

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Marina District Pedestrian Enhancement and Utility Undergrounding Project - Authorization and PSE Schedule 74 Agreement Addendum Change Order

FOR AGENDA OF: December 9, 2021

DEPT. OF ORIGIN: Public Works

DATE SUBMITTED: December 2, 2021


ATTACHMENTS:

- 1. Schedule 74 Underground Conversion – Project Construction Change Order
- 2. Schedule 74 Underground Conversion – Project Construction Agreement with PSE
- 3. 2021 CIP Downtown Alley Improvement Project Worksheet

CLEARANCES:

- Community Development N/A
- Marina N/A
- Parks, Recreation & Senior Services N/A
- Public Works /s/ AM

CHIEF OPERATIONS OFFICER: 

- Legal /s/TG
- Finance 
- Courts N/A
- Police N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL: 

Purpose and Recommendation

The purpose of this agenda item is to seek City Council approval of construction change order to Phase 1 of the Marina District Pedestrian Enhancement project alleyway between 7th Avenue South and Marine View Drive between the cross streets of South 223rd St and South 226th St. The following motion will appear on the Consent Calendar:

Suggested Motion

Motion: “I move to approve the Construction Change Order with Puget Sound Energy for the undergrounding of the distribution system and joint utility trench for the aerial utilities and surface restoration, in accordance with the Schedule 74 Underground Conversion Project Construction Agreement, and authorize the City Manager to sign the Change Order substantially in the form as submitted.”

Background

In the Marina District, a 20 foot wide right-of-way runs from South 227th Street to South 219th Street between 7th Ave South and Marine View Drive. This multi-block alleyway has portions that are paved and portions that are unpaved with gravel surfacing. The City has long envisioned a more pedestrian friendly environment with a focus on activating the alley and providing pedestrian connectivity from the Marina to the businesses and services on 7th Ave South and Marine View Drive South. The east west connections from Marine View Drive to the Marina are limited to South 227th and South 223rd Streets. Due to the high traffic volumes on Marine View Drive, the parallel alleyway has been viewed as an ideal pedestrian corridor with potential economic benefits to area businesses. The alley improvements are also a key component of future Marina re-development through enhancement of pedestrian circulation.

In addition to portions of the multi-block alleyway that are unpaved (between South 227th and South 223rd) there are seven (7) PSE owned utility poles. These utility poles present obstacles within the alleyway from a pedestrian perspective as the right-of-way is shared for all transportation modes as well as delivery and service vehicles.

In July of 2016 the City Council approved the 2017 – 2022 Capital Improvement Plan which acknowledged the downtown alley pedestrian improvement need and created a capital project with the intent for design to occur in 2017 and construction in 2018. However, due to record levels of development activity in 2017, this project was not started. In July of 2017, the City Council approved the 2018 – 2023 Capital Improvement Plan, again providing for funding of a “Downtown Alley Improvement” with design pushed to 2019 and construction occurring in 2020 in order to better reflect staffing resource capacity and priorities in the near term.

With the increased economic development planning efforts in the Marina becoming a more focused priority, the City was able to secure a grant from the Port of Seattle to fund an initial Marina floor re-development study in the fall of 2017. This study identified pedestrian circulation, including the alley, as a vital element of the Marina re-development. Along with the increased development activity in the downtown, including the Adrianna Senior Housing development, the Des Moines Theater Redevelopment, the Seascape Development, and other projects near the core of this alleyway, staff began to look at advancing the Downtown Alley Project to begin design in late 2017/early 2018 to better coincide with the soon to be realized pedestrian activity associated with the development pipeline.

A meeting was held with PSE to discuss options for project delivery in August 2017 at which the idea of PSE taking the design and construction lead for the joint utility trench and siting of pad mounted transformers was discussed. Since the current City staff resources are at capacity, utilizing PSE as the design and construction lead allowed for project advancement in 2018 versus 2019/2020. The City Manager proposed budget and subsequent adopted City Council budget for 2018 acknowledged this potential project advancement strategy and allocated funding for design and construction in 2018 utilizing the Adrianna sidewalk sale proceeds, and One-Time Sales Tax to fund the improvements.

In early 2018 the City Council approved a design agreement with PSE that involves the full alleyway from South 227th to South 223rd. The design has now been completed. Originally it was assumed that the undergrounding construction would take place in two phases, however, due to the economy of scale, constructing the undergrounding in a single project is now recommended. The current budgeted allocation in the CIP is enough to fund the entire undergrounding in one project from South 226th Street to South 223rd St. Under the Schedule 74 Agreement (Attachment 2), PSE constructed the undergrounding of the existing aerial electrical lines and provided the space for the other aerial utilities

(Comcast and Lumen (formerly CenturyLink) to reside in the joint trench. PSE will need the other aerial utilities to meet PSE's installation schedule.

Discussion

During the past twenty four months plus, the Alley Undergrounding project has experienced several delays due to conversion issues, coordination issues with Comcast and Lumen, and most significantly the impacts of COVID-19 to construction timelines and cost. In addition, in order to address private property impacts, City staff has extended the previous paving limits so that a portion of the existing alley between South 225th Street and South 226th Street which was previously gravel can be paved during the final surface restoration activities. Construction costs have also increased beyond the initial cost estimate due to inflationary pressures, and the City is responsible for those increased costs per our agreement with PSE. These cost and scope increases have added \$163,223 to the project and the need for a Construction Change Order (Attachment 1). It is anticipated that the final restoration work will be completed in December, weather dependent.

Alternatives

None.

Financial Impact

Anticipated project expenditures are accounted for in the updated Downtown Alley Improvement project worksheet (Attachment 3) which will additionally require a budget amendment at a future Council meeting.

Recommendation

Staff recommends Council adoption of the suggested motion.

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CHANGE ORDER #

To: City of Des Moines

Date: 10/22/2021

Project Number: 101108874

Attn: Bradon Carver

Project Manager: Gary Bradley

Project: 223rd to 226th Alley Restoration

Description of work: Original scope: Included lie kind surface restoration of trench Path only. (i.e. gravel for gravel, asphalt for asphalt, etc)

Requested scope additions:

- ADA upgrade of concrete alley entrance/approaches at 4 separate locations
- Grind and overlay existing asphalt alley section between 223rd and 225th
- New Asphalt paving of existing gravel alley between 225th and 226th
- o Requested paving profile requires custom paving equipment to produce require storm water runoff
- Previous budget for hard surface restoration has been used

Item	Amount	Comments
Company		
Labor	\$ 45,970	
Materials	\$ 32,813	
Equipment	\$ 28,212	
Inspection	\$ -	
Flagging	\$ 8,550	Includes State Sales Tax
Operating Rights	\$ -	
Overhead	\$ 45,811	
PSE Project Management	\$ 1,867	
Federal Income Tax	\$ 17,281	
Company Total	\$ 163,223	
Government Entity		
Labor	\$ -	
Operating Rights	\$ -	
Government Entity Total	\$ -	
Total Revision to Estimate	\$ 163,223	

Allocation of Revision Total

Company	0%	\$ -
Government Entity	100%	\$ 163,223

Total Revision **\$ 163,223**

Note: This Cost Estimate Revision will be effective only when signed by both parties:

Puget Sound Energy

City of

Signed: _____
 Title: _____
 Date: _____

Signed: _____
 Title: _____
 Date: _____

(Please sign and return one copy)

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SCHEDULE 74 UNDERGROUND CONVERSION
Project Construction Agreement

Project Name: Des Moines Alley – Sch74 Conversion

Project Number: 101108874

THIS Agreement, dated as of this _____ day of _____, 2019__, is made by and between __The City of Des Moines__, a _Municipal Corporation____ (the "Government Entity"), and PUGET SOUND ENERGY, Inc., a Washington Corporation (the "Company").

