

Starting Date:

Completion Date:

NOTE: This project will have an estimated not-to-exceed amount of \$120,250.00 (not including WSST).

3. PERFORMANCE AND PAYMENT BOND(S)

The Contractor agrees to furnish a bond(s) in the penal sum not less than one hundred percent (100%) of the bid cost of the Project, on an appropriate form, with a surety or sureties acceptable to the District. When the performance and payment bond(s) requirement has been met, the Contractor will be given a Notice to Proceed. In the event that the surety or sureties on the performance and payment bond(s) delivered to the District shall at any time become unsatisfactory to the District, the Contractor agrees to deliver to the District another or an additional bond(s). Should the Contractor fail or refuse to execute such counterparts or to furnish a performance and payment bond(s) within ten days after written notification of the acceptance of the proposal by the District, the Contractor will be considered to have abandoned the proposal.

4. DEFECTIVE WORKMANSHIP

The acceptance of any workmanship by the District shall not preclude the subsequent rejection thereof if such workmanship shall be found to be defective after installation. Any such workmanship found defective before final acceptance of the work or within one year after completion shall be remedied or replaced, as the case may be, by and at the expense of the Contractor. In the event of failure by the Contractor to do so, the District or its assigns may remedy such defective workmanship; and in such event, the Contractor shall pay to the District the cost and expense thereof. The Contractor shall not be entitled to any payment hereunder so long as any defective workmanship, in respect of the Project, of which the Contractor shall have had notice, shall not have been remedied or replaced, as the case may be.

The establishment of the time periods noted in the previous paragraph (one year) or such longer period of time as may be prescribed by any warranty required pursuant to the Contractor's agreement with the District to which these specifications relate, relates only to the specific obligation of the Contractor to correct his work, and has no relationship to the time within which the Contractor's obligation to comply with the terms of his aforesaid agreement with the District may be enforced, nor to the time within which proceedings may be commenced to establish liability with respect to the Contractor's obligations other than specifically to correct his work.

5. LIQUIDATED DAMAGES

The time of completion of this Project is of the essence of the contract. Should the Contractor neglect, refuse, or fail to complete wood pole inspections and treatments within the time herein proposed, after giving effect to extensions of time, if any, herein provided, then, in that event and in view of the difficulty of estimating with exactness damages caused by such delay, the District shall have the right to deduct from and retain out of such monies which may then be due, or which may become due and payable to the Contractor, \$50 per day for the first thirty (30) days beyond the specified completion date and \$100 per day thereafter as liquidated damages and not as a penalty; if the amount due and to become due from the District to the Contractor is insufficient to pay in full any such liquidated damages, the Contractor shall pay to the District the amount necessary to effect such payment in full. Provided, however, that the District shall promptly notify the Contractor in writing of the manner in which the amount retained, deducted, or claimed as liquidated damages was computed. Extensions of time may be granted by the District for causes beyond the control of the Contractor, provided a request for extension is received in writing by the District within ten (10) days of such occurrence.

Every right or remedy herein conferred upon or reserved to the District shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute, and the pursuit of any right or remedy shall not be construed as an election: provided, however, that the provisions of this Paragraph 5 shall be the exclusive measure of damages for failure by the Contractor to complete the construction of the Project within the time herein agreed upon.

6. INDEMNITY AND HOLD HARMLESS AGREEMENT

The Contractor agrees to release, indemnify, defend, and hold harmless the District and its agents and employees from and against any liability claim for damages for personal injury or loss, including death, and property damage arising out of or resulting from performance by the Contractor under the terms of this contract, except as otherwise limited in this paragraph. In the event of concurrent negligence or fault of the Contractor, its agents, employees, or subcontractors, and the District, its agents or employees, the Contractor shall indemnify, defend, and hold harmless the District and its agents or employees to the extent that liability, loss, damage, injury, or death is caused by the negligence or fault of the Contractor, its agents, employees, or subcontractors.

It is understood that the Contractor assumes the risk of the condition of the property to be worked upon or about, and Contractor agrees to release, indemnify, defend, and hold harmless the District or its agents and employees against any liability claim for damages for personal injury, including death, and property damage to the person or property of Contractor, its agents, employees, representatives, licensees, or invitees, resulting from any defective condition of said property, while the Contractor is engaged in the performance of this contract.

