



## RESOLUTION NO. U-11533

1 A RESOLUTION authorizing the City of Tacoma, Department of Public Utilities,  
2 Light Division (d/b/a "Tacoma Power"), to execute a customer-funded  
3 electric utility work agreement ("MultiCare MBCH Reimbursement  
4 Agreement") and Amendment No. 1 to Utility Installation Agreement  
5 (Short-Term Service) with MultiCare Health System.

6 WHEREAS MultiCare Health System ("MultiCare") is redeveloping a  
7 portion of its premises in the City of Tacoma in the vicinity of Martin Luther King  
8 Jr. Way and Division Ave., consisting of a new children's hospital, a medical  
9 office building, and parking facilities ("Facilities"), and

10 WHEREAS in January 2023, at the request of MultiCare, Tacoma Power  
11 completed a System Impact Study ("2023 System Impact Study") to identify the  
12 impacts and required system modifications to serve approximately 3.3  
13 megawatts of additional load associated with the Facilities as well as to meet  
14 MultiCare's requested resiliency needs for the Facilities, and

15 WHEREAS the 2023 System Impact Study determined that a new  
16 substation and other system modifications were required to serve the proposed  
17 loads and meet the requested resiliency needs, and

18 WHEREAS the 2023 System Impact Study further recognized that the  
19 timeline to complete the substation and other system modifications would  
20 exceed the timeline to energize the MultiCare Facilities, and consequently, a  
21 plan to provide limited service during the interim period was developed, and

22 WHEREAS a Utility Installation Agreement (Short-Term Service) was  
23 developed to provide for the necessary utility work for the Facilities in order to  
24 provide limited electric service during the interim period, and  
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26



WHEREAS said Utility Installation Agreement required that MultiCare  
1 enter into an additional Utility Installation Agreement for installation of a  
2 substation prior to energizing service to Mary Bridge Children's Hospital, and

3  
4 WHEREAS the Public Utility Board of the City of Tacoma approved the  
5 Utility Installation Agreement (Short-Term Service) under Resolution U-11397,  
6 and

7  
8 WHEREAS MultiCare later advised Tacoma Power the planned Facilities  
9 would actually increase load by approximately 3.5 megawatts but that MultiCare  
10 planned to install its own generation with output of approximately 2MW that  
11 would offset the increased load, and

12  
13 WHEREAS MultiCare further advised that it no longer required electric  
14 service automatic redundancy for the Mary Bridge Children's Hospital and  
15 existing Tacoma General Hospital, and

16  
17 WHEREAS in February 2025, MultiCare requested a revised System  
18 Impact Study ("2025 Impact Study") to determine if the additional generation  
19 interconnection and reduced resiliency requirements could alleviate the need  
20 for a new substation as identified in the 2023 System Impact Study, and

21  
22 WHEREAS the 2025 System Impact Study concluded that with specific  
23 operational requirements placed upon MultiCare, reduced electric  
24 service redundancy, and Tacoma Power system modifications, Tacoma  
25 Power's system could serve the proposed load, and

26  
WHEREAS the Tacoma Power system modifications include distribution  
system improvements and system protection improvements to interconnect the



MultiCare generation; the cost of these system modifications is estimated to be  
1 \$2,580,000, and

2 WHEREAS Tacoma Power is requesting authorization to enter into a  
3 Reimbursement Agreement with MultiCare (MultiCare MBCH Reimbursement  
4 Agreement) to fund the required Tacoma Power system modifications identified  
5 in the revised 2025 System Impact Study, and  
6

7 WHEREAS in addition, Tacoma Power requests approval of Amendment  
8 No. 1 to Utility Installation Agreement (Short-Term Service) to require execution  
9 of the MultiCare MBCH Reimbursement Agreement and an Operating  
10 Agreement, in lieu of a Utility Installation Agreement for a substation as  
11 stipulated in the Utility Installation Agreement (Short-Term Service), prior to  
12 energizing the Mary Bridge Children's Hospital; Now, therefore,  
13

14 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

15 That Tacoma Power's request to enter into a Reimbursement Agreement  
16 with MultiCare (MultiCare MBCH Reimbursement Agreement) to fund the  
17 required Tacoma Power system modifications, in the estimated amount of  
18 \$2,580,000, and request for approval of Amendment No. 1 to Utility Installation  
19 Agreement (Short-Term Service) are approved, and the Director, or her  
20 designee, is authorized to execute said agreement and amendment  
21 substantially in the form as on file with the Clerk and as approved by the City  
22 Attorney's Office. The Director is further authorized to make amendments to the  
23 MultiCare MBCH Reimbursement Agreement that are in the best interests of  
24 Tacoma Power and  
25  
26



that do not change the costs in an amount that exceeds Two Hundred  
1 Thousand Dollars (\$200,000.00).

2 Approved as to form:

Chair \_\_\_\_\_

3 \_\_\_\_\_ /s/

4 Chief Deputy City Attorney \_\_\_\_\_

Secretary \_\_\_\_\_

5 \_\_\_\_\_  
6 Clerk \_\_\_\_\_

Adopted \_\_\_\_\_



## Board Action Memorandum

**TO:** Jackie Flowers, Director of Utilities  
**COPY:** Charleen Jacobs, Director and Board Offices  
**FROM:** Chris Robinson, Power Superintendent  
**MEETING DATE:** May 28, 2025  
**DATE:** May 14, 2025

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### **GUIDING PRINCIPLE ALIGNMENT (select as many that apply):**

Please indicate which of the Public Utility Board's Guiding Principle(s) is supported by this action.

- |  |  |
|--|--|
| <input type="checkbox"/> GP1 – Diversity, Equity, Inclusion, Belonging | <input type="checkbox"/> GP8 – Telecom                         |
| <input type="checkbox"/> GP2 – Financial Sustainability                | <input checked="" type="checkbox"/> GP9 – Economic Development |
| <input type="checkbox"/> GP3 – Rates                                   | <input type="checkbox"/> GP10 – Government Relations           |
| <input type="checkbox"/> GP4 – Stakeholder Engagement                  | <input type="checkbox"/> GP12 – Employee Relations             |
| <input type="checkbox"/> GP5 – Environmental Sustainability            | <input checked="" type="checkbox"/> GP13 – Customer Service    |
| <input type="checkbox"/> GP6 – Innovation                              | <input type="checkbox"/> GP14 – Resource Planning              |
| <input checked="" type="checkbox"/> GP7 – Reliability & Resiliency     |  |

### **SUMMARY:**

This resolution will authorize Tacoma Power to complete distribution and protection system improvements to serve the Mary Bridge Children's Hospital (MBCH) Project. The cost is estimated to be \$2,580,000 which will be paid for by MultiCare Health System (MultiCare).

### **BACKGROUND:**

MultiCare is constructing a Children's Hospital, a Medical Office Building, and two parking garages on its property west of South I Street and south of Division Avenue within the City of Tacoma.

In January 2023, Tacoma Power completed a System Impact Study, at the request of MultiCare, to identify the impacts and required system modifications in order to serve approximately 3.3 megawatts of additional load associated with these facilities as well as meeting MultiCare requested resiliency needs of these facilities. As a result of this study, it was determined that a new substation and other system modifications were required to serve the proposed loads and meet the requested resiliency needs.

The System Impact Study recognized that the timeline to complete the substation and other system modifications would exceed the timeline to energize the MultiCare facilities. Consequently, a plan to provide limited service during the interim period was developed. This plan culminated in the Utility Installation Agreement (Short-Term Service), which was approved by the Public Utility Board on July 26, 2023, under Resolution U-11397. This Utility Installation Agreement (Short-Term Service) required, in part, that MultiCare enter into a Utility Installation Agreement for a substation prior to energizing service to Mary Bridge Children's Hospital.

In February 2025, MultiCare requested Tacoma Power conduct a revised System Impact Study for serving the new facilities, with a revised load increase of approximately 3.5 megawatts. Additionally, MultiCare requested a generation interconnection as part of this study to assist in offsetting the electrical demands of these new facilities, with a maximum generation output of 2 megawatts. MultiCare also informed Tacoma Power that the previously requested electric service resiliency, including the need for automatic redundant service, is not required for the new Mary Bridge Children's Hospital and the existing Tacoma General



## **Board Action Memorandum**

Hospital. MultiCare requested this revised System Impact Study to determine if the additional generation interconnection and reduced resiliency requirements could alleviate the need for a new substation as identified in the previous System Impact Study.

The revised System Impact Study concluded that with specific operational requirements placed upon MultiCare, reduced electric service redundancy, and Tacoma Power system modifications, Tacoma Power's system can serve the proposed load. These Tacoma Power system modifications include distribution system improvements and system protection improvements to interconnect the MultiCare generation. The cost of these system modifications is estimated to be \$2,580,000.

Tacoma Power requests authorization to enter into a Reimbursement Agreement with MultiCare (MultiCare MBCH Reimbursement Agreement) to fund the required Tacoma Power system modifications identified in the revised System Impact Study. In addition, Tacoma Power requests approval of Amendment No. 1 to Utility Installation Agreement (Short-Term Service) to require execution of this Reimbursement Agreement and an Operating Agreement, in lieu of a Utility Installation Agreement for a substation as stipulated in the Utility Installation Agreement (Short-Term Service), prior to energizing the Mary Bridge Children's Hospital.

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**

**IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.**

N/A

**IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? Yes**

**ATTACHMENTS:**

MultiCare MBCH Reimbursement Agreement  
Amendment No. 1 to Utility Installation Agreement (Short-Term Service)  
Utility Installation Agreement (Short-Term Service)

**CONTACT:**

Primary Contact: John Merrell, Power Utility Assistant Section Manager, (253) 502-8714  
Supervisor's Name: Joseph A. Wilson  
Presenter (if different from primary contact):

**UTILITY INSTALLATION AGREEMENT (SHORT-TERM SERVICE)**  
~Mary Bridge Children's Hospital Project~

This **UTILITY INSTALLATION AGREEMENT (SHORT-TERM SERVICE)** ("Agreement") with an effective date as of \_\_\_\_ July 20\_\_, 2023 ("Effective Date") is made by and between **MultiCare Health System**, a Washington nonprofit corporation (hereinafter referred to as "**CUSTOMER**"), and the **City of Tacoma, Department of Public Utilities, Light Division**, a municipal corporation of the State of Washington, (hereinafter referred to as "**Tacoma Power**" and/or "**City**"). **CUSTOMER** and **Tacoma Power** each may be referred to as a "Party," or collectively as the "Parties".

**RECITALS:**

**WHEREAS**, **CUSTOMER** is constructing a new medical hospital and parking facilities (collectively "**Facility**") and performing site improvements on property it owns and operates in the City of Tacoma west of Martin Luther King Jr Way and south of Division Avenue known as the Mary Bridge Children's Hospital Project;

**WHEREAS**, **CUSTOMER** has requested that **Tacoma Power** provide in excess of 10 MW to the Facility by May 2025;

**WHEREAS**, **Tacoma Power** completed a System Impact Study that determined that in order to serve the planned load, a substation will need to be constructed pursuant to separate installation agreement;

**WHEREAS**, the typical construction timeline to build a new substation in the City of Tacoma is two to four years after contract signing, well past **CUSTOMER'S** deadline, therefore, in order to provide service by **CUSTOMER'S** deadline, **Tacoma Power** is willing to provide a short-term plan of service ("Short-Term Service") for the Facility;

**WHEREAS**, in order to provide said Short-Term Service, **Tacoma Power** must upgrade and extend distribution lines and install facilities and appurtenance necessary to provide the service until the substation is built;

**WHEREAS**, **Tacoma Power**, therefore, intends to provide the power system design and installation work for the Mary Bridge Children's Hospital Project, in multiple contract phases as follows:

1. This "Utility Installation Agreement (Short-Term Service)" which provides the terms and conditions under which electric service facilities will be designed and installed for the Short-Term Service for completion of the Mary Bridge Children's Hospital Project's two parking garages and medical office building, and new hospital facility;

2. A future Utility Installation Agreement that will provide the terms and conditions for the funding, engineering, planning, design, and installation of a new substation ("Utility Installation Agreement – Substation") which will provide service beyond the period of the Short-Term Service;

**WHEREAS**, in order to receive the proposed Short-Term Service, **CUSTOMER** wishes to connect the Facility to **Tacoma Power's** electrical system and has requested **Tacoma Power** to perform certain utility installation work, related services and modifications as necessary to do so;

**WHEREAS**, **Tacoma Power** is prepared to provide electrical service to the Facility and to perform said utility installation work and related services;

**WHEREAS**, certain installation and relocation work necessary to provide the Short-Term Service to the Mary Bridge Children's Hospital Project will involve **Tacoma Power** owned and operated utility facilities located within City of Tacoma right-of-way on Division Ave, South L Street, and South 5<sup>th</sup> Street;

**WHEREAS**, the Short-Term Service for the Mary Bridge Children's Hospital Project further necessitates the construction of a new 12.5kV/7.2kV overhead and underground distribution circuit from **Tacoma Power** owned and operated utility facilities north of Division Avenue and along the alley between N L Street continuing along S. 5<sup>th</sup> St.;

**WHEREAS**, all such installation, relocation and construction work, together with related design engineering and inspection services to meet applicable safety and operating requirements, is collectively referred to herein as the "**Tacoma Power Work**" (as further defined in Section 1.3 h. below and described in **Exhibit B** to this Agreement);

**WHEREAS**, to arrange for the orderly and timely installation of utility facilities for the Mary Bridge Children's Hospital Project, **CUSTOMER** is responsible to complete performance of certain underground utilities structure work, on-site, that includes installation of electrical conduits and pre-cast concrete vaults compatible with the **Tacoma Power Work**. Said work, referred to herein as the "**Customer Work**" (as more particularly defined in Section 1.3 f. below and described in **Exhibit A** to this Agreement) will be performed by and through **CUSTOMER'S** separately contracted construction and/or electrical contractor(s), and their authorized sub-contractors, per **Tacoma Power's** engineered design set forth in "**Design Documents**" (as further defined in Section 1.3 b. below);

**WHEREAS**, **CUSTOMER** will be solely responsible for, and pay, all developmental costs to complete the Installation Project including, but not limited to, all time and materials costs incurred by **Tacoma Power** to perform the **Tacoma Power Work** and further design and inspection services related to the **CUSTOMER Work** as specified in and pursuant to this Agreement. Such costs specifically include "**Direct Costs**" (as defined in Section 1.3 a. below) and may include further costs per Section 2.1 and/or Extra Work per Article 4. Notwithstanding the foregoing, it is understood and agreed that

Tacoma Power will own and operate all resulting electric supply system facilities that are part of the Installation Project unless expressly noted otherwise herein;

**WHEREAS**, Tacoma has performed a customer-funded facilities study which will be used to develop and inform the terms of the future "Utility Installation Agreement – Substation".

IN CONSIDERATION OF the mutual promises set forth herein and the mutual benefits to be derived hereunder, the Parties hereby agree as follows:

#### ARTICLE 1 – SCOPE

**1.1 Purpose and Intent.** The purpose of this Utility Installation Agreement is to set forth the terms and conditions pursuant to which the Parties will cooperatively undertake, at CUSTOMER's sole expense, all electric utility work and associated equipment and materials needed for the Mary Bridge Children's Hospital Project and as necessary to meet applicable safety and operating requirements. It is intended that Tacoma Power will perform work and provide equipment and materials, as specified herein and in the Design Documents attached hereto, including the design, installation, relocation or conversion, construction and inspection work related to: (i) its existing overhead and underground electric power facilities as necessary to provide a power supply system for the Mary Bridge Children's Hospital Project, and (ii) portions of a new electrical distribution system to and within said Mary Bridge Children's Hospital Project. It is intended that CUSTOMER, by and through the CUSTOMER Contractor, will perform work and provide equipment and materials, as specified herein and per the Design Documents attached hereto, including (i) the underground utility structure construction and related management activities necessary for the installation of underground vaults and conduits for the new electrical distribution system to and within the Mary Bridge Children's Hospital Project, and (ii) all other Installation Project work, equipment, materials, and design and/or inspection coordination not specified to be performed or provided by Tacoma Power.

**1.1.1** In further elaboration of the foregoing, this Agreement and the attached Exhibits provide for:

- On-site work
  - All on-site Tacoma Power distribution additions / improvements will be designed with 15kV utility class underground cable, and PVC conduit & pre-cast concrete vault systems, with above grade (pad-mounted) transformers, 15kV Class switchgear, primary metering equipment and associated appurtenances.
  - Tacoma Power shall work with CUSTOMER to define the specific placement and installation requirements of these systems.
- Off-site work
  - Off-site Tacoma Power distribution work is identified as overhead line construction utilizing wood poles, conductors, and equipment mounted on or attached to the poles and underground line construction utilizing

conduits, vault, cables pad or vault mounted equipment. A majority of the work will be within public rights of way. In relation to the short term service addressed in this Agreement, Tacoma Power does not anticipate that any Installation Project facilities will need to be installed within third party private property (i.e., property not owned or leased by CUSTOMER) and that no additional property rights will need to be granted to Tacoma Power for purposes of the short term service phase of the Installation Project. If such additional property rights are needed, including those required for guy assemblies, pole placement, possibly wire overhangs, and pad mounted equipment placement, Tacoma Power shall promptly alert CUSTOMER and CUSTOMER will be solely responsible for the cost, and effort necessary to acquire said property rights, subject to Article 4.

- Subject to Section 6.4, Tacoma Power shall assume ownership and operation of all primary power facilities including Installation Project installed PVC conduit and pre-cast concrete vaults; and Tacoma Power installed metering equipment, current transformers, pad mounted equipment, and cabling following completion of all electrical work for the Installation Project and upon final acceptance by Tacoma Power.
- Subject to the terms and conditions of this Agreement, CUSTOMER will provide advance payment as specified herein for procurement and developmental costs required to accomplish the foregoing as well as the actual costs for all distribution and service work associated with providing service directly to the Mary Bridge Children's Hospital Project's new and modified facilities.

**1.2 Incorporation of Recitals.** The Parties acknowledge that the above stated Recitals are true and accurate and are incorporated as contractual provisions herein.

#### **1.3 Definitions.**

- a. "Direct Costs" shall mean and include all costs and expenses incurred by Tacoma Power directly related to the Installation Project as provided under this Agreement and shall include, without limitation the following:
  - i. All costs and expenses of materials, equipment, supplies, utilities, consumables, goods and other items used or incorporated in connection with and in furtherance of this Agreement and any taxes, and insurance, including costs for inspection, engineering, crews and equipment;
  - ii. All labor costs and expenses incurred to date and pursuant to this Agreement for the design, inspection, and construction activities and/or tasks designated to be performed by Tacoma Power hereunder. Such costs are inclusive of payroll benefits and overhead for applicable labor classifications.



iii. All cost and expenses incurred to date and during performance of this Agreement for any work performed by City consultants or contractors that pertains to the Mary Bridge Children's Hospital Project and as necessary to undertake and complete the Tacoma Power Work, subject to the terms and conditions of this Agreement.

- b. "Design Document(s)" means the plans and specifications for the Installation Project and prepared by Tacoma Power in coordination with CUSTOMER and/or the CUSTOMER Contractor pursuant to this Agreement, which include the (i) specifications, standards, and requirements applicable to the CUSTOMER Work attached hereto as **Exhibit "A"**, and (ii) specifications, plans, drawings, and sketches applicable to the Tacoma Power Work attached hereto as **Exhibit "B"**; which Exhibits are, by this reference, fully incorporated herein.
- c. "Field Representative(s)" means the person(s) identified by Tacoma Power as having inspection authority or whom direct Tacoma Power's field forces for construction activity.
- d. "Inspection Work" means all labor, equipment and material necessary for Tacoma Power to monitor the CUSTOMER Work to ensure conformance with the Design Documents. Duties of this Inspection Work, which will be performed by Tacoma Power's designated Construction Inspector, include:
- monitoring of electrical conduit duct and vault system construction,
  - approving or rejecting materials for conformance with Design Documents through the Resident Engineer,
  - rejecting work not in conformance with the Design Documents through the Resident Engineer,
  - confirming proofing tests for new electrical conduit duct and vault system,
  - verifying the CUSTOMER Work is conducted in accordance with the NESC and Tacoma Power T&D Construction Standards,
  - coordinating power outages,
  - generating punch lists ahead of final acceptance, and
  - recording as-built information.

Direct Costs of all the foregoing work performed by Tacoma Power shall be pre-paid and/or fully reimbursed by CUSTOMER hereunder, subject to the terms and conditions of this Agreement.

- e. "Project Manager" means the respective persons designated by the Parties in Section 5.3 herein to be the point of contact for design and contract changes and/or updates.
- f. "CUSTOMER Work" for purposes of this Agreement shall mean the underground utility structure installation work for which CUSTOMER is responsible hereunder and generally includes all site preparation, surveying,

excavation, inspection coordination, and construction work necessary to fully and properly install electrical vaults and conduit per the Design Documents, together with all costs and expenses required and/or incurred in connection therewith but excluding the Tacoma Power Work. Such work includes all construction and administrative activities related to and in any way connected with the electrical work performed by the CUSTOMER Contractor and otherwise necessary to successfully complete the Installation Project.

As further described in the Design Documents, such work and activities specifically require and involve, but are not necessarily limited to:

- Removal, adjustment, protection, installation, and relocation of Tacoma Power electrical facilities and appurtenant equipment
- All necessary construction trenching, installation, and preparation of an electrical conduit duct and vault system
- Contracting and coordination of, and payment for, all temporary power requirements for the Mary Bridge Children's Hospital Project including installation and removal, and all related labor and equipment shall be considered CUSTOMER Work hereunder.

All of the foregoing work and activities will be utilized in conjunction with the Tacoma Power Work and pertain to all Tacoma Power electrical facilities within the Project Area and/or impacted by the Mary Bridge Children's Hospital Project whether located within the City of Tacoma, or on private property all as described in the Design Documents (**Exhibit "A & B"**). The CUSTOMER Work shall not include the Tacoma Power Work that Tacoma Power is expressly required to perform hereunder.

- g. "Resident Engineer" means the representative designated by CUSTOMER after notice to proceed who will be the point of contact regarding all Installation Project related construction under this Agreement.
- h. "Tacoma Power Work" means all labor, materials, equipment, services, supplies, overheads, applicable taxes and all other items necessary to relocate, reroute, modify and reconnect the power systems and facilities to accommodate the Mary Bridge Children's Hospital Project all as further described and set forth in the Tacoma Power Work Sketches. For purposes of this Agreement, the "Tacoma Power Work Sketches" mean all Tacoma Power prepared documents and drawings to be utilized by Tacoma Power to perform its work and are attached hereto in **Exhibit B**, but may also be included in Exhibit A.

The Tacoma Power Work will also include:

- installation of permanent power service and equipment for the Mary Bridge Children's Hospital Project per **Exhibit B**,

- modification for existing 12.5/7.2kv service and removal of electrical facilities per **Exhibit B**
  - traffic-control as may be necessary to facilitate such work
- i. **"The City"** is used interchangeably with "Tacoma Power" in this document.
- j. **"CUSTOMER Contractor"** means the General Contractor and/or Electrical Contractors designated by CUSTOMER to prosecute the Installation Project and to perform the CUSTOMER Work hereunder for and on behalf of CUSTOMER.
- **NOTE:** All references to the "CUSTOMER Contractor" herein shall expressly include and refer to any and all subcontractors acting by and through the CUSTOMER Contractor. Notwithstanding any separate contract executed by CUSTOMER with the CUSTOMER Contractor that may pertain to the Mary Bridge Children's Hospital Project, CUSTOMER shall be and remain fully bound and responsible hereunder for the proper performance of the CUSTOMER Work, the completion of the Installation Project, and the payment of all costs and expense provided for hereunder, all in accordance with the terms and conditions of this Agreement.
- k. **"Project Area"** means all lands, public and private, where Mary Bridge Children's Hospital Project electrical work will be performed and includes all areas identified, described or delineated in the Design Documents (**Exhibits A and B**).
- i. **"Installation Project"** as used in this Agreement, refers to the installation work described herein necessary to provide the Short-Term Service for the Facility, as described in the Recitals and in this Agreement.

## ARTICLE 2 – RESPECTIVE OBLIGATIONS

### 2.1 City Obligations:

**2.1.1 Design & Work:** Tacoma Power will provide all Design Documents, Inspection Work, and defined Tacoma Power Work noted in the Design Documents. The preparation of Design Documents, Inspection Work, and Tacoma Power Work shall be performed by Tacoma Power per the design requirements set forth in Tacoma Power's T&D Construction Standards and in the National Electrical Safety Code (NESC). City Inspection Work will be provided as scheduled or required during CUSTOMER and/or the CUSTOMER Contractor's prosecution of the CUSTOMER Work. It is expressly understood that by performing the Inspection Work Tacoma Power shall not be deemed to have any direct control over CUSTOMER Work or to have assumed any duties or liabilities for the full, proper, and lawful prosecution of the Installation Project and/or CUSTOMER Work; all of which is and shall remain at all times the sole responsibility of CUSTOMER. All Tacoma Power communications

regarding inspection, acceptance, approval, rejection or modification of the CUSTOMER Work will be addressed to the CUSTOMER's Resident Engineer, or Project Manager.

**2.1.2 Inspection Work:** As further set forth in Section 6.2, Tacoma Power agrees to provide inspection of CUSTOMER Contractor's work during the performance of the CUSTOMER Work including, but not limited to, installation of the vaults and ducts. Such Inspection Work shall be for the exclusive purpose of confirming said performance complies with the Design Documents including, but not limited to, the agreed upon drawings and Tacoma Power standards therein. CUSTOMER's Resident Engineer is to schedule the Inspection Work. Tacoma Power shall perform such inspections in such manner as not to unreasonably delay or interfere with CUSTOMER Contractor performance of the CUSTOMER Work, provided that Tacoma Power shall not be responsible for any costs or claims based on delay attributable to CUSTOMER Contractor and/or their sub-contractor(s), unless such delays are proximately caused by Tacoma Power's negligent act or willful misconduct.

**2.1.3 Coordination of Service Modifications:** Certain electrical facility modifications and installations are required and may be impacted by labor, equipment procurement, and/or temporary outage scheduling. Tacoma Power's Project Manager will notify CUSTOMER Contractor to coordinate any necessary service outages, cut-overs, and metering energization. Notwithstanding such notice, the CUSTOMER Contractor shall remain primarily responsible for timely coordination of all CUSTOMER Work. Tacoma Power must complete some equipment modifications in advance of the modification of the electrical system. These modifications are contingent upon equipment shipments and the scheduling of an outage to the Mary Bridge Children's Hospital Project. Once these modifications are complete then CUSTOMER and/or the CUSTOMER Contractor shall provide Tacoma Power's Project Manager a three week advanced coordination period and a one week advanced notice of scheduling the cut over of the service.

**2.1.4 Temporary Outages and New Service Coordination:** Subject to Section 2.1.3, Tacoma Power will coordinate all temporary outages with its customers if and when required to perform and complete the Tacoma Power Work. It is understood and agreed that the Tacoma Power Work involves installation of infrastructure capable of accommodating new and/or increased electrical services to the Mary Bridge Children's Hospital Project and that energization of such new services will be coordinated by and with the CUSTOMER Contractor.

### 2.2 CUSTOMER Obligations:

**2.2.1 Work to be Performed:** CUSTOMER shall be, at its sole cost and expense, responsible for the full and complete performance of the CUSTOMER Work as specified herein and in **Exhibit A**. The CUSTOMER Work shall comply with all applicable laws and regulations whether or not set forth in Exhibit A. In performing the CUSTOMER Work, CUSTOMER shall be responsible for all CUSTOMER Work construction contracting functions including, but not limited to, those related to the CUSTOMER Contractor.

**2.2.2 Scheduling:** Prior to commencement of any work on the Installation Project including, but not limited to the CUSTOMER Work, CUSTOMER Contractor shall provide a construction schedule to Tacoma Power and shall thereafter timely notify Tacoma Power of scheduling changes related to the Mary Bridge Children's Hospital Project that are expected to materially impact the CUSTOMER Work or Tacoma Power Work schedules. CUSTOMER contractor shall provide weekly progress reports to Tacoma Power and schedule work coordination meetings with Tacoma Power as necessary to allow Tacoma Power to coordinate and timely complete the Inspection Work and Tacoma Power Work. With respect to issues of which it is aware of, or reasonably should be aware of, CUSTOMER's Resident Engineer shall coordinate with Tacoma Power's Field Representative or Project Manager, as appropriate, to accomplish desired changes or corrections to Tacoma Power's Inspection Work and/or Tacoma Power Work in the field as necessary to avoid delays to CUSTOMER Work activities. The CUSTOMER Resident Engineer will handle all communications with the CUSTOMER Contractor. Scheduling obligations are more specifically set forth in Section 2.3, and to the extent there are any conflicts between Section 2.3 and this Section 2.2.2, Section 2.3 will govern and control.

**2.2.3 Property Rights:** CUSTOMER shall, at Tacoma Power's request, grant to Tacoma Power on commercially reasonable forms, at no cost to Tacoma Power, any access, licenses, easements and/or rights of way upon, over, under and across lands owned by CUSTOMER comprising the Mary Bridge Children's Hospital Project as necessary for Tacoma Power to perform and complete the Tacoma Power Work, and shall at all reasonable times, and subject to applicable healthcare regulations and CUSTOMER's reasonable health and safety rules, provide Tacoma Power and/or its employees, representatives, agents and/or contractors free access to such lands.

- A. Subject to the foregoing qualifications, CUSTOMER shall grant to Tacoma Power, at Tacoma Power's request, on commercially reasonable forms all access and use rights over CUSTOMER owned property, including but not limited to easements reasonably necessary to allow Tacoma Power to operate, maintain, repair, and reconstruct all Mary Bridge Children's Hospital Project electrical facilities in the future. Tacoma Power shall at its reasonable discretion approve the adequacy of such access and/or use rights, and such approval shall not be unreasonably withheld.
- B. Tacoma Power may agree, in its sole discretion and shall not be obligated, to procure additional access, easements, licenses, and/or rights of way as reasonably necessary to performance of the Tacoma Power Work on property owned by persons or entities other than CUSTOMER. Tacoma Power will not be obligated to commence Tacoma Power Work on any property unless or until approved access and/or use rights have been established. Tacoma Power does not anticipate that such third-party property rights will be necessary for the Installation Project and will promptly alert CUSTOMER if such third-party rights become necessary for the Installation Project. Tacoma Power will not take any action pursuant to this

Section 2.2.3.B that would result in any CUSTOMER cost without the prior written authorization from the CUSTOMER Project Manager.

- C. Per Section 2.2.6 below, CUSTOMER shall be responsible for all surveying and documentation preparation work required to secure and formally establish any and all of the foregoing property rights to the extent reasonably necessary to establish such property rights.

**2.2.4 Performance of Work:** As further specified herein and in **Exhibits A & B**, CUSTOMER will employ all CUSTOMER Contractors and other persons or entities necessary to perform the CUSTOMER Work. Without limiting the foregoing, CUSTOMER shall be responsible for environmental compliance, permitting, management, control, construction, and inspection necessary to fully and properly complete the CUSTOMER Work.

**2.2.5 Work Area:** CUSTOMER shall require the CUSTOMER Contractor to coordinate with the Tacoma Power Project Manager to ensure Tacoma Power has accessible and adequate work areas so as to not unreasonably delay or interfere with the performance of the Tacoma Power Work within the Project Area.

**2.2.6 Surveying/Staking and Documentation:** CUSTOMER Contractor shall provide all surveying, staking, and elevations identification as requested in writing by Tacoma Power as necessary to allow complete performance of the Tacoma Power Work within the Project Area. Staking shall be completed as soon as reasonably practicable following Tacoma Power's request.

At the conclusion of the Installation Project, CUSTOMER shall perform and complete surveying work, and prepare as-built documentation and drawings based thereon, for all Installation Project electrical facilities and utility installations as necessary to identify and establish easements and other property access rights to be granted to Tacoma Power pursuant to this Agreement. Such surveying, documentation, and drawings shall include, but not be limited to, all conduits, vaults, cabling, pad mounted equipment, and Secondary Service Box (SSB) equipment installations.

**2.2.7 Clearing & Grubbing:** CUSTOMER Contractor shall provide and perform all required clearing and grubbing requested in writing by Tacoma Power as necessary to allow complete performance of the Tacoma Power Work. Clearing and grubbing shall be done in a timely manner as to not unreasonably delay or interfere with the Tacoma Power Work.

**2.2.8 Electrical Service Cancellations:** Intentionally deleted.

**2.2.9 Coordination with other Utilities:** CUSTOMER Contractor shall coordinate with other utility providers to ensure the Tacoma Power Work is not unreasonably delayed or interfered with.

**2.2.10 Substation:** A new substation owned and operated by Tacoma Power will need to be built to establish permanent service to the Facility as detailed in Section 6.2.

## 2.3 Schedule of Work

**2.3.1 Schedule for Installation Project, CUSTOMