SERVICES/INDEPENDENT CONTRACTOR AGREEMENT

SA No. 14 - 179

1. PARTIES
Public Utility District No. 1 of Chelan County, Washington (hereinafter "District") has retained the Bureau of Reclamation (hereinafter "Contractor"), a government agency in the State of Colorado, to perform services for the District pursuant to the following terms and conditions of this Services/Independent Contractor Agreement ("Agreement"). Reclamation's authority for entering into this agreement is the Intergovernmental Cooperation Act.

2. DEFINITIONS
Acceptance: Notice from District to Contractor that a Deliverable or Service has been completed in accordance with this Agreement.
Deficient or Deficiency: A failure of a Deliverable or an omission, defect or deficiency in a Deliverable, which causes it not to conform to its Specifications, documentation or this Agreement to the District's satisfaction.
Deliverables: Contractor's products which result from the Services and which are prepared for District (either independently or in concert with District or third parties) during the course of Contractor's performance under this Agreement.
Specifications: The technical and other written specifications, directions and Deliverables that define the requirements between District and the Contractor.

3. SCOPE OF SERVICES AND DELIVERABLES
The Services to be performed and the Deliverables to be provided by the Contractor are described in the Scope of Services attached as Exhibit A and by this reference herein incorporated. District shall have the right to review and test the Deliverables following Contractor's delivery of each to District to determine whether the Deliverables conform to the requirements of the Agreement and to District's satisfaction. The District may either: a) Reject a Deliverable if it is Deficient or contains a Deficiency, or b) Accept each Deliverable ("Acceptance"). If the District rejects the Deliverables, Contractor shall, at District's request, promptly correct all such Deficiencies and, thereafter, District shall again have the opportunity to review and test the Deliverables. If Contractor is not able to correct all Deficiencies in the Deliverables within thirty (30) days following their receipt by District, District shall have the right to terminate this Agreement, which termination shall be deemed due to Contractor's default.

4. PAYMENT
In no event shall the total amount of compensation to be paid by the District for said services, including all fees and costs incurred by the Contractor in the performance of this Agreement, exceed $45,000, without prior written approval by the District. Due to Federal requirements, Contractor may not perform any work for which the District has not provided payment in advance. Contractor shall invoice the District for $45,000 after execution of the Agreement. After payment of this amount has been made by District to Contractor, Contractor shall provide to the District Project Leader for review a monthly statement and reconciliation of the District's account, showing detailed information on hours worked by each Contractor employee under this Agreement, as well as a listing of expenses (with receipts if required pursuant to Exhibit A) incurred in the previous month, with the remaining balance of unused funds reflected. All unused funds paid to Contractor shall be returned to District with the final account reconciliation, no later than 60 days after completion of all work.
A rate schedule is included in Exhibit A. The same may be modified only in writing executed by both parties. The Contractor shall charge only reasonable expenses. For example, air travel shall be coach fare only.

5. RELATIONSHIP OF PARTIES
The parties intend that an independent contractor relationship will be created by this Agreement. The conduct and control of the Services and safety measures required by the Services lie solely with the Contractor. The Contractor is not to be considered an agent or employee of the District for any purpose and the Contractor is not entitled to any of the benefits that the District provides for the District's employees. It is understood that the Contractor is free to contract for similar services to be performed for other parties while it is under contract with the District, provided that any services for others does not prevent the Contractor from fulfilling all the Contractor's obligations pursuant to this Agreement.

Contractor, as an independent contractor, understands and acknowledges that it is not entitled and does not desire to be covered by any payroll taxes or other fringe benefits. Contractor agrees to pay its own social security taxes, income taxes and other health insurance benefits.

6. DURATION AND TERMINATION
The Agreement becomes effective upon signature by both parties and receipt of funds by Contractor and is to be completed by December 31, 2015. The Agreement may not be modified or amended except in writing by formal modification or change order executed by both parties. The Agreement shall be terminated by any of the following events: (a) death or dissolution of the Contractor, (b) failure by Contractor to comply with any applicable laws or District policies (c) mutual agreement of the parties, (d) District giving the Contractor not less than fifteen (15) days written notice of termination, (e) failure of Contractor to cure any material breach within seven (7) days of receipt of written notice from the District. The District may at any time stop performance of Services without terminating the Agreement. Otherwise, this Agreement shall remain in force until the Services contemplated hereunder are completed to the satisfaction of the District. Contractor shall be paid for all costs incurred up to termination.