RECITALS

A. The Company is a public service company engaged in the sale and distribution of electric energy, and pursuant to its franchise or other rights from the Government Entity, currently locates its electric distribution facilities within the jurisdictional boundaries of the Government Entity.

B. The Government Entity has determined that it is necessary to replace the existing overhead electric distribution system within the area specified in the Project Plan (as defined below) (the "Conversion Area") with a comparable underground electric distribution system, all as more specifically described in the Project Plan (the "Conversion Project").

C. The Government Entity and the Company have previously entered into a Project Design Agreement dated as of _November 11th, 2017_ (the "Design Agreement"), pursuant to which the parties completed certain engineering design, cost assessment, operating rights planning and other preliminary work relating to the Conversion Project and, in connection with that effort, developed the Project Plan.

D. The Government Entity and the Company wish to execute this written contract in accordance with Schedule 74 of the Company's Electric Tariff G ("Schedule 74") to govern the completion of the Conversion Project, which both parties intend shall qualify as an underground conversion under the terms of Schedule 74.

AGREEMENT

The Government Entity and the Company therefore agree as follows:

1. Definitions.

(a) Unless specifically defined otherwise herein, all terms defined in Schedule 74 shall have the same meanings when used in this Agreement, including, without limitation, the following:

- i) Cost of Conversion;
- ii) Public Thoroughfare;
- iii) Temporary Service;
- iv) Trenching and Restoration;
- v) Underground Distribution System; and
- vi) Underground Service Lines.

(b) "Company-Initiated Upgrade" shall mean any feature of the Underground Distribution System which is required by the Company and is not reasonably required to make the Underground Distribution System comparable to the overhead distribution system being replaced. For purposes of the foregoing, a "comparable" system shall include, unless the Parties otherwise agree, the number of empty ducts (not to exceed two (2), typically having a diameter of 6" or less)

of such diameter and number as may be specified and agreed upon in the Project Plan necessary to replicate the load-carrying capacity (system amperage class) of the overhead system being replaced.

- (c) "Estimated Reimbursable Private Conversion Costs" shall mean the Company's good faith estimate of the Reimbursable Private Conversion Costs, as specified in the Project Plan and as changed and adjusted from time to time in accordance with Section 6, below.
- (d) "Estimated Reimbursable Temporary Service Costs" shall mean the Company's good faith estimate of the Reimbursable Temporary Service Costs, as specified in the Project Plan and as changed and adjusted from time to time in accordance with Section 6, below.
- (e) "Estimated Reimbursable Upgrade Costs" shall mean the Company's good faith estimate of the Reimbursable Upgrade Costs, as specified in the Project Plan and as changed and adjusted from time to time in accordance with Section 6, below.
- (f) "Estimated Shared Company Costs" shall mean the Company's good faith estimate of the Shared Company Costs, as specified in the Project Plan and as changed and adjusted from time to time in accordance with Section 6, below.
- (g) "Estimated Shared Government Costs" shall mean the Government Entity's good faith estimate of the Shared Government Costs, as specified in the Project Plan and as changed and adjusted from time to time in accordance with Section 6, below.
- (h) "Government-Requested Upgrade" shall mean any feature of the Underground Distribution System which is requested by the Government Entity and is not reasonably required to make the Underground Distribution System comparable to the overhead distribution system being replaced. For purposes of the foregoing, any empty ducts installed at the request of the Government Entity shall be a Government-Requested Upgrade.
- (i) "Party" shall mean either the Company, the Government Entity, or both.
- (j) "Private Property Conversion" shall mean that portion, if any, of the Conversion Project for which the existing overhead electric distribution system is located, as of the date determined in accordance with Schedule 74, (i) outside of the Public Thoroughfare, or (ii) pursuant to rights not derived from a franchise previously granted by the Government Entity or pursuant to rights not otherwise previously granted by the Government Entity.
- (k) "Project Plan" shall mean the project plan developed by the Parties under the Design Agreement and attached hereto as Exhibit A, as the same may be changed and amended from time to time in accordance with Section 6, below. The Project Plan includes, among other things, (i) a detailed description of the Work that is required to be performed by each Party and any third party, (ii) the applicable requirements and specifications for the Work, (iii) a description of the Operating Rights that are required to be obtained by each Party for the Conversion Project (and the requirements and specifications with respect thereto), (iv) an itemization and summary of the Estimated Shared Company Costs, Estimated Shared Government Costs, Estimated Reimbursable Private Conversion Costs (if any), Estimated Reimbursable Temporary Service Costs (if any) and Estimated Reimbursable Upgrade Costs (if any), and (v) the Work Schedule.
- (l) "Operating Rights" shall mean sufficient space and legal rights for the construction, operation, repair, and maintenance of the Underground Distribution System.
- (m) "Reimbursable Private Conversion Costs" shall mean (i) all Costs of Conversion, if any, incurred by the Company which are attributable to a Private Property Conversion, less (ii) the distribution pole replacement costs (if any) that would be avoided by the Company on account of such Private Property Conversion, as determined consistent with the applicable Company distribution facilities

replacement program, plus (iii) just compensation as provided by law for the Company's interests in real property on which such existing overhead distribution system was located prior to conversion; provided that the portion of the Reimbursable Private Conversion Costs attributable to the Costs of Conversion under subparagraph (i) of this paragraph shall not exceed the Estimated Reimbursable Private Conversion Costs without the prior written authorization of the Government Entity.

