Contractor shall be entitled to be paid or credited that portion of the compensation otherwise payable under this Contract which represents that portion of the work satisfactorily performed prior to termination, plus proven loss with respect to materials, equipment, tools and construction equipment and machinery. Contractor shall not be entitled to recover overhead, profit or damages based on work not performed. In no event, however, shall Contractor be entitled under this Section 19(d)(ii) to be paid or credited an amount in excess of the total compensation otherwise payable under this Contract, reduced by the aggregate amounts of all compensation paid to Contractor under this Contract and further reduced by that portion of the total compensation under this Contract which is allocable to Work with regard to which this Contract is not so terminated. Further, there shall be deducted (1) all unliquidated advances or other payments on account theretofore made to Contractor applicable to the terminated portion of this Contract, (2) any claim that Owner may have against Contractor in connection with this Contract, and (3) the agreed price for, or the proceeds of sale of, any materials, supplies or other things kept by Contractor or sold pursuant to this Section 19(d)(ii) and not otherwise recovered by or credited to Owner. Contractor shall promptly refund to Owner any amounts previously paid to Contractor in excess of the amount due Contractor under this Section 19(d)(ii). After Owner has made a determination under this Section 19(d)(ii), Owner shall pay or credit to Contractor the amount so determined, which payment or credit shall be deemed to satisfy all claims of Contractor against Owner by reason of such termination.

**(iii) Upon any termination pursuant to Section 19, Contractor agrees to waive any and all claims for additional compensation or damages (including any claim for loss of anticipated profit) on account thereof, and agrees that the sole and exclusive remedy of Contractor is to receive payment or credit in accordance with this Section 19(d).**

(e) Exercise or failure of Owner to exercise any of its rights under this Section 19 shall not excuse Contractor from compliance with the provisions of this Contract nor prejudice rights of Owner to recover damages for any default by Contractor. Whether or not Contractor's right to proceed with the Work is terminated, Contractor and its sureties shall be liable for any costs, expenses or damages to Owner resulting from Contractor's default. The rights and remedies of Owner provided in this Section 19 are in addition to any other rights and remedies provided under this Contract, by law or otherwise.

## 20. Use of Completed Portions of Work

(a) Owner may, by written notice thereof to Contractor, take possession of or use of any completed or partially completed portion of the Work at any time prior to acceptance of all of the Work. Immediately prior to Owner's using or taking possession, a joint inspection by representatives of Owner and Contractor shall be conducted to determine the condition and state of completion of the Work involved, and Owner and Contractor shall agree upon the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, utilities, damages to the Work and insurance, and shall agree in writing concerning the period for correction of the Work and commencement of warranties required by the Contract.

(b) Nothing contained in this Section 20 shall constitute acceptance of Work not complying with the terms of this Contract or relieve Contractor of any of its obligations to correct, repair, replace or otherwise be responsible for defective or noncomplying Work.

## 21. Owner's Performance of Contractor's Obligations

(a) If Owner directs Contractor to correct noncomplying or defective Work or to otherwise comply with the requirements of this Contract, and Contractor thereafter fails to comply or indicates its inability or unwillingness to comply, Owner may correct (or cause to be corrected) the noncompliance or defect or otherwise achieve compliance by the most expeditious means available to it and charge to or otherwise recover (for example, by offset) from Contractor all costs thereof.

(b) Owner's right to make corrections, achieve compliance and charge to or otherwise recover from Contractor the costs thereof are in addition to any and all other rights and remedies available to Owner under this Contract or otherwise by law, and shall in no event be construed or interpreted as obligating Owner to make any correction of defective or noncomplying Work or to otherwise achieve compliance with this Contract. Further, Contractor's obligations (including warranty) shall not be interpreted or construed as being reduced in any way because of any corrections or other work performed or caused to be performed by Owner or Owner's rights to perform the same.

## 22. Changes

(a) Owner may, at any time, by written notice thereof to Contractor, make changes in the Work within the general scope of this Contract (a "Change Order"), including, but not limited to, (i) changes in, substitutions for, additions to or deletions of any Work; (ii) changes in the plans, specifications or drawings or other Contract Documents; (iii) changes in the Construction Schedule or acceleration, deceleration or suspension of performance of any Work; and (iv) changes in the location, alignment, dimensions or design of items included in the Work.

