

February 4, 2021

Dear Contractor:

Public Utility District No. 2 of Grant County, Washington (Grant PUD) has in place a Residential Conservation Program, which provides funding to qualified Grant PUD residential customers for taking certain conservation measures in their homes such as installing insulation, windows and heat pumps. In order for a customer to receive funding, the Contractor performing the work must be on Grant PUD's Approved Contractor List (List). What we're offering via this letter is the opportunity to add your company to this List. To be considered, you'll need to submit the following items to Grant PUD for review:

- Completed, signed Application;
- Completed, signed Conservation Contractor Agreement;
- Certificate of insurance in accordance with Section 9 of the Agreement; and
- Copy of your current Washington State Contractor's Registration.

If you are not already, you'll need to familiarize yourself with the following specifications as they will be the basis for acceptance or rejection of your work by Grant PUD:

- Bonneville Power Administration Weatherization Specifications;
- Performance Tested Comfort Systems© Duct Technical Specifications;
- Performance Tested Comfort Systems© Air-Source Heat Pump System Installation Standards; and
- Performance Tested Comfort Systems©, Air-Source Heating Pump Installation Commissioning Procedures.

Please note that you may not commence work under the Residential Conservation Program until your Application has been countersigned by Grant PUD and you have received a completed Loan Approval Form from Grant PUD, authorizing you to perform the work.

If you have any questions, please contact Energy Services at 312 W. Third Ave., Moses Lake, WA 98837, (509)766-2506, or EnergyService@gcpud.org. We look forward to working with you.

Sincerely,

Eric Hector
Energy Services Specialist

Enclosures (2)

1. Application for Approved Contractor List
2. Conservation Contractor Agreement

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

**Residential Conservation Program
Application for Approved Contractor List**

Full Legal Name of Business: _____

Business Address: _____

Contact: _____

Email: _____

Business Phone: _____

Cell Phone: _____

Which phone number would you like listed on the Approved Contractor List? Business Home/Cell

APPLICANT WARRANTS IT IS QUALIFIED, ABLE AND WILLING TO INSTALL THE FOLLOWING CONSERVATION MEASURES:

Ceiling Insulation, Floor Insulation, Wall Insulation, Underfloor Insulation, HVAC Duct Insulation and Associated Applicable Measures (Venting, Sealing, Etc.).

Windows

Duct Sealing

Heat Pump

Ductless Heat Pump

The Applicant understands and agrees that the terms and conditions contained in the attached Conservation Contractor Agreement shall be applicable to any work performed by the Applicant as part of Grant PUD's Residential Conservation Program.

Signed: _____

Print Name: _____

Title: _____

Date: _____

Submit the completed, signed Application and all of the following items to Grant PUD, Attn: Energy Services, 312 W. Third Ave., Moses Lake, WA 98837:

- Completed, signed Conservation Contractor Agreement;
- Certificate of insurance in accordance with Section 9 of the Agreement; and
- Copy of your current Washington State Contractor's Registration.

Approved by Grant PUD

Signed: _____

Print Name: _____

Title: _____

Date: _____

CONSERVATION CONTRACTOR AGREEMENT

This Conservation Contractor Agreement (“Agreement”), effective upon the last signature date (“Effective Date”), is by and between Public Utility District No. 2 of Grant County, Washington, (“Grant PUD”) and _____ (“Contractor”). For purposes of this Agreement, Grant PUD and Contractor may be referred to herein individually as a “Party” and collectively as “Parties.”

RECITALS

Grant PUD has a Residential Conservation Program, which provides funding to Grant PUD’s residential customers (“Customer”) for implementing certain conservation measures in their homes, such as installing insulation, windows, and heat pumps (“Program”);

Customers wishing to participate in the Program must select a Contractor from Grant PUD’s Approved Contractor List (“List”) to perform work;

The Contractor desires to be included on the List and has submitted the required documentation to Grant PUD for consideration; and

Grant PUD has reviewed all submitted documentation and has deemed the Contractor qualified and approved for the List.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree:

1. Definitions. When used in this Agreement with initial capitalization, whether in the singular or plural, the following terms shall have the meanings specified in this Section 1. Certain other terms are defined where they first appear throughout the body of this Agreement.

“Service Area” – Grant PUD’s service territory, including Grant, Lincoln, and Yakima Counties, which is the geographical area covered by the Program.

“Standards” - BPA Weatherization Specifications, Performance Tested Comfort Systems® Duct Technical Specifications, Performance Tested Comfort Systems® Air-Source Heat Pump System Installation Standards, Performance Tested Comfort Systems® Air-Source Heating Pump Installation Commissioning Procedure, and applicable building codes, as they now are and as they may be amended or superseded from time to time.

2. Contractor Qualifications. The Contractor warrants they:
 - A. Have the required knowledge, skill and manpower to provide Grant PUD Customers with the conservation measures selected by the Contractor in their completed Application, which is hereby incorporated by reference, using materials and methods which meet or exceed the Standards;
 - B. Have not previously been disqualified from participating in the Program;
 - C. Possess such licenses, registration or certification to install conservation measures as may be required by local, State and/or Federal law; and
 - D. Are insured and bonded as required by Washington State, local law and Grant PUD as required herein.

3. Approved Contractor List. The Contractor shall be listed as one of a number of Contractors willing to supply and install conservation measures in and on the homes of Customers in the Service Area.
4. Non-Exclusive Agreement. Grant PUD Customers may select Contractors from Grant PUD's List. The Contractor understands and agrees that this is not an exclusive commitment to the Contractor by Grant PUD. It is further understood and agreed that, as part of Grant PUD's Program, Grant PUD intends to sign agreements similar to this one with a number of Contractors. Nothing in the Agreement shall constitute a commitment by Grant PUD that any Customer will select a specific Contractor for any work.
5. Scope of Work and Contractor Obligations
 - A. Contractor agrees to furnish a detailed price quote ("Quote") upon Customer request. The Quote shall include the Customer's address, the type and amount of insulation or specified conservation measure to be installed, the anticipated project duration, and any other information necessary to define the work to be performed by Contractor. Contractor shall provide all labor, tools, equipment, permits (if needed), and materials necessary to install conservation measures in homes within the Service Area at the location(s) specified by the Customer requesting such Quote.
 - B. Contractor shall not commence work until Contractor has received a completed Loan Approval Form from Grant PUD.
 - C. Contractor shall perform all work in accordance with the applicable Quote, in a workmanlike manner, consistent with generally accepted commercial practices, and as specified in the Standards. The Contractor agrees to provide a one-year guarantee to both the Customer and Grant PUD that any deviation from any of the Standards will be corrected at no cost to the Customer or Grant PUD.

The Contractor further warrants the material and equipment furnished shall be free from all inherent defects in design, workmanship and material and shall give proper and continuous service under all conditions of service required and specified or which may be reasonably inferred from the Agreement. The material and equipment furnished shall meet or exceed the Standards. The Contractor agrees all warranties extend to both the Customer and Grant PUD. The warranty provided herein is in addition to and not in lieu of any manufacturer's standard warranty normally provided.
 - D. The Contractor acknowledges that payment for any work not specified in the Quote for a given residence is not covered by this Agreement. Such work shall be performed only pursuant to a separate agreement between the Customer and the Contractor.
 - E. **THE CONTRACTOR ACKNOWLEDGES GRANT PUD MAY NOT IN ALL CASES PROVIDE FULL FINANCING FOR CONSERVATION MEASURES AND ANY DIFFERENCE BETWEEN GRANT PUD LOANS AND CONTRACTOR COST IS TO BE PAID BY THE CUSTOMER.**
 - F. Contractor shall at all times keep the Customer's premises, including any storage areas used by Contractor, free from accumulation of waste material or rubbish caused by its employees or work, and, at the completion of the work, remove any rubbish from and about the premises, including all tools, scaffolding, equipment and surplus material, leaving the premises in a condition satisfactory to Grant PUD and the Customer. The cleaning up of lunch wrappers, garbage, equipment parts, and the like shall be done on a day-to-day basis. In the event the Contractor fails after reasonable notice to comply with any of the foregoing

in a prompt and workmanlike manner, Grant PUD may, after such notice, arrange the cleanup and removal at the expense of Contractor.

6. Grant PUD Obligations

- A. Inspection of Completed Work - Grant PUD may inspect work performed by the Contractor within 10 business days of receiving a Work Completion Form signed by the Customer and Contractor. Grant PUD will find work to be satisfactorily completed if it conforms to the Quote, Standards, generally accepted commercial practices, and the terms and conditions of this Agreement. When Grant PUD has inspected the work and found to it to be satisfactorily completed, Grant PUD will pay the Contractor in accordance with Section 6.C below.
- B. Work Completed Unsatisfactorily - If work is completed unsatisfactorily, Grant PUD and/or the Customer will notify the Contractor to correct the deficiencies. If Grant PUD determines the Contractor's materials or work remain unsatisfactory after the specified timeframe, Grant PUD may initiate delisting, as specified in Exhibit A, Listing and Delisting Procedures. If it is determined by Grant PUD that the Contractor is unable or unwilling to complete the work satisfactorily, the Customer, after written notice to the Contractor, may contract with a third party to complete the work and Grant PUD will deduct the cost of completing the work from the amount owed to the Contractor. If the Contractor has already been paid and deficiencies are not satisfactorily repaired, Grant PUD or the Customer may make a claim against the Contractor to satisfactorily complete the work. The remedies provided herein shall be in addition to any others which may be available to Grant PUD or the Customer.
- C. Disbursement of Funds for Work - Grant PUD shall disburse funds for that portion of the cost which Grant PUD is obligated to pay as determined by the review of the applicable Quote and any addenda within thirty days of the satisfactory completion of the work, as determined by inspection by Grant PUD. Any disbursement of funds shall not bar Grant PUD or the Customer from utilizing their rights to demand proper completion of the work if it is subsequently discovered that work has not been performed satisfactorily. It is further agreed such inspection and payment shall not release the Contractor from its indemnification responsibilities under Section 10 of this Agreement. It is further understood if Grant PUD is required to make more than one inspection of the Contractor's completed work for any residence due to unsatisfactory completion by the Contractor, the sum of \$60.00 will be deducted from Grant PUD's disbursement to the contractor for each inspection subsequent to the first inspection. For inspections, subsequent to the first inspection the contractor shall not attempt to recover from the Customer any inspection fees deducted by Grant PUD from disbursements to the contractor.

7. Term. This Agreement shall continue from the Effective Date of this Agreement until terminated as provided herein.

8. Termination. Either Party may terminate this Agreement by providing the other Party with 30 days' advance written notice. In the event of work completed unsatisfactorily, pursuant to Section 6.B, Grant PUD may terminate this Agreement immediately upon written notice to the Contractor.

Upon termination, Contractor will immediately cease all work except for installation on which work crews have already mobilized and begun actual installation, cancel any scheduled jobs not yet started, and promptly submit to Grant PUD a complete list of all jobs completed up to the effective date of the termination as well as a list of jobs not completed. Grant PUD shall make

payment in accordance with Section 6.C for work satisfactorily completed up to the effective date of the termination.

9. Insurance

A. Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Contractor shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best, as enumerated below. Any significant deductible, self-insured retention or coverage via captive must be disclosed and is subject to approval by Grant PUD's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the Contractor and not recoverable under any part of this Agreement.

Contractor Required Insurance

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

- a. Premises and Operations;
- b. Products and Completed Operations;
- c. Contractual Liability;
- d. Personal Injury Liability (with deletion of the exclusion for liability assumed under Contract);
- e. Pollution Liability (sudden and accidental); and
- f. Such insurance shall not exclude coverage for action-over liability claims;

with the following **minimum limits:**

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

Commercial general liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis for ongoing operations. A waiver of subrogation will apply in favor of Grant PUD.

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

If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers (USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes

applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or Maritime Employer's Liability (MEL).

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

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

- B. Evidence of Insurance - Prior to performing any work, and then on an annual basis, the Contractor shall file with Grant PUD a Certificate of Insurance showing the Insuring Companies, policy numbers, effective dates, limits of liability and deductibles with a copy of the endorsement naming Grant PUD as an Additional Insured for each policy where indicated in Section 9.A.

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

Grant PUD shall have the right but not the obligation of prohibiting the Contractor or subcontractor from entering the job site until such certificates or other evidence of insurance has been provided in full compliance with these requirements.

- C. Subcontractors - Contractor shall ensure that each subcontractor meets the applicable insurance requirements and specifications of this Agreement. All coverage for subcontractors shall be subject to all the requirements stated herein and applicable to their profession. Contractor shall furnish Grant PUD with copies of certificates of insurance evidencing coverage for each subcontractor upon request.
- D. Cancellation of Insurance - The Contractor shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies or Contractor shall provide 30 days advance written notice to Grant PUD for cancellation or any material change in coverage or condition, and 10 days advance written notice for cancellation due to non-payment. Should the Contractor receive any notice of cancellation or notice of nonrenewal from its insurer(s), Contractor shall provide immediate notice to Grant PUD no later than two days following receipt of such notice from the insurer. Notice to Grant PUD shall be delivered by email in accordance with Section 13.

10. Indemnification. The Contractor shall save harmless, indemnify and defend Grant PUD, its officers, agents, representatives and employees from all claims, loss, damage, actions, causes of action, expense and/or liability, including court costs and reasonable attorney's fees resulting from,

brought for, or on account of any personal injury, property damage, or breach of contract received or sustained by any person, persons, or property growing out of, occurring or attributable to any work performed under or related to this Agreement, arising out of or in any way connected with the Contractor's failure to perform any of its obligations under this Agreement or from the negligence or other wrongful acts of the Contractor or its employees or agents for the period of one year following installation.

11. Independent Contractor. Contractor proposes to do the work required by this Agreement by its own methods, subject only to approval by Grant PUD, it being understood Grant PUD is interested only in the ultimate results of the completed work in accordance with the Agreement. Contractor agrees to perform said work as an independent contractor, and not as a subcontractor, agent or employee of Grant PUD.
12. Subcontractors. The Contractor shall be fully responsible to Grant PUD and its Customers for acts and omissions of subcontractors or their agents and employees. Nothing contained herein shall create any contract between the subcontractors and Grant PUD or its Customers. Any payments to be made to a subcontractor shall be the responsibility of the Contractor and shall be made in a timely manner. Contractor shall ensure no lien is placed upon the property of the Customer for failure to pay subcontractors for work or material.
13. Notices. Any notice or other communication under this Agreement given by either Party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be deemed served when received and not mailed. Either Party may from time to time change such address by giving the other Party notice of such change.

If to Contractor:

Company Name: _____
Attention: _____
Address: _____
City, State Zip: _____
Email: _____

If to Grant PUD:

Public Utility District No. 2 of Grant County, Washington
Attn: Energy Services
PO Box 878
Ephrata, WA 98823
EnergyService@gcpud.org

14. Non-Waiver. Failure of Grant PUD to insist upon strict performance of, or waiver by Grant PUD of any breach of, any of the terms, conditions, or obligations of this Agreement shall not be deemed a waiver of any other term, condition, covenant or obligation, or of any subsequent default or breach of the same or any other term, condition, covenant or obligation herein contained.