Contractor also agrees to indemnify, defend, and hold harmless the District from any and all liens, claims, or damage of any kind or nature against or to any property resulting from or arising out of the performance by the Contractor under the terms of this contract.

In all claims against the District or its agents and employees, or the Contractor, any subcontractor, anyone directly or indirectly employed by the Contractor or any subcontractor, or anyone for whose acts the Contractor or any subcontractor may be liable, the indemnification obligation under this paragraph shall not be affected by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor or any subcontractor under any worker's compensation act, including Title 51 RCW, any disability benefit acts, or any other employee benefit acts. The Contractor and any subcontractor hereby waive, for themselves and their successors, any right to claim any such limitation as a defense, set off, or other reduction of the District's right to indemnification under this paragraph.

7. PAYMENTS; RETAINAGE

Progress payments will be made by the District to the Contractor within thirty days of receipt of a billing statement, provided that the District Representative verifies the accuracy of the billing or corrects it as mutually agreeable to the District and the Contractor. All invoices will be sent to the Clallam County PUD #1, Attention: Karen Abbott, P.O. Box 1000, Carlsborg, Washington 98324. Pursuant to Chapter 60.28 RCW, the District shall reserve a contract retainage not to exceed 5 percent of the moneys earned by the Contractor as a trust fund for the protection and payment of the claims of any person arising under this contract and the State of Washington with respect to any taxes imposed pursuant to Title 82 RCW which taxes may be due from the Contractor.

8. INSURANCE

The Contractor shall, at its own expense and cost, carry insurance from an insurance company or companies and under policies of insurance acceptable to and approved by the District, the following insurance with limits not less than shown on the respective items:

- a. Worker's Compensation

To the limit required by the laws of the State of Washington.

- b. Commercial General Liability and Property Damage Insurance

Minimum Coverage Limits:

Bodily Injury	\$1,000,000 each person
Property Damage	\$1,000,000 each occurrence \$2,000,000 aggregate
Umbrella Coverage	\$2,000,000

Any policy shall have no self-insured retained limits or deductible.

- c. All policies of insurance providing coverage's required under paragraph "b" above shall name Public Utility District No. 1 of Clallam County as additional insured with a cross liability clause and provide that no cancellation or material changes in the policies shall become effective unless thirty (30) days prior notice of such cancellation or change shall be furnished the District by certified mail. The District shall be named in the policy as an additional insured without reservation or qualification. Blanket Additionally Insured is not acceptable.

Prior to commencement of any work hereunder, the Contractor shall provide the District with evidence of Worker's Compensation Insurance and with a Certificate of Insurance showing the District named as additional insured.

9. RISKS AND OBLIGATIONS OF THE CONTRACTOR

The Project, from the commencement of work to completion, or to such earlier date or dates when the District may take possession and control in whole or in part as hereinafter provided, shall be under the charge and control of the Contractor; and during such period of control by the Contractor, all risks in connection with the construction of the Project and the materials to be used therein shall be borne by the Contractor. The Contractor shall make good and fully repair all injuries and damages to the Project or any portion thereof under the control of the Contractor by reason of any act of God or other casualty or cause, whether or not the same shall have occurred by reason of the Contractor's negligence. It is understood that the Contractor is engaged in an independent business and that it will perform the work under this contract as an independent contractor and not as the agent, employee, or servant of the District; that it has and hereby retains the right to exercise control and supervision of the work and full control over the employment, direction, compensation, and discharge of all persons assisting in the work; that it will be solely responsible for the payment of its employees and for the payment of all federal, state, county, and municipal taxes and contributions pertaining thereto, including but not limited to payments for Workmen's Compensation benefits; and that it will be responsible for its own acts and those of its subordinates, employees, and subcontractors during the term of this contract.

10. DELIVERY OF POSSESSION AND CONTROL TO THE DISTRICT

Upon written request of the District, the Contractor will deliver to the District full possession and control of any portion of the Project, provided the Contractor shall have been paid at least the 90% of the cost of such portion. Upon such delivery of possession and control to the District, the risks and obligations of the Contractor as set forth in Paragraph 9 above, with respect to such portion so delivered to the District, shall be terminated; provided, however, that nothing herein contained shall relieve the Contractor of any liability with respect to defective workmanship as set forth in Paragraph 4 above.