(b) If any change under this Section 22 causes an increase or decrease in Contractor's cost of, or the time required for, the performance of any part of the Work, an equitable adjustment in the compensation to Contractor and/or in the Construction Schedule shall be made to reflect such increase or decrease, and this Contract shall be modified in writing accordingly. Such equitable adjustment shall constitute full compensation to Contractor for such change. If any change under Section 22 results in a decrease in the Work to be performed, Contractor shall not be entitled to anticipated profit on Work not performed, and the loss of anticipated profit shall not affect the reduction in Contractor's total compensation resulting from such decrease. Further, Contractor shall not be entitled to any reallocation of cost, profit or overhead. Contractor shall not be entitled under this Section 22 to any increase in compensation or extension of schedule to the extent that such increase or extension is provided for or excluded under any other provision of this Contract.

(c) Notwithstanding any dispute or delay in reaching agreement or arriving at a mutually acceptable equitable adjustment, Contractor shall, if so requested by Owner, immediately proceed in accordance with such Change Order. If Contractor intends to assert a claim for an equitable adjustment in schedule or compensation for a change, Contractor must, within fifteen (15) days after receipt of any Change Order that does not set forth an acceptable adjustment, submit to Owner a written statement setting forth the basis and nature of the adjustment claimed. Contractor shall not be entitled to any adjustment unless such statement is submitted by Contractor to Owner within the applicable fifteen (15) day period.

### **23. Claims, Questions, Conflicts, Inconsistencies and Ambiguities; Protest; Waiver**

(a) Any claim of Contractor against Owner for damages, additional compensation, or extension of time, whether under this Contract or otherwise, shall be conclusively deemed to have been waived by Contractor unless a timely written claim is submitted pursuant to and in strict accordance with the applicable provisions of this Contract, or, if no such provision is applicable, unless such claim is set forth in detail in writing and filed with Owner within fifteen (15) days after the facts upon which such claim is based become known or should have become known to Contractor.

(b) Without limiting the generality of the foregoing and except as otherwise specifically provided for elsewhere in this Contract, any claim of Contractor and any question of Contractor related to or arising in connection with performance of all or any part of the Work or this Contract, coordination of the Work, compensation, schedule or interpretation, construction or clarification of this Contract shall be promptly submitted by Contractor in writing to Owner for determination. If Contractor is apprised or otherwise becomes aware of, or has reason to know of, any conflict, discrepancy or inconsistency between or among, or any ambiguity, error or omission in any of the requirements of this Contract, Contractor shall immediately notify Owner thereof for instruction, direction, resolution or clarification. Contractor shall be fully and solely responsible for requesting all directions, instructions, interpretations, constructions, clarifications and resolutions necessary or appropriate to ensure performance of the Work in accordance with this Contract and for any and all claims, losses, harm, costs, damages and expenses resulting from its failure to do so.

(c) All determinations, interpretations, constructions, clarifications, resolutions, instructions and directions of Owner, whether in response to a question of Contractor or otherwise, shall be final unless Contractor shall, within fifteen (15) days after Owner gives Contractor notice of any such determination, interpretation, construction, clarification, resolution, instruction or direction, file with Owner a written protest thereto, setting forth in a detailed and

clear manner the basis of such protest. Owner shall issue a decision, which shall be final, upon each such protest.

(d) Notwithstanding any protest or disagreement, Contractor shall in any event proceed with performance of the Work and the Contract in accordance with the determination, interpretation, construction, clarification, resolution, instruction and direction of Owner. Contractor's failure to protest or otherwise follow and exhaust the procedures set forth in this Section 23 shall constitute a waiver by Contractor of its rights to further protest, to claim damages, additional compensation or extension of time or to pursue judicial procedures or remedies with respect to such determination, interpretation, construction, clarification, resolution, direction, protest or decision.

24. **Promotional and Advertising Rights.** Except as may be required by law, neither party to this Contract shall, without the prior written consent of the other, make any news release or public announcement or place any advertisement stating that Owner and Contractor have contracted for the work specified in this Contract or have entered into any business relationship. Use of any Puget Sound Energy name, trademark or service mark in any promotional materials of Contractor requires Owner's prior written approval, which is subject to the sole discretion of Owner to grant or withhold. In the event that Owner approves the use of its name, trademark, or service mark in any announcement, news release or promotional materials of Contractor, all of the contents shall be submitted to Owner's Corporate Communications Department for review prior to any publication by Contractor.

25. **Miscellaneous.**

(a) **Assignment: Successor**

(i) Contractor shall not assign (e.g., by contract, operation of law or otherwise) all or any part of this Contract or any of its rights hereunder, or subcontract any of the Work other than as permitted in the Contract Documents, without the prior written consent of Owner. For purposes of the foregoing, any transfer of a controlling interest in Contractor (e.g., by a transfer of voting securities or otherwise) shall be deemed to be an assignment of this Contract. No assignment or subcontracting shall relieve Contractor from its responsibility for performance of the Work in accordance with this Contract or from its responsibility for performance of any of its other obligations under this Contract. Contractor shall be fully responsible for the acts, omissions, conduct and performance of the Support.

(ii) If Contractor is composed of more than one person or entity, each such person or entity shall be jointly and severally liable under this Contract. This Contract shall be fully binding upon Contractor and its successors, assigns and legal representatives.

(b) **Notices.** Any notice, request, designation, direction, statement or other communication under this Contract shall be (i) in writing (ii) delivered to the intended recipient at the address and to the attention of the party specified on the signature page below and (iii) effective upon receipt. Either party may change its address specified below by giving the other party notice of such change in accordance with this paragraph.

(c) **Severability.** The invalidity or unenforceability of any provision of this Contract shall not affect the other provisions hereof, and this Contract shall be construed in all respects as if such invalid or unenforceable provisions were omitted. The headings of sections of this

Contract are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections.

(d) Survival. Sections 9, 10, 11, 12, 13, 15, 18, 19 and 24 (and all provisions of this Contract which may reasonably be interpreted or construed as surviving the completion, cancellation or termination of this Contract) shall survive the completion, cancellation or termination of this Contract.

(e) Nonwaiver. Owner's failure or delay to (i) insist upon strict performance of any of the provisions of this Contract, (ii) exercise any rights or remedies provided under this Contract or by law, or (iii) notify Contractor in the event of breach or default under this Contract, or Owner's making of or failure or delay to make any test or inspection of any Work, or Owner's acceptance of or payment for any Work, shall not be construed as a waiver or relinquishment of Owner's right to assert or rely upon any such provisions or rights in that or any other instance; rather, the same shall remain in full force and effect.

(f) Entire Agreement

(i) This Contract embodies the entire agreement and supersedes any and all prior agreements between Owner and Contractor regarding the Work. No change, amendment or modification of any of the provisions of this Contract shall be valid unless set forth in a written instrument signed by the party to be bound thereby.

(ii) This Contract shall be construed as a whole. The misplacement, addition or omission of a word or character shall not change the intent of any part of this Contract from that set forth by this Contract as a whole. All provisions and parts of this Contract are intended to be correlative and complementary, and any Work required by one and not mentioned in another shall be performed to the same extent and purpose as though required by all. Details of the Work that are necessary to carry out the intent of this Contract, but that are not expressly required by this Contract, shall be performed or furnished by Contractor as part of the Work without any increase in the compensation otherwise payable under this Contract.

(iii) The rights and remedies of Owner set forth in any provision of this Contract are in addition to and do not in any way limit any other rights or remedies afforded to Owner by any other provisions of this Contract or by law.

(iv) In the event of any conflict or inconsistency between the terms and conditions of this Contract and any Contract Document, the terms of this Contract shall prevail; provided, however, that if a Contract Document by its terms expressly provides that certain provisions therein shall control over certain specified provisions in this Contract, and such provisions are initialed by Contractor and Owner, then to the extent such provisions in the Contract Document conflict with the specified provisions in this Contract, the provisions in the Contract Document shall control. Any additional, conflicting or different terms proposed by Contractor (whether in any Contract Document, proposal, invoice, purchase order or other document now or subsequently submitted) shall have no force and effect unless such terms are expressly agreed to in writing by Owner.

(g) Applicable Law: Forum Selection

(i) This Contract shall be interpreted, construed and enforced in all respects in accordance with the laws of the State of Washington without reference to any choice of law principles to the contrary.

(ii) Contractor shall not commence or prosecute any suit, proceeding or claim to enforce the provisions of this Contract, to recover damages for breach or default under this Contract, or otherwise arising under or by reason of this Contract, other than in the state and federal courts sitting in King County, Washington. Contractor hereby irrevocably consents to the jurisdiction of the courts of the State of Washington with venue laid in King County, and of the U.S. District Court for the Western Division District of Washington in Seattle, Washington.