15. Non-Discrimination. During the period of this Agreement, the Contractor agrees to not discriminate against any employee or applicant for employment because of race, creed, color, sex, age or national origin, unless such discrimination is based on bona fide occupation qualifications. The Contractor will take affirmative action to ensure applicants are employed and employees are treated during employment without regard to creed, race, color, sex, age or national origin. Such action shall include, but not be limited to the following areas: employment, upgrading, demotion, transfer, recruitment advertising, layoff, termination, rates of pay, other forms of compensation and selection for training, including apprenticeship.
16. Attorney's Fees on Default. If the Contractor shall default in the timely performance of its obligations under this Agreement, Grant PUD, to the extent permitted by applicable law, shall be entitled to recover in any suit or proceeding to enforce its rights under this Agreement, court costs and reasonable attorney 's fees, as determined by the court. The foregoing shall not in any way limit or restrict any right of remedy at law or equity that would otherwise be available to Grant PUD.
17. Enforcement by Participants. Contractor agrees that the covenants and representations herein made by Contractor are also for the benefit of Customers of Grant PUD who participate in the Program, and further agrees that such of those persons as do business with the Contractor pursuant to the Program are entitled to rely upon and have the benefit of the covenants and representations made by Contractor herein, and with the consent of Grant PUD, to directly pursue the rights and remedies hereunder in the event of breach or default by Contractor. This shall not be construed to limit or impair the rights and remedies of Grant PUD.
18. Assignment. This Agreement and the performance of the work hereunder may not be assigned by the Contractor without prior written approval of Grant PUD.
19. Governing Law. Installer shall comply with all applicable federal, state and local laws and regulations including amendments and changes as they occur. All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of Grant PUD and the Contractor shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington or the Federal District Court for the Eastern District of Washington at Grant PUD's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing Party shall be entitled to reasonable legal fees in addition to any other relief allowed.
20. Entire Agreement. The terms, covenants and conditions of this Agreement constitute the entire contract between the Parties, and no understandings or obligations not expressly set forth herein shall be binding upon them. No modification, amendment or alteration of the Agreement shall be valid unless it is in writing and signed by the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first written above.

Contractor

Public Utility District No. 2
of Grant County, Washington

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A
LISTING AND DELISTING PROCEDURES

1. Listing Procedures

- A. Contractors who apply for inclusion must submit all of the following to Grant PUD:
 - 1. Completed, signed Application;
 - 2. Completed, signed Conservation Contractor Agreement;
 - 3. Certificate of insurance in accordance with Section 9; and
 - 4. Copy of the Contractor's current Washington State Contractor's Registration.
- B. Upon receipt of the information above, Grant PUD will review and notify the Applicant if their Application has been accepted or rejected.
- C. The List will be updated as changes are made to reflect all additions and deletions.

2. Delisting Procedures

- A. The delisting procedure may be initiated either by a Customer complaint or by a violation discovered during a post-installation inspection.
- B. The Contractor shall inform the Customer that kickbacks, rebates or other non-program benefits from Contractors are prohibited and may be subject to Federal Law.
- C. The Contractor will be notified in writing by Grant PUD of the complaint and asked to resolve the issue directly with the Customer within five working days.

The Customer will be re-contacted by Grant PUD after the initial five-day period to determine if the issue has been resolved. If not resolved, the Customer and the Contractor will be notified in writing by Grant PUD of the time and place of a conciliation conference. Notice of temporary delisting may be given at this time but will be subject to a post-installation inspection that verifies a violation of installation or materials standards.
- D. If a post-installation inspection has not yet been performed on the installation of the affected Customer, one may be performed by Grant PUD before the conciliation conference.
- E. A conciliation conference will be held at an office of Grant PUD or may, at the request of the Customer, be conducted by telephone free of cost for the purpose of resolving any complaints against Contractors.
- F. If the complaint is not resolved in the conciliation conference, a written notice of proposed removal and the grounds of such removal will be given to the Contractor 30 days before the actual date of removal.
- G. The Contractor will be given a 30-day period (concurrent with the notice period) to respond in writing to the allegations in the complaint and will be given access to Grant PUD's inspection records for the installation in question. Failure to respond to the notice will result in automatic delisting.

- H. If, upon review of the written response from the Contractor (if any), Grant PUD determines the complaint is not resolved the Contractor will be removed from the List of Approved Contractors.
- I. If consistent repetition of improper installation occurs two times, a third occurrence may result in immediate delisting. Written notice will be provided.

3. Reinstatement

- A. Contractors delisted may be reinstated by agreeing to comply with the Listing requirements in Section 1 of this Exhibit and if all complaints against the Contractor which resulted in delisting are resolved and notification of satisfactory resolution is received in writing from affected Customer(s).

Resolution of complaints and/or claims of damages resulting from a judgment against the Contractor in a court of law will not necessarily result in reinstatement. Cases resolved in this manner will be reviewed by Grant PUD to determine if the Contractor should be reinstated to the List of Approved Contractors on a case-by-case basis.

- B. Each Contractor proposed for removal from the List will have the opportunity to file a complaint through and participate in the redress proceeding involving small claims or justice courts for the purpose of protesting such removal.