8. CONDITIONS OF SERVICES AND NON-INTERFERENCE
The Contractor has informed itself fully of all conditions relating to the Services to be provided. Insofar as possible the Contractor must employ such methods or means as will not cause any interruption of or interference with the work of the District or any other contractor.

9. INSURANCE
As an agency of the United States Government, the Contractor is self-insured.

10. STANDARD OF PERFORMANCE
Contractor will perform the Services with the level of skill, care and diligence normally provided by and expected of persons performing services similar to and like those to be performed pursuant to this Agreement. Contractor understands and acknowledges that the District will be relying upon the accuracy, competence and credibility and the completeness of the Services to be provided hereunder. All personnel shall be fully qualified and authorized to perform the Services.

11. WORK PRODUCT
All data, designs, drawings, calculations, information obtained, materials information and the results of all Services performed by Contractor hereunder shall be considered work for hire and
shall become the property of the District upon completion of the Services provided and shall be delivered to the District upon completion of the work. Work product and results cannot be used to imply endorsement by the Bureau of Reclamation or the United States Government, and cannot be used for advertising or commercial purposes.

12. COPYRIGHT
No reports, maps, plans, specifications or other documents produced in whole or in part under this contract shall be the subject of an application for copyright by or on behalf of the Contractor, or shall be deemed to be copyrighted by virtue of preparation by an engineer or architect or by virtue of any placement of a professional stamp on such reports, maps, plans, specifications or other documents, including but not limited to engineers' and architects' stamps.

13. DISCLOSURE OF CONFIDENTIAL INFORMATION
Contractor shall not divulge to any third parties any information, which is not otherwise publicly available, obtained from or through the District or developed hereunder without first obtaining approval from the District or its designated representative. Contractor shall supply all Deliverables provided hereunder in draft report form to the District for review and comment before any reports are finalized or distributed to any third Parties.

14. SAFETY
The Contractor and any subcontractors shall take all safety precautions necessary for the prevention of accidents, and shall, at a minimum, comply with all laws and regulations with regard to this matter.

15. ASSIGNMENT/SUBCONTRACT
The Contractor shall not assign this Agreement or any part thereof or subcontract any services without the advanced written approval of the District.

16. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS, RULES AND DISTRICT POLICIES
Contractor shall comply with all applicable federal, state and local laws and regulations, all of which are deemed to be incorporated into this Contract as if fully set forth. Additionally, Contractor shall comply with the District’s Security policies and Violence in the Workplace policy, copies of which will be provided to Contractor upon request.

17. APPLICABLE LAW AND ATTORNEY FEES
This Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to Federal laws and the laws of the State of Washington and the rights and obligations of District and Contractor shall be governed by the applicable state or federal law. As an agency of the Federal Government, Reclamation is governed by the Federal Tort Claims Act.

The parties hereby incorporate the requirements of 41 C.F.R. §§ 60-1.4(a)(7), 29 C.F.R. Part 471, Appendix A to Subpart A, 41 C.F.R. § 60-300.5(a)ii and 41 C.F.R. § 60-741.5(a), if applicable.

a. This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and
subcontractors to employ and advance in employment qualified protected veterans.

b. This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities. [60-741.5(d)]

18. ENTIRE AGREEMENT
This instrument and any exhibits hereto contain the entire and final Agreement of the Parties.

19 WAIVER OF BREACH
The waiver by either party of the breach of any provision of this Agreement by the other party must be in writing and shall not operate or be construed as a waiver of any subsequent breach by such other party.

20. NOTICES
Any notices shall be effective as personally served upon the other party or if mailed by registered or certified mail, return receipt requested, to the following addresses:

**Chelan County PUD**
Attn: Steve Wiest
P. O. Box 1231
327 N. Wenatchee Avenue
Wenatchee, WA 98807
Phone: (509) 661-4268
Fax: (509) 661-8122

**Bureau of Reclamation**
Attn: Dianne Parson
PO Box 25007, Attn: 86-68010
Sixth Avenue at Kipling Street, Bldg. 67
Denver, Colorado 80225-0007
Phone: (303) 445-2302
Fax: (303) 445-6356
21. AUTHORIZED SIGNATURES
Each individual executing this Agreement warrants he or she is fully authorized to bind his or her principal to the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the 2nd day of December 2014

BUREAU OF RECLAMATION
By
Richard LaFond
Chief, Civil Engineering Services Division

PUBLIC UTILITY DISTRICT NO. 1
OF CHELAN COUNTY
By
Brett Bickford
Engineering Services Manager