(h) Counterparts. This Contract may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

Intending to be legally bound, Owner and Contractor have caused their duly authorized representatives to execute this Contract in the space provided below.

**Owner:**

PUGET SOUND ENERGY, INC.

**Contractor:**

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

**PSE's Address:**

Puget Sound Energy, Inc.  
Contract Services Department  
PO Box 97034 (EST-07E)  
Bellevue, WA 98009-9734  
Attention: \_\_\_\_\_

**Contractor's Address:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

## Responsible Contractor Guidelines

### Overview

Puget Sound Energy's (PSE) Responsible Contractor Guidelines are aimed at providing information regarding the Company's expectations of entities with which we do business. The guidelines are aimed at providing direction in the contractor selection process in a manner that is consistent with the Company's fiduciary responsibility related to its investments.

Contractors are expected to do what is necessary to operate within these guidelines. Contractors are expected to be familiar with the business practices of their suppliers and sub-contractors and ensure that they operate within the guidelines. Failure to comply with these standards may result in the discontinuance of business relationships.

### Guidelines

PSE expects all contractors to comply with all applicable laws and regulations, such as those pertaining to the environment, safety and employment, and child labor laws. In the process for selection of qualified contractors, the following factors may be taken into account:

- PSE is committed to ensure that minority, women, veteran-owned and small business enterprises have the opportunity to compete for contracts awarded by the Company. PSE is a strong supporter of the Northwest Minority Business Council. PSE may consider whether the prospective contractor is a minority owned (including woman, minority, veteran-owned) business.
- PSE supports diversity and equal opportunity in employment. Unlawful discrimination in the workplace is not tolerated. Contractors are expected to comply with all applicable laws concerning discrimination in hiring and employment practices.
- PSE respects the environment and conducts its operations in compliance with applicable laws and regulations. Contractors are expected to conduct their operations in a way that protects the environment. Contractors are expected to comply with all applicable environmental laws and regulations in the regions in which they operate.
- PSE strives to conduct its business honestly, fairly and ethically as outlined in its corporate ethics and compliance code. PSE will consider whether the prospective contractor has a record of demonstrated compliance, i.e., the prospective contractor has no record of significant violations of laws, rules or regulations pertinent to the work to be performed.
- PSE is committed to the safety and health of its employees and conducts its operations in compliance with applicable laws and regulations. Contractors are expected to provide a safe working environment that supports accident prevention and minimizes exposure to health risks. Contractors are expected to comply with all applicable safety and health laws and regulations in the regions in which they operate.

- PSE strives to be a good neighbor in the regions in which it does business. PSE will endeavor, when reasonably feasible, to hire local labor when working in smaller communities.

Contractors are expected to comply with all applicable wage and hour labor laws and regulations governing employee compensation and working hours.

In addition, the following guidelines also will be taken into consideration when awarding service contracts for large construction projects (e.g., more than \$5 million for contracts, \$1 million for subcontracts) of a non-emergency nature.

PSE is interested in ensuring trained and qualified personnel are available for the future and in building a durable partnership with key skilled craft stakeholders. We will notify key entities to assist us in identifying potential bidders: (1) when we are developing lists of preferred providers, and (2) when contracted services are needed for construction contracts in excess of \$5 million.

To ensure cost-effective and timely service to utility customers, the following situations are not governed by the guidelines:

Emergency repairs or restoration, including but not limited to those related to a major storm, earthquake, or equipment failure.

Highly specialized work with few or no contractors qualified to provide desired work or service in the desired time period.

# CERTIFICATE OF INSURANCE

APPENDIX I

ISSUE DATE (MM/DD/YY)

NAME AND ADDRESS OF AGENCY	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	<b>COMPANIES AFFORDING COVERAGE</b>	
<b>SAMPLE</b>	COMPANY LETTER	A
	COMPANY LETTER	B
	COMPANY LETTER	C
	COMPANY LETTER	D

**COVERAGES**  
 THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

Co. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE	POLICY EXP. DATE	ALL LIMITS IN THOUSANDS(000)																												
	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCURENCE (Claims made, See Reverse) <input type="checkbox"/> SIR \$ _____ <input checked="" type="checkbox"/> PREMISES-OPERATIONS <input type="checkbox"/> EXPLOSION, COLLAPSE AND UNDERGROUND HAZARD <input checked="" type="checkbox"/> PRODUCTS-COMPLETED OPERATIONS <input checked="" type="checkbox"/> CONTRACTUAL LIABILITY <input type="checkbox"/> BROAD FORM PROPERTY DAMAGE INCLUDING COMPLETED OPERATIONS <input checked="" type="checkbox"/> INDEPENDENT CONTRACTORS <input checked="" type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> _____				<b>COMMERCIAL OCCURANCE/CLAIMS MADE POLICY</b> <table border="1"> <tr> <td>GENERAL AGGREGATE AVAILABLE</td> <td>\$1,000</td> </tr> <tr> <td>PROD-COMP/OPS AGG. AVAILABLE</td> <td>\$1,000</td> </tr> <tr> <td>PERSONAL AND ADVERTISING INJURY</td> <td>\$1,000</td> </tr> <tr> <td>EACH OCCURRENCE</td> <td>\$1,000</td> </tr> <tr> <td>FIRE DAMAGE (ANY ONE FIRE)</td> <td>\$ 50</td> </tr> <tr> <td>MEDICAL EXPENSE (ANY ONE PERSON)</td> <td>\$ 10</td> </tr> </table> <b>COMPREHENSIVE OCCURRENCE POLICY (IF APPLICABLE)</b> <table border="1"> <thead> <tr> <th></th> <th>EACH OCCURRENCE</th> <th>AGGREGATE</th> </tr> </thead> <tbody> <tr> <td>BODILY INJURY</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>PROPERTY DAMAGE</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>B.I.&amp;P.D. COMBINED</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>PERSONAL INJURY</td> <td>\$</td> <td>\$</td> </tr> </tbody> </table>		GENERAL AGGREGATE AVAILABLE	\$1,000	PROD-COMP/OPS AGG. AVAILABLE	\$1,000	PERSONAL AND ADVERTISING INJURY	\$1,000	EACH OCCURRENCE	\$1,000	FIRE DAMAGE (ANY ONE FIRE)	\$ 50	MEDICAL EXPENSE (ANY ONE PERSON)	\$ 10		EACH OCCURRENCE	AGGREGATE	BODILY INJURY	\$	\$	PROPERTY DAMAGE	\$	\$	B.I.&P.D. COMBINED	\$	\$	PERSONAL INJURY	\$	\$
GENERAL AGGREGATE AVAILABLE	\$1,000																																
PROD-COMP/OPS AGG. AVAILABLE	\$1,000																																
PERSONAL AND ADVERTISING INJURY	\$1,000																																
EACH OCCURRENCE	\$1,000																																
FIRE DAMAGE (ANY ONE FIRE)	\$ 50																																
MEDICAL EXPENSE (ANY ONE PERSON)	\$ 10																																
	EACH OCCURRENCE	AGGREGATE																															
BODILY INJURY	\$	\$																															
PROPERTY DAMAGE	\$	\$																															
B.I.&P.D. COMBINED	\$	\$																															
PERSONAL INJURY	\$	\$																															
	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE-LIABILITY <input type="checkbox"/> OTHER				<table border="1"> <tr> <td>COMBINED SINGLE LIMIT</td> <td>\$1,000</td> <td></td> </tr> <tr> <td>BODILY INJURY (EACH PERSON)</td> <td>\$1,000</td> <td></td> </tr> <tr> <td>BODILY INJURY (EACH ACCIDENT)</td> <td>\$1,000</td> <td></td> </tr> <tr> <td>PROPERTY DAMAGE</td> <td>\$1,000</td> <td></td> </tr> </table>		COMBINED SINGLE LIMIT	\$1,000		BODILY INJURY (EACH PERSON)	\$1,000		BODILY INJURY (EACH ACCIDENT)	\$1,000		PROPERTY DAMAGE	\$1,000																
COMBINED SINGLE LIMIT	\$1,000																																
BODILY INJURY (EACH PERSON)	\$1,000																																
BODILY INJURY (EACH ACCIDENT)	\$1,000																																
PROPERTY DAMAGE	\$1,000																																
	<b>EXCESS LIABILITY</b> <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> FOLLOWING FORM EXCESS <input type="checkbox"/> IF NOT, IDENTIFY DIFFERENCE ON REVERSE				<table border="1"> <tr> <td></td> <td>EACH OCCURRENCE</td> <td>AGGREGATE</td> </tr> <tr> <td>BODILY INJURY AND PROPERTY DAMAGE COMBINED</td> <td>\$1,000</td> <td>\$1,000</td> </tr> </table>			EACH OCCURRENCE	AGGREGATE	BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$1,000	\$1,000																					
	EACH OCCURRENCE	AGGREGATE																															
BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$1,000	\$1,000																															
	<b>WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY AND/OR STOP GAP</b>				<table border="1"> <tr> <td>STATUTORY</td> <td></td> </tr> <tr> <td>\$1,000</td> <td>(EACH ACCIDENT)</td> </tr> <tr> <td>\$1,000</td> <td>(DISEASE-POLICY LIMIT)</td> </tr> <tr> <td>\$1,000</td> <td>(DISEASE-EACH EMPLOYEE)</td> </tr> </table>		STATUTORY		\$1,000	(EACH ACCIDENT)	\$1,000	(DISEASE-POLICY LIMIT)	\$1,000	(DISEASE-EACH EMPLOYEE)																			
STATUTORY																																	
\$1,000	(EACH ACCIDENT)																																
\$1,000	(DISEASE-POLICY LIMIT)																																
\$1,000	(DISEASE-EACH EMPLOYEE)																																
	OTHER																																

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS:  
 Puget Sound Energy, Inc. is named as Additional Insured

SEE REVERSE SIDE FOR ADDITIONAL PROVISIONS IF APPLICABLE

CERTIFICATE HOLDER Puget Sound Energy, Inc. Contract Administration - EST-07E PO Box 90868 Bellevue, WA 98009-0868	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.
	AUTHORIZED REPRESENTATIVE

**RELEASE AND CERTIFICATE OF PAYMENT**

Reference is made to that certain Contract No. \_\_\_\_\_ dated \_\_\_\_\_, (as amended), (the "Contract") between Puget Sound Energy, Inc. ("Owner") and \_\_\_\_\_ ("Contractor") with respect to the State Street Substation Rebuild Project.

1. Contractor certifies and represents that it has fully paid and satisfied all claims, costs, charges and expenses incurred by or on behalf of Contractor for work, labor, services, materials, equipment and other items furnished or used in connection with the Contract, except normal retention in accordance with agreements between Contractor and some of its subcontractors and suppliers.
2. Contractor further certifies and represents that, to the best of its knowledge and belief, all of its subcontractors and suppliers of every tier have fully paid and satisfied all claims, costs, charges and expenses incurred by or on behalf of any one or more of them for work, labor, services, materials, equipment and other items furnished or used in connection with the Contract, except normal retention in accordance with agreements between some of such subcontractors and suppliers.
3. Contractor acknowledges receipt of \_\_\_\_\_ (\$ \_\_\_\_\_) plus applicable state and local sales tax as full and final payment under the Contractor and as full and final satisfaction of all claims of every nature of Contractor and all of its subcontractors and suppliers of any tier against Owner or its property arising out of or in connection with the Contract or any work performed, costs incurred or items furnished in connection with the Contract.
4. Contractor shall promptly pay all retention under agreements between Contractor and its subcontractors and suppliers and shall promptly provide Owner with such releases and certificates of payment, executed by Contractor's subcontractors and suppliers that furnished the work, labor, services, materials or other items, in connection with the Contract, as may be requested by Owner.
5. Contractor unconditionally releases and discharges Owner and its property from all claims, liens and obligations of every nature arising out of or in connection with the Contract or any work performed, costs incurred or items furnished in connection with the Contract.
6. Contractor shall defend, indemnify and hold Owner harmless from all claims, losses, harm, costs, damages, liens, actions and expenses (including, but not limited to, reasonable attorneys' fees) whether arising before or after the date of this Release and Certificate of Payment, in any manner directly or indirectly arising out of or in connection with the Contract or any work performed, cost incurred or items furnished in connection with the Contract, whether such performance, furnishing or incurrence is by Contractor, any of its subcontractors or suppliers of any tier or any director, officer, employee, agent or representative of Contractor or any of its subcontractors or suppliers of any tier.
7. Contractor's warranties, indemnities and guarantees arising under the Contract or in connection with any work performed or items furnished in connection with the Contract (and all provisions of the Contract that may reasonably be interpreted or construed as surviving the execution and delivery of this release and Certificate of Payment) shall survive the execution and delivery of this Release and Certificate of Payment.

DATED: \_\_\_\_\_

CONTRACTOR:

\_\_\_\_\_

By: \_\_\_\_\_

TITLE \_\_\_\_\_