11. COMPLETION ON CONTRACTOR'S DEFAULT

If default shall be made by the Contractor or by any subcontractor in the performance of any of the terms of this proposal, the District, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor and the surety, if any, a written notice requiring the Contractor to cause such default to be corrected forthwith. Unless within twenty (20) days after the service of such notice upon the Contractor and the surety, if any, such default shall be corrected or arrangements for the correction thereof satisfactory to the District shall be made, the District may take over the project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor, and the Contractor shall be liable to the District for any cost or expense in excess of the contract price occasioned thereby. In such event, the District may take possession of and utilize in completing the Project any materials, tools, supplies, equipment, appliance, and plant belonging to the Contractor or any of its subcontractors, which may be situated at the site of the Project. The District in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this proposal, and for such purpose the Contractor does hereby assign, transfer, and set over unto the District all such rights, claims, and demands.

No payment shall be due while the Contractor is in default in respect of any of the provisions of this contract; and the District may withhold from the Contractor the amount of any claim by a third party against either the Contractor or the District, based upon an alleged failure of the Contractor to perform work hereunder in accordance with the provisions of this contract.

12. TERMINATION OF CONTRACT

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

13. CLAIMS AND LIENS

The Contractor shall promptly pay all claims for labor done and materials furnished for the performance of said work and shall keep all said work, and any property of the District, free from all liens arising from labor done or materials furnished thereto. The District Auditor may require the Contractor to furnish receipted material bills and payroll record for his/her inspection.

14. SUBCONTRACTOR'S REQUIREMENTS

Any and all subcontractors to be employed on the Project are listed on the proposal. The Contractor understands that any subcontractor not listed in the proposal will be denied access to the Project unless such change or substitution has been approved in advance by the District.

15. USE OF DISTRICT'S NAME OR MARKS

The Contractor shall submit to the District all advertising, sales promotion, press releases, and other publicity matters relating to the services performed by the Contractor wherein the District's name or marks are mentioned or language from which the connection of said names or marks may be inferred or implied; the Contractor further agrees not to publish or use such advertising, sales promotion, press releases, and publicity matters without the District's written approval.

16. ROAD REPAIR GUARANTEE

If required by private, county, state, or other road authorities, the successful bidder will furnish to such authorities a bond or meet other guaranty requirements to assure prompt repair of all damages to highways and roads and their associated rights-of-way caused by the Contractor during work on this Project. This requirement is in addition to and independent of the Contractor's performance bond required under this contract. The acceptance of the bid from any bidder is not to be construed as approval of the bidder's equipment or proposed construction methods by or on behalf of private, county, state, or other road authorities. Bidders may obtain information concerning the requirements of highway and road authorities by communicating with the Clallam County Road Department and the Washington State Department of Transportation.

17. ACCIDENT REPORTS

The Contractor shall submit to the District monthly reports in duplicate of all accidents, giving such data as may be prescribed by the District.

18. DAILY WORK REPORTS

The Contractor shall fill out and return each week to the District Representative, a Weekly Work Report, including any and all photographs take of entire reject poles. This report must be sent to these three District representatives; Mike Hill (mikeh@clallampud.net), Bill Decker (bdecker@clallampud.net), and Erin Brown (ebrown@clallampud.net).

19. DISPUTE RESOLUTION

This contract and the performance thereof shall be governed, interpreted, construed and regulated according to the laws of the State of Washington. Venue for any legal action arising from this contract shall be in the Superior

Court of Clallam County. If any claim, at law or otherwise, is made by either party to this contract, the prevailing party shall be entitled to its costs and reasonable attorney fees incurred thereby.

20. GENERAL

This contract represents the entire agreement between the parties hereto and a final expression of their agreement, and supersedes all prior agreements, representations, understandings or negotiations with respect to the matters covered by this contract. If any term, provision, condition or covenant of this contract is held to be invalid, void, or unenforceable, the rest of the contract shall remain in full force and effect and shall in no way be affected, impaired, or invalidated. Neither this contract nor any rights or obligations hereunder shall be assigned or otherwise transferred by the Contractor without the prior written consent of the District.

21. RIGHT TO AUDIT

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

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

CONTRACTOR

Doug Nass, General Manager

(Signature)

(Date)

(Typed)

(Title)

(Date)