- (n) "Reimbursable Temporary Service Costs" shall mean all costs incurred by the Company which are attributable to (i) any facilities installed as part of the Conversion Project to provide Temporary Service, as provided for in Schedule 74, and (ii) the removal of any facilities installed to provide Temporary Service (less salvage value of removed equipment); provided that the Reimbursable Temporary Service Costs shall not exceed the Estimated Reimbursable Temporary Service Costs without the prior written authorization of the Government Entity.
- (o) "Reimbursable Upgrade Costs" shall mean all Costs of Conversion incurred by the Company which are attributable to any Government-Requested Upgrade; provided that the Reimbursable Upgrade Costs shall not exceed the Estimated Reimbursable Upgrade Costs without the prior written authorization of the Government Entity.
- (p) "Shared Company Costs" shall mean all Costs of Conversion (other than Reimbursable Upgrade Costs, Reimbursable Private Conversion Costs and Reimbursable Temporary Service Costs) incurred by the Company in connection with the Conversion Project; provided, however, that the Shared Company Costs shall not exceed the Estimated Shared Company Costs without the prior written authorization of the Government Entity. For the avoidance of doubt, the "Shared Company Costs" shall, as and to the extent specified in the Design Agreement, include the actual, reasonable costs to the Company for the "Design Work" performed by the Company under the Design Agreement.
- (q) "Shared Government Costs" shall mean all Costs of Conversion incurred by the Government Entity in connection with (i) any duct and vault installation Work which the Parties have specified in the Project Plan is to be performed by the Government Entity as part of the Government Work, and (ii) the acquisition of any Operating Rights which the Parties have, by mutual agreement, specified in the Project Plan are to be obtained by the Government Entity for the Conversion Project, but only to the extent attributable to that portion of such Operating Rights which is necessary to accommodate the facilities of the Company; provided, however, that the Shared Government Costs shall not exceed the Estimated Shared Government Costs without the prior written authorization of the Company.
- (r) "Total Shared Costs" shall mean the sum of the Shared Company Costs and the Shared Government Costs. For the avoidance of doubt, the Total Shared Costs shall not include, without limitation, (i) costs to the Government Entity for Trenching and Restoration, or (ii) costs associated with any joint use of trenches by other utilities as permitted under Section 3(b).
- (s) "Work" shall mean all work to be performed in connection with the Conversion Project, as more specifically described in the Project Plan, including, without limitation, the Company Work (as defined in Section 2(a), below) and the Government Work (as defined in Section 3(a), below).
- (t) "Work Schedule" shall mean the schedule specified in the Project Plan which sets forth the milestones for completing the Work, as the same may be changed and amended from time to time in accordance with Section 6, below.

2. Obligations of the Company.

- (a) Subject to the terms and conditions of this Agreement, the Company shall do the following as specified in, and in accordance with the design and construction specifications and other requirements set forth in, the Project Plan (the "Company Work"):

- i) furnish and install an Underground Distribution System within the Conversion Area (excluding any duct and vault installation or other Work which the Parties have specified in the Project Plan is to be performed by the Government Entity);
 - ii) provide a Company inspector on-site at the times specified in the Work Schedule to inspect the performance of any duct and vault installation Work which the Parties have specified in the Project Plan is to be performed by the Government Entity; and
 - iii) upon connection of those persons or entities to be served by the Underground Distribution System and removal of facilities of any other utilities that are connected to the poles of the overhead system, remove the existing overhead system (including associated wires and Company-owned poles) of 15,000 volts or less within the Conversion Area except for Temporary Services.
 - (b) Upon request of the Government Entity, the Company shall provide periodic reports of the progress of the Company Work identifying (i) the Company Work completed to date, (ii) the Company Work yet to be completed, and (iii) an estimate regarding whether the Conversion Project is on target with respect to the Estimated Shared Company Costs, the Estimated Reimbursable Private Conversion Costs (if any), the Estimated Reimbursable Temporary Service Costs (if any), the Estimated Reimbursable Upgrade Costs (if any) and the Work Schedule.
 - (c) Except as otherwise provided in the Company's Electric Tariff G, the Company shall own, operate and maintain all electrical facilities installed pursuant to this Agreement including, but not limited to, the Underground Distribution System and Underground Service Lines.
 - (d) Subject to the terms and conditions of this Agreement, the Company shall perform all Company Work in accordance with the Project Plan, the Work Schedule and this Agreement.
3. Obligations of the Government Entity.
- (a) Subject to the terms and conditions of this Agreement, the Government Entity shall do the following as specified in, and in accordance with the design and construction specifications and other requirements set forth in, the Project Plan (the "Government Work"):
 - i) provide the Trenching and Restoration;
 - ii) perform the surveying for alignment and grades for ducts and vaults; and
 - iii) perform any duct and vault installation and other Work which the Parties have specified in the Project Plan is to be performed by the Government Entity.
 - (b) Other utilities may be permitted by the Government Entity to use the trenches provided by the Government Entity for the installation of their facilities so long as such facilities or the installation thereof do not interfere (as determined pursuant to the Company's electrical standards) with the Underground Distribution System or the installation or maintenance thereof. Any such use of the trenches by other utilities shall be done subject to and in accordance with the joint trench design specifications and installation drawings set forth or otherwise identified in the Project Plan, and the Government Entity shall be responsible for the coordination of the design and installation of the facilities of the other utilities to ensure compliance with such specifications and drawings.
 - (c) Upon request of the Company, the Government Entity shall provide periodic reports of the progress of the Government Work identifying (i) the Government Work completed to date, (ii) the Government Work yet to be completed, and (iii) an estimate regarding whether the Conversion Project is on target with respect to the Estimated Shared Government Costs and the Work Schedule.
 - (d) The Government Entity shall be responsible for coordinating all work to be performed in connection with the street improvement program within the Conversion Area.

- (e) Subject to the terms and conditions of this Agreement, the Government Entity shall perform all Government Work in accordance with the Project Plan, the Work Schedule and this Agreement.

4. Work Schedule.

- (a) The Government Entity and the Company have agreed upon the Work Schedule as set forth in the Project Plan. Changes to the Work Schedule shall be made only in accordance with Section 6, below.
- (b) Promptly following the execution of this Agreement, and upon completion by the Government Entity of any necessary preliminary work, the Government Entity shall hold a pre-construction meeting involving all participants in the Conversion Project to review project design, coordination requirements, work sequencing and related pre-mobilization requirements. Following the pre-construction meeting, the Government Entity shall give the Company written notice to proceed with the Work at least ten (10) business days prior to the commencement date specified in the Work Schedule.
- (c) Subject to the terms and conditions of this Agreement, each Party shall perform the Work assigned to it under this Agreement in accordance with the Work Schedule. So long as the Company performs the Company Work in accordance with the Work Schedule, the Company shall not be liable to the Government Entity (or its agents, servants, employees, contractors, subcontractors, or representatives) for any claims, actions, damages, or liability asserted or arising out of delays in the Work Schedule.

5. Location of Facilities.

All facilities of the Company installed within the Conversion Area pursuant to this Agreement shall be located, and all related Operating Rights shall be obtained, in the manner set forth in the applicable provisions of Schedule 74, as specified by the Parties in the Project Plan.

6. Changes.

- (a) Either Party may, at any time, by written notice thereof to the other Party, request changes in the Work within the general scope of this Agreement (a "Request for Change"), including, but not limited to: (i) changes in, substitutions for, additions to or deletions of any Work; (ii) changes in the specifications, drawings and other requirements in the Project Plan, (iii) changes in the Work Schedule, and (iv) changes in the location, alignment, dimensions or design of items included in the Work. No Request for Change shall be effective and binding upon the Parties unless signed by an authorized representative of each Party.
- (b) If any change included in an approved Request for Change would cause a change in the cost of, or the time required for, the performance of any part of the Work, an equitable adjustment shall be made in the Estimated Shared Company Costs, the Estimated Shared Government Costs, the Estimated Reimbursable Private Conversion Costs (if any), the Estimated Reimbursable Temporary Service Costs (if any), the Estimated Reimbursable Upgrade Costs (if any) and/or the Work Schedule to reflect such change. The Parties shall negotiate in good faith with the objective of agreeing in writing on a mutually acceptable equitable adjustment. If the Parties are unable to agree upon the terms of the equitable adjustment, either Party may submit the matter for resolution pursuant to the dispute resolution provisions in Section 10, below.
- (c) The Work Schedule, the Estimated Shared Company Costs, the Estimated Shared Government Costs, the Estimated Reimbursable Private Conversion Costs, the Estimated Reimbursable Temporary Service Costs and/or the Estimated Reimbursable Upgrade Costs shall be further equitably adjusted from time to time to reflect any change in the costs or time required to perform the Work to the extent such change is caused by: (i) any Force Majeure Event under Section 11, below, (ii) the discovery of any condition within the Conversion Area which affects the scope, cost,

schedule or other aspect of the Work and was not known by or disclosed to the affected Party prior to the date of this Agreement, or (iii) any change or inaccuracy in any assumptions regarding the scope, cost, schedule or other aspect of the Work which are expressly identified by the Parties in the Project Plan. Upon the request of either Party, the Parties will negotiate in good faith with the objective of agreeing in writing on a mutually acceptable equitable adjustment. If, at any time thereafter, the Parties are unable to agree upon the terms of the equitable adjustment, either Party may submit the matter for resolution pursuant to the dispute resolution provisions in Section 10, below.

- (d) Notwithstanding any dispute or delay in reaching agreement or arriving at a mutually acceptable equitable adjustment, each Party shall, if requested by the other Party, proceed with the Work in accordance with any approved Request for Change. Any request to proceed hereunder must be accompanied by a written statement setting forth the requesting Party's reasons for rejecting the proposed equitable adjustment of the other Party.

7. Compensation and Payment.

- (a) Subject to and in accordance with the terms and conditions of this Agreement (including, without limitation, the payment procedures set forth in this Section 7), payment in connection with the Conversion Project and this Agreement shall be as follows:
 - i) The Total Shared Costs shall be allocated to the Parties in the following percentages: (A) sixty percent (60%) to the Company, and (B) forty percent (40%) to the Government Entity.
 - ii) The Government Entity shall pay one hundred percent (100%) of all Reimbursable Private Conversion Costs, if any.
 - iii) The Government Entity shall pay one hundred percent (100%) of all Reimbursable Upgrade Costs, if any.
 - iv) The Government Entity shall pay one hundred percent (100%) of all Reimbursable Temporary Service Costs, if any.
 - v) The Government Entity shall pay one hundred percent (100%) of the costs it incurs to perform that portion of the Government Work specified in Section 3(a)(i) and (ii) (i.e., Trenching and Restoration and surveying).
 - vi) The Company shall pay one hundred percent (100%) of the costs it incurs to design, provide and construct any Company-Initiated Upgrade.
 - vii) The Company shall pay one hundred percent (100%) of the costs it incurs to obtain Operating Rights outside the Public Thoroughfare.
- (b) Based on the allocation of responsibilities set forth in Section 7(a), above, the Parties shall determine the net amount payable by the Government Entity or the Company, as applicable, to the other Party under this Agreement (the "Net Amount"). The Net Amount shall be determined by using the amount of the Total Shared Costs allocated to the Government Entity under Section 7(a)(i), and adjusting such amount as follows:
 - i) Subtracting (as a credit to the Government Entity) the amount of the Shared Government Costs.
 - ii) Adding (as a credit to the Company) the amount of all Reimbursable Private Conversion Costs, Reimbursable Upgrade Costs and Reimbursable Temporary Service Costs.
 - iii) Subtracting (as a credit to the Government Entity) any payments previously made to the Company by the Government Entity under the Design Agreement which, under the terms of the Design Agreement, are to be credited to the Government Entity under this Agreement.

The Net Amount, as so calculated, (A) will be an amount payable to the Company if it is a positive number, and (B) shall be an amount payable to the Government Entity if it is a negative number.

- (c) Within sixty (60) business days of completion of the Conversion Project, the Government Entity shall provide the Company with an itemization of the Shared Government Costs (the "Government Itemization"), together with such documentation and information as the Company may reasonably request to verify the Government Itemization. The Government Itemization shall, at a minimum, break down the Shared Government Costs by the following categories, as applicable: (i) property and related costs incurred and/or paid by the Government Entity, including any costs of obtaining Operating Rights, and (ii) construction costs incurred and/or paid by the Government Entity, including and listing separately inspection, labor, materials and equipment, overhead and all costs charged by any agent, contractor or subcontractor of the Government Entity.
- (d) Within thirty (30) business days after the Company's receipt of the Government Itemization and requested documentation and information, the Company shall provide the Government Entity a written statement (the "Company Statement") showing (i) an itemization of the Shared Company Costs, (ii) the Parties' relative share of the Total Shared Costs based on the Company's itemization of the Shared Company Costs and the Government Entity's itemization of the Shared Government Costs set forth in the Government Itemization, (iii) any Reimbursable Private Conversion Costs, (iv) any Reimbursable Upgrade Costs, (v) any Reimbursable Temporary Service Costs, (vi) any credits to the Government Entity for payments previously made to the Company by the Government Entity under the Design Agreement which, under the terms of the Design Agreement, are to be credited to the Government Entity under this Agreement, and (vii) the Net Amount, as determined in accordance with Section 7(b), above, together with such documentation and information as the Government Entity may reasonably request to verify the Company Statement. The itemization of the Shared Company Costs included in the Company Statement shall, at a minimum, break down the Shared Company Costs by the following categories, as applicable: (i) design and engineering costs, and (ii) construction costs, including and listing separately inspection, labor, materials and equipment, overhead and all costs charged by any agent, contractor or subcontractor of the Company.
- (e) Within thirty (30) business days after the Government Entity's receipt of the Company Statement and requested documentation and information, the Net Amount shall be paid by the owing Party to the other Party, as specified in the Company Statement.

8. Indemnification.

- (a) The Government Entity releases and shall defend, indemnify and hold the Company harmless from all claims, losses, harm, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees) caused by or arising out of any negligent act or omission or willful misconduct of the Government Entity in its performance under this Agreement. During the performance of such activities the Government Entity's employees or contractors shall at all times remain employees or contractors, respectively, of the Government Entity.
- (b) The Company releases and shall defend, indemnify and hold the Government Entity harmless from all claims, losses, harm, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees) caused by or arising out of any negligent act or omission or willful misconduct of the Company in its performance under this Agreement. During the performance of such activities the Company's employees or contractors shall at all times remain employees or contractors, respectively, of the Company.
- (c) Solely for purposes of enforcing the indemnification obligations of a Party under this Section 8, each Party expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, and agrees that the obligation to indemnify, defend and hold harmless provided for in this Section 8 extends to any such claim brought against the indemnified Party by or on behalf of any employee of the indemnifying Party. The foregoing waiver shall not in any way preclude the indemnifying Party from raising such immunity as a defense against any claim brought against the indemnifying Party by any of its employees.

9. Conversion of Service to Customers within Conversion Area.

- (a) Upon commencement of the Work, the Government Entity shall notify all persons and entities within the Conversion Area that service lines to such customers must be converted from overhead to underground service within the applicable statutory period following written notice from the Government Entity that service from underground facilities are available in accordance with RCW 35.96.050. Upon the request of any customer, other than a single family residential customer, within the Conversion Area, the Company shall remove the overhead system and connect such persons' and entities' Underground Service Lines to the Underground Distribution System.
- (b) The Parties acknowledge that single family residences within the Conversion Area must (i) provide a service trench and conduit, in accordance with the Company's specifications, from the underground meter base to the point of service provided during the conversion, and (ii) pay for the secondary service conductors as defined in Schedule 85 of the Company's Electric Tariff G. The Government Entity shall exercise its authority to order disconnection and removal of overhead facilities with respect to owners failing to convert service lines from overhead to underground within the timelines provided in RCW 35.96.050.

10. Dispute Resolution.

- (a) Any dispute, disagreement or claim arising out of or concerning this Agreement must first be presented to and considered by the Parties. A Party who wishes dispute resolution shall notify the other Party in writing as to the nature of the dispute. Each Party shall appoint a representative who shall be responsible for representing the Party's interests. The representatives shall exercise good faith efforts to resolve the dispute. Any dispute that is not resolved within ten (10) business days of the date the disagreement was first raised by written notice shall be referred by the Parties' representatives in writing to the senior management of the Parties for resolution. In the event the senior management are unable to resolve the dispute within twenty (20) business days (or such other period as the Parties may agree upon), each Party may pursue resolution of the dispute through other legal means consistent with the terms of this Agreement. All negotiations pursuant to these procedures for the resolution of disputes shall be confidential and shall be treated as compromise and settlement negotiations for purposes of the state and federal rules of evidence.
- (b) Any claim or dispute arising hereunder which relates to any Request for Change or any equitable adjustment under Section 6, above, or the compensation payable by or to either Party under Section 7, above, and which is not resolved by senior management within the time permitted under Section 10(a), above, shall be resolved by arbitration in Seattle, Washington, under the Construction Industry Arbitration Rules of the American Arbitration Association then in effect. The decision(s) of the arbitrator(s) shall be final, conclusive and binding upon the Parties. All other disputes shall be resolved by litigation in any court or governmental agency, as applicable, having jurisdiction over the Parties and the dispute.
- (c) In connection with any arbitration under this Section 10, costs of the arbitrator(s), hearing rooms and other common costs shall be divided equally among the Parties. Each Party shall bear the cost and expense of preparing and presenting its own case (including, but not limited to, its own attorneys' fees); provided, that, in any arbitration, the arbitrator(s) may require, as part of his or her decision, reimbursement of all or a portion of the prevailing Party's costs and expenses (including, but not limited to, reasonable attorneys' fees) by the other Party.
- (d) Unless otherwise agreed by the Parties in writing, the Parties shall continue to perform their respective obligations under this Agreement during the pendency of any dispute.

11. Uncontrollable Forces.

In the event that either Party is prevented or delayed in the performance of any of its obligations under this Agreement by reason beyond its reasonable control (a "Force Majeure Event"), then that Party's performance shall be excused during the Force Majeure Event. Force Majeure Events shall include, without limitation, war; civil disturbance; flood, earthquake or other Act of God; storm, earthquake or other condition which necessitates the mobilization of the personnel of a Party or its contractors to restore utility service to customers; laws, regulations, rules or orders of any governmental agency; sabotage; strikes or similar labor disputes involving personnel of a Party, its contractors or a third party; or any failure or delay in the performance by the other Party, or a third party who is not an employee, agent or contractor of the Party claiming a Force Majeure Event, in connection with the Work or this Agreement. Upon removal or termination of the Force Majeure Event, the Party claiming a Force Majeure Event shall promptly perform the affected obligations in an orderly and expedited manner under this Agreement or procure a substitute for such obligation. The Parties shall use all commercially reasonable efforts to eliminate or minimize any delay caused by a Force Majeure Event.

12. Insurance.

- (a) PSE shall, and shall require each of its contractors to, secure and maintain in force throughout the duration of the Conversion Project (or, if sooner, until termination of this Agreement) comprehensive general liability insurances, with a minimum coverage of \$_1,000,000_ per occurrence and \$_1,000,000_ aggregate for personal injury; and \$_1,000,000_ per occurrence/ aggregate for property damages, and professional liability insurance in the amount of \$_1,000,000_.
- (b) The Government Entity shall ensure that each of its contractors performing any Government Work secures and maintains in force throughout the duration of the Conversion Project (or, if sooner, until termination of this Agreement) insurance policies having the same coverage, amounts and limits as specified Section 12(a), above.
- (c) In lieu of the insurance requirements set forth in Section 12(a), above, the Company may self-insure against such risks in such amounts as are consistent with good utility practice. Upon the Government Entity's request, the Company shall provide the Government Entity with reasonable written evidence that the Company is maintaining such self-insurance.

13. Other.

- (a) Agreement Subject To Tariff. This Agreement is subject to the General Rules and Provisions set forth in Tariff Schedule 80 of the Company's electrical Tariff G and to Schedule 74 of such Tariff as approved by the Washington Utilities and Transportation Commission and in effect as of the date of this Agreement.
- (b) Termination. The Government Entity reserves the right to terminate the Conversion Project and this Agreement upon written notice to the Company. In the event that the Government Entity terminates the Conversion Project and this Agreement, the Government Entity shall reimburse the Company for all costs reasonably incurred by the Company in connection with the Work performed prior to the effective date of termination. In such event, the costs reimbursable to the Company (i) shall not be reduced by any Shared Government Costs or other costs incurred by the Government Entity, and (ii) shall be paid within thirty (30) days after the receipt of the Company's invoice therefor. Sections 1, 5, 7, 8, 9, 10, 11 and 13 shall survive any termination of the Conversion Project and/or this Agreement.
- (c) Facilities Greater Than 15,000 Volts. Nothing in this Agreement shall in any way affect the rights or obligations of the Company under any previous agreements pertaining to the existing or future facilities of greater than 15,000 Volts within the Conversion Area.

- (d) Compliance With Law. The Parties shall, in performing the Work under this Agreement, comply with all applicable federal, state, and local laws, ordinances, and regulations.
- (e) No Discrimination. The Company, with regard to the Work performed by the Company under this Agreement, shall comply with all applicable laws relating to discrimination on the basis race, color, national origin, religion, creed, age, sex, or the presence of any physical or sensory handicap in the selection and retention of employees or procurement of materials or supplies.
- (f) Independent Contractor. The Company and the Government Entity agree that the Company is an independent contractor with respect to the Work and this Agreement. The Company is acting to preserve and protect its facilities and is not acting for the Government Entity in performing the Work. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the Parties. Neither the Company nor any employee of the Company shall be entitled to any benefits accorded employees of the Government Entity by virtue of the Work or this Agreement. The Government Entity shall not be responsible for withholding or otherwise deducting federal income tax or social security or contributing to the State Industrial Insurance Program, or otherwise assuming the duties of an employer with respect to the Company, or any employee of the Company.
- (g) Nonwaiver of Rights or Remedies. No failure or delay of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any other right under this Agreement, and no course of dealing or performance with respect thereto, shall, except to the extent provided in this Agreement, be construed as a waiver or, or choice of, or relinquishment of any right under any provision of this Agreement or any right at law or equity not otherwise provided for herein. The express waiver by either Party of any right or remedy under this Agreement or at law or equity in a particular instance or circumstance shall not constitute a waiver thereof in any other instance or circumstance.
- (h) No Third Party Beneficiaries. There are no third-party beneficiaries of this Agreement. Nothing contained in this Agreement is intended to confer any right or interest on anyone other than the Parties, their respective successors, assigns and legal representatives.
- (i) Governmental Authority. This Agreement is subject to the rules, regulations, orders and other requirements, now or hereafter in effect, of all governmental regulatory authorities and courts having jurisdiction over this Agreement, the Parties or either of them. All laws, ordinances, rules, regulations, orders and other requirements, now or hereafter in effect, of governmental regulatory authorities and courts that are required to be incorporated into agreements of this character are by this reference incorporated in this Agreement.
- (j) No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties or to impose any partnership obligations or liability upon either Party. Further, neither Party shall have any right, power or authority to enter into any agreement or undertaking for or on behalf of, to act as or be an agent or representative of, or to otherwise bind the other Party.
- (k) Severability. In the event that any provision of this Agreement or the application of any such provision shall be held invalid as to either Party or any circumstance by any court having jurisdiction, such provision shall remain in force and effect to the maximum extent provided by law, and all other provisions of this Agreement and their application shall not be affected thereby but shall remain in force and effect unless a court or arbitrator holds they are not severable from the invalid provisions.

- (l) Notice. Any notice under this Agreement shall be in writing and shall be faxed (with a copy followed by mail or hand delivery), delivered in person, or mailed, properly addressed and stamped with the required postage, to the intended recipient as follows:

If to the Government Entity:

City of Des Moines
21650 11th Ave South
Des Moines, WA 98198
 Attn: Brandon Carver
 Phone: 206-870-6543

If to the Company:

Puget Sound Energy, Inc.
6905 South 228th St
Kent, WA 98032
 Attn: Hong Nguyen
 Phone: 425-449-6609

Any Party may change its address specified in this Section 13(l) by giving the other Party notice of such change in accordance with this Section 13(l).

- (m) Applicable Law. This Agreement shall in all respects be interpreted, construed and enforced in accordance with the laws of the State of Washington (without reference to rules governing conflict of laws), except to the extent such laws may be preempted by the laws of the United States of America.
- (n) Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and all other agreements and understandings of the Parties, whether written or oral, with respect to the subject matter of this Agreement are hereby superseded in their entireties; provided, however, that except as expressly set forth in this Agreement, nothing herein is intended to or shall alter, amend or supersede the Design Agreement and the same shall remain in full force and effect in accordance with its terms.
- (o) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, purchasers, and transferees of the Parties, including but not limited to, any entity to which the rights or obligations of a Party are assigned, delegated, or transferred in any corporate reorganization, change of organization, or purchase or transfer of assets by or to another corporation, partnership, association, or other business organization or division thereof.

Government Entity:

Company:

CITY OF DES MOINES

PUGET SOUND ENERGY, INC.

BY _____

BY _____

ITS _____

ITS _____

Date Signed _____

Date Signed _____

Approved as to form:

**Exhibit "A" Project Plan
Schedule 74 Underground Conversion**

**City of Des Moines — Des Moines Alley
Schedule 74**

PSE Project Number: 101108874

March 5, 2019

Pursuant to Puget Sound Energy ("PSE") Rate Schedule 74 and as described in this Project Plan, PSE will convert its existing overhead electrical distribution system of 15,000 volts or less to an equivalent Underground Distribution System. This Project Plan describes the scope of construction work (the "Construction Work") to be performed by PSE and the City of Kent (the "City") for the conversion of certain PSE electrical distribution system facilities as described herein (the "Conversion Project"). Construction of this Conversion Project is contingent upon and shall commence only after both written acceptance of this Project Plan and written execution of a Schedule 74 Construction Agreement by the City and PSE.

This Project Plan includes and consists of:

- Description of the Construction Work to be performed
- Construction Drawings, Standards, Specifications and Requirements for the Construction Work (attached)
- Operating Rights to be obtained for the Conversion Project (attached)
- Construction Work Schedule
- Construction Costs Estimate Summary (attached)

Revisions to this Project Plan must be mutually approved by the City and PSE.

Construction Work

This Conversion Project will replace PSE's existing overhead electrical distribution system with an Underground Distribution System within the following area (the "Conversion Area"): from S. 223rd St to S. 226th St through Alley. Road crossings will be part of this project.

The Conversion Project has no modifications or replacement of existing services lines within the Conversion Area. This project will include the removal of PSE's existing overhead electric distribution facilities (including PSE distribution poles and pole mounted street lights) from the Conversion Area.

There are no Company Initiated Upgrades in the Conversion Project Scope of Work. City requested upgrades included in this project consist of: Addition of Future Street light conduit above JUT duct Package.

Responsibilities of Parties

City Responsibilities

- a) At least ten (10) business days prior to the scheduled commencement of Construction Work, hold a pre-construction meeting involving all participants in the Conversion Project to review project design, coordination requirements, work sequencing and related premobilization requirements.
- b) At least ten (10) business days prior to the scheduled commencement of Construction Work, give PSE written notice to proceed with the Construction Work to allow for delivery of PSE materials to the job site and scheduling of PSE's on-site Inspector.
- c) Provide written notice to customers within the Conversion Area in advance of Conversion Project Construction Work start. The notice will include contact information for both the City and PSE, the expected Conversion Project schedule, anticipation of service interruptions and work required to be performed by customers.
- d) Coordinate other utility conversion, removal and relocation from PSE's poles.
- e) Provide all surveying for equipment placement, locations, and establish all grade elevations for the Underground Distribution System within the Conversion Area.
- f) Provide all necessary excavation, bedding, backfill, off-site disposal, site restoration and coordination for installation of the Underground Distribution System. This includes trenching, backfill, and restoration for cut-over and transfer of existing underground system and service lines from the existing overhead distribution system to the new Underground Distribution System.
- g) Provide flagging and traffic control as required for all work performed by the City.
- h) Install and proof all ducts and vaults for the Underground Distribution System (excluding work in ducts or vaults containing energized cables or equipment – see PSE Responsibilities) in accordance with PSE standards and specifications using ducts and vaults provided by PSE. "Proofing" as used herein is defined as verification using a mandrel that the duct and vault system is free and clear of damage, installed to the proper grade and at the proper location and contains a pulling line.
- i) Provide at least five (5) business days' notice for scheduled delivery of PSE vaults by PSE's vault supplier.
- j) Provide secure staging and storage area(s) for duct and vault materials provided by PSE. The City shall be responsible for the security and condition of these materials until they are installed and accepted by PSE or returned to PSE's custody.
- k) Provide labor and equipment for the off-loading of PSE duct and vault materials delivered to the job site.

- l) Facilitate weekly (or as otherwise agreed by the City and PSE) construction coordination meetings to include all relevant parties participating in the conversion including PSE and its contractor(s), the City and its contractor(s), and other utilities.
- m) Provide any necessary operating rights for the installation of PSE's facilities in accordance with PSE's Schedule 74 Section 3 and as mutually agreed by the PSE and the City. Operating rights are further addressed in the Operating Rights section of this Project Plan.
- n) Modify, reroute or replace service lines to City owned facilities to connect to the Underground Distribution System.
- o) Following notification from PSE that Construction Work is complete; provide to PSE any Shared Government Costs as provided for in the Construction Agreement.

Puget Sound Energy Responsibilities

- a) Following notice from the City, deliver or cause to be delivered all duct and vault materials to the designated staging/storage area(s). Acknowledge delivered quantities and condition of duct and vault materials by signing shipping manifests.
- b) Following notice from the City, provide inspection services needed for overseeing the proper installation of ducts and vaults by the City.
- c) Accept delivery of the completed duct and vault system once the new system has been proofed (as described above) by the City. PSE will provide a mandrel to the City to be used in proofing of the duct and vault system.
- d) Provide PSE electrical workers to complete duct installation and proofing when such work is performed at or in any energized vault containing energized cables or equipment.
- e) Install (except for ducts and vaults installed by the City) and energize the Underground Distribution System. Provide written notice to the City when the Underground Distribution System is energized.
- f) Perform cut-over and transfer of existing Underground Distribution System and existing underground service lines from the overhead distribution system to the new Underground Distribution System where applicable (see City Responsibility item "f" concerning trenching responsibility). PSE will notify the City for excavation and the affected customers at least two (2) business days prior to installation, transfer, and connection of underground service lines. Affected service lines are listed in the Service Lines section of this Project Plan.
- g) Install and connect replacement underground service lines to single family residences and connect modified and replacement non-residential underground service lines provided by customers within the Conversion Area pursuant to PSE Tariff Schedule 85. Affected service lines are listed in the Service Lines section of this Project Plan.
- h) Remove the existing overhead electric distribution system including, conductors, equipment, down guys, anchors and poles after all service lines to customers within the Conversion Area are connected to the Underground Distribution System and all other utilities have been removed from PSE's poles. Holes left following removal of poles will be filled with crushed rock and compacted in accordance with applicable City standards or specifications.

- i) Provide flagging and traffic control as required for all work performed by PSE (except as may otherwise be reasonably provided by the City during installation of ducts and vaults in conjunction with City performed trenching, excavation, back-fill and restoration).
- j) Attend weekly (or as otherwise agreed by the City and PSE) construction coordination meetings facilitated by the City and its contractor during periods of Conversion Project construction.

Operating Rights

The Underground Distribution System will be located within Public Thoroughfare and no additional operating rights will be required for the construction of this conversion project.

Construction Work Schedule

The Construction Work will be performed in accordance with the following Work Schedule, unless this schedule is revised by mutual agreement of the City and PSE or circumstances beyond the reasonable control of the City and/or PSE preclude such performance.

Installation of ducts and vaults: Will be 2019 construction and is anticipated to be 45 working days for duct and vault.

Installation and energization of the Underground Distribution System: Will be energized in 2019 and is anticipated to take approximately 14 working days for line crew.

Removal of overhead facilities: from Pole 315036-163077 to Pole 314959-163079 will be removed in 2019 and is anticipated to take approximately three days for removal of PSE's overhead system. Poles will be removed once all utilities have removed facilities off the poles.

Installation and removal of Temporary Service: No temp services requested at this time.

Work Schedule Restrictions: No work restriction anticipated at this time.

Construction Cost Estimate

The estimated costs to perform the Construction Work and the allocation of costs between the parties are presented in the attached Construction Costs Estimate Summary. These estimated costs are valid for ninety (90) days from the date shown on the attached Construction Costs Estimate Summary. If this Project Plan and a Schedule 74 Construction Agreement are not fully executed within ninety (90) days from this date, the estimated costs shall be subject to revision.

The scope of work provided for in the previously executed Design Agreement has been completed with written acceptance of this Project Plan by the City and PSE. The Construction Cost Estimate summary reflects and provides for Construction Work costs commencing with PSE attendance at the required pre-construction meeting and receipt of the City's written notice to proceed with Construction Work. Work performed and/or costs incurred by PSE in response

to City request following acceptance of the Project Plan and prior to the pre-construction meeting are not included in the Construction Cost Estimate Summary, and shall be subject to addition to the Construction Cost Estimate by revision as described below.

Estimated Inspection and Service Provider Outside Services costs are based on *being constructed in 2019. Any work in 2020 will be subject to change order at the 2020 contract construction rates.*

Costs/or Construction Work performed by PSE outside of the projected corresponding construction years shall be subject to revision to reflect PSE Service Provider contract rates which become effective in January of 2020.

Changes in Construction Work scope, performance and/or schedule can result in actual Construction Costs that differ from estimated costs shown in the Construction Cost Estimate Summary. In the event performance of the Construction Work cannot or does not proceed substantially as provided in this Project Plan, such changes shall promptly be brought to the attention of PSE and the City when anticipated or known and shall be documented in a revision to the Construction Cost Estimate Summary (a "Cost Estimate Revision") mutually agreed and executed by the City and PSE.

Project Assumptions

The project design, construction plans and cost estimates are based on and reflect the following assumptions. Construction conditions that are not consistent with these assumptions may result in a request for change or an equitable adjustment to project compensation under Section 6 of the Construction Agreement and addressed by a Cost Estimate Revision.

Cost Assumptions

1. The Construction Work will be performed in accordance with the Construction Drawings and Construction Work Schedule.
2. PSE's Project Manager will accept or reject (with written justification) the duct and vault installation work performed by the City within five (5) business days' notice of completion from the City. In the event PSE rejects any of the ducts or vaults (with reasonable written justification), the City will perform the necessary remedial work. The City will then re-notify PSE and PSE shall have five (5) business days to accept or reject the remedial work.
3. All PSE cables can be pulled through the ducts and vaults system, including existing ducts and vaults if applicable, to be used for the Conversion Project utilizing normal cable pulling equipment and methods.
4. A City Street Use permit is the only permit necessary for PSE to perform its work for this Conversion Project and will be issued within two (2) weeks of PSE submitting a complete permit application (including any supporting documentation reasonably required by the City). There will be no charge for the permit or inspection fees.

5. The estimated daily productivity rate for PSE duct and vault installation is based on the contractor opening a minimum of 50 feet of trench per working day. The daily productivity rate is used to estimate the number of days a PSE Inspector will be required during installation of ducts & vaults. The Inspector will be scheduled in full day increments and in one continuous effort. Changes to a continuous schedule require a minimum of five (5) days advance notice and must be mutually agreed between the City and PSE.
6. Attendance by PSE's Project Manager at scheduled weekly construction coordination meetings is included and reflected in the Construction Cost Estimate during periods when the PSE ducts and vaults are actively being installed and when the PSE line crew is performing installation, energization, cut-over and removal work. Attendance at additional meetings that may be requested/required during other periods will be addressed by a Cost Estimate Revision.
7. Traffic control provided by PSE assumes the use of two flaggers, basic signage and simple channelization. Additional traffic control measures are not included and if requested/required will be addressed by a Cost Estimate Revision.
8. Work to be performed by PSE does not include installation and/or removal of Temporary Service facilities at the request of others during construction.
9. Cut-over and transfer work will be completed during regular working hours as described in Schedule Assumption #3 below. Changes in the performance of this work will be addressed by a Cost Estimate Revision.
10. New guy anchors shall be installed prior to installation of new ducts in the same area.
11. When Fluidized Thermal Backfill (FTB) is used, associated cost will be allocated 100% to PSE when required for a Company Initiated Upgrade and otherwise 100% to the City.
12. Installation of protective bollards may be necessary at some locations and may not be included in the project design. In the event unplanned bollards are required, associated costs will be a Shared Cost and addressed by a Cost Estimate Revision.

Schedule

1. There will be a total of two (2) PSE crew mobilizations for each of Phase One and Phase Two as follows: i) one mobilization of an underground line crew for installation of underground conductors and equipment; and ii) one mobilization of an overhead line crew for removal of the existing overhead facilities. Once mobilized, PSE crews will have continuous productive work until all PSE Construction Work is complete.
2. All PSE Construction Work will be performed during regular working hours from 7:00 am to 3:30 pm Monday through Friday excluding holidays. In the event that lane closures are necessary for performance of work, PSE shall be limited to working between the hours of 7:00 am to 3:30 pm Monday through Friday. PSE and the City will mutually agree to weekly work schedules for the Construction Work. PSE shall be allowed to perform PSE work as scheduled without changes or interruptions caused by other construction activities.
3. PSE customers within the Conversion Area will experience interruption of electric service during performance of the Construction Work when cutting over and transferring system and customer loads from the overhead distribution system to the Underground Distribution

System. Cut-over and transfer work will be performed during the regular working hours specified in Schedule Assumption #2 above except as otherwise provided below. PSE will notify customers at least two (2) business days in advance of scheduled service interruptions.

Additional Considerations

Service Lines

Service lines within the Conversion Area must be modified or replaced to provide underground service from the Underground Distribution System as listed below. Performance of the work and associated costs shall be governed by PSE Tariff Schedule 85.

New Service

Connection of new or increased load for City facilities (such as new traffic signals) under terms of PSE Tariff Schedule 85 will be addressed on a separate work order and work sketch. Additional costs may apply and will be quoted separately.

PSE Design & Construction Standards

This Conversion Project has been designed and will be constructed in accordance with PSE design and construction standards in effect as of the date of this Project Plan. PSE standards applicable to Construction Work to be performed by the City have been provided to the City in PSE's "Electric Distribution Trench/Duct/Vault Construction Standards, 2013". All relevant PSE standard described above are attached to this Project Plan by this reference.

Temporary Support (Holding) of PSE Poles

Whenever any pole(s) are required to be temporarily supported (held) due to excavation in proximity to such poles, the City will coordinate with PSE to provide such support. The need to temporarily support such poles shall be determined by PSE, and if required, such support shall be provided by PSE. As used herein, "temporary support" means supporting one or more poles for a continuous working period of ten hours or less.

Acceptance of Project Plan

The City and PSE mutually agree to and accept this Project Plan as of the date indicated below:

For the City:

For PSE:

BY _____

BY _____

ITS _____

ITS _____

Date _____

Date _____



FACILITY CONVERSION/MODIFICATION BILLING DETAIL

To: City of Des Moines
21650 11th Avenue South

Des Moines, WA 98198

Attn: Brandon Carver

Project Description: Des Moines-223rd to 226th Alley Phase I & II, sch74 OH/UG conversion

Location: 223rd to 226th

PSE Project Manager: Hong Nguyen

Scope of Work

The City of Des Moines requests PSE to convert OH/UG Sch74 from the corner of S. 223rd St to S. 226th St through Alley. The cost associated with the portions of this project are 100% reimbursable to PSE.

Activity: PSE Order #:	PSE Design Cost 101108874		PSE Construction Cost Estimate 101108874		Customer Installed Duct and Vault 101108874		Change Orders 101108874
	Cust. Cost Share	40%	Cust. Cost Share	40%	PSE Cost Share	0%	
PSE Materials				\$ 111,468.42			
PSE Construction Labor				\$ 116,611.12			Customer Obligation \$354,457.49
PSE Project Management		\$ 11,576.56		\$ 3,864.23			PSE Obligation \$0.00
PSE Inspection				\$ 40,926.00			
PSE Overheads		\$ 3,496.12		\$ 86,804.77			
Federal Income Tax		\$ 1,245.42		\$ 29,719.06			
Total Actual Costs:		\$ 16,318.10		\$ 389,393.60		0	
TOTAL PROJECT VALUE:							\$760,169.19
City of Des Moines Obligation Incl/CO's:							\$516,742.17
City of Des Moines Credit for D+V:							\$0.00
City of Des Moines Invoice/Credit Amount:							\$516,742.17

Date: 1/16/2019

						\$0.00
				\$0.00	\$354,457.49	\$354,457.49

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Downtown Alley Improvement

Project #

319.337

TOTAL PROJECT SCOPE				Annual Allocations							
Expenditure Categories	Adopted Current CIP Budget	CIP Supplemental Request	Revised CIP Budget Estimate	Actuals to Date 12/31/20	Project Life to Date 11/30/2021	Plan Year 2021	Plan Year 2022	Plan Year 2023	Plan Year 2024	Plan Year 2025	Plan Year 2026
Design											
Internal Engineering/Project Mgmt				201.75	201.75						
Interfund Financial Services				2.02	2.02						
Total Design	1,000	-	1,000	203.77	203.77	-	-	-	-	-	-
Prop/ROW/Easements											
Total Prop/ROW/Easements	-	-	-	-	-	-	-	-	-	-	-
Construction											
External Engineering				-	-						
Internal Engr-Proj Mgmt/Inspect				-	-						
Construction Contract 1				-	-						
Other Miscellaneous				-	-						
Total Construction	516,000	163,223	679,223	-	-	679,223	-	-	-	-	-
Project Contingency	24,000	-	24,000	-	-	24,000	-	-	-	-	-
Total Project Expenditures	541,000	163,223	704,223	203.77	203.77	703,223	-	-	-	-	-

Funding Sources	Adopted Current CIP Budget	CIP Supplemental Request	Revised CIP Budget Estimate	Project to Date 12/31/20	Project to Date 11/30/2021	Scheduled Year 2021	Scheduled Year 2022	Scheduled Year 2023	Scheduled Year 2024	Scheduled Year 2025	Planned Year 2026
One Time Tax	148,000	-	148,000	123,000.00	123,000.00	25,000	-	-	-	-	-
General Fund Transfer	393,000	-	393,000	393,000.00	393,000.00	-	-	-	-	-	-
Arterial Pavement Fund	-	163,223	163,223	-	-	163,223	-	-	-	-	-
Total Project Funding	541,000	163,223	704,223	516,000.00	516,000.00	188,223	-	-	-	-	-

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