Remit to address (if different from above)

Contractor's Tax Identification Number: 04069438
SA NO. 14 - 179
EXHIBIT A - SCOPE OF SERVICES, RATES AND PROJECT LEADERS

The Contractor executed Services/Independent Contractor Agreement dated the day of ___________ 2014. Pursuant to the Agreement, the Contractor agrees to perform the Services described below at the hourly rates or price set forth below:

1. PROJECT DESCRIPTION

The Contractor agrees to perform the following Services:

1. Review of District proposed repair materials and methods -- The Contractor will work with the District staff to select concrete repair materials and installation methods.
2. Review evaluation test results for concrete materials - The Contractor will support District staff with evaluation of laboratory materials testing from concrete trial mixes and test placements and provide recommendations for improved material performance as necessary.
3. Inspection Support -- The Contractor will provide field inspection support and training of field inspectors for proper concrete repair methods, as requested by the District.

The Services described herein shall commence upon execution of this Service Agreement and be completed by December 31, 2015.

The project to be performed and the Deliverables to be delivered are described as follows:

2. Review of concrete trial mixes and laboratory test reports. Provide recommendations as necessary for trial mix adjustments to improve concrete material performance.
3. Field support for construction inspection staff and inspector training as requested by the District.
4. A monthly accounting shall be submitted within 30 days after the end of each month for work performed in the previous month. This monthly accounting shall provide the hours and allowable expenses incurred.

2. HOURLY BILLING RATES.

The Contractor shall perform the project described above and account for all time and allowable expenses on a monthly basis per the rates provided in Table 1. The billing rates shall include employee salary, benefits, federal and state withholdings, overhead costs, general and administrative costs.

(Rest of page left blank intentionally)
Table 1 – Billing Rates

<table>
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<tr>
<th>Name</th>
<th>Grade</th>
<th>Billing Rate (FY2015 – 10/1/14 to 9/30/15)</th>
<th>Billing Rate (FY2016 – 10/1/15 to 9/30/16)</th>
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<tr>
<td>Scott Keim</td>
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<td>$108 per hour</td>
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<td>Weston Joy</td>
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<td>Bret Roberston</td>
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<td>Matthew Klein</td>
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<tr>
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<td>Veronica Madera</td>
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<tr>
<td>Janet White</td>
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<td>$131 per hour</td>
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<tr>
<td>Kurt Von Fay</td>
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<td>$131 per hour</td>
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<tr>
<td>Katie Bartojay</td>
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<tr>
<td>Processing Fee:</td>
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<td>$720.00 – One Time Fee</td>
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</tbody>
</table>

3. **TRAVEL, LODGING, MEALS**

The District shall be advised of and shall authorize travel, if required, prior to occurrence. The following are District guidelines for billing said expenses:

Contractor shall use District negotiated rates for lodging, and the per diem rates for mileage and meals as listed below:

The District has negotiated rates, for District business only, at the following hotels: The Coast Wenatchee Center Hotel (509) 662-1234, La Quinta Inns and Suites (509) 664-6585, Red Lion Hotel (509) 663-0711, and SpringHill Marriott Suites (509) 667-2775. When making reservations, request the Chelan County PUD discount rates. Applicable taxes apply to all rates. If staying at an alternate location, the reimbursement rates shall be determined by the Washington State Office of Financial Management. ([http://www.ofm.wa.gov/resources/travel.asp](http://www.ofm.wa.gov/resources/travel.asp)).

Meals reimbursement rates shall also be determined by the Washington State Office of Financial Management ([http://www.ofm.wa.gov/resources/travel.asp](http://www.ofm.wa.gov/resources/travel.asp)).

Mileage shall be reimbursed on a per mile basis for travel to and from the Contractor’s primary place of business to the District and other locations as necessary to perform the services. Mileage reimbursement rates shall be based on the Federal Travel Regulations. Vehicle rentals shall be reimbursed at cost with receipts.

The Contractor shall charge only reasonable expenses. For example, air travel shall be coach fare only. Detailed receipts shall be submitted by the Contractor for all non-per diem expenses greater than $25.00.

3. **PROJECT LEADERS.**

The District’s Project Leader is Steve Wiest, who may be reached by phone at 509-661-4268, by fax at (509) 661-8122, and by email at steve.wiest@chelanpud.org.

The Contractor’s Project Leader is Janet White, who may be reached by phone at 303-445-2373, fax at (303) 445-6356, and by email at jwhite@usbr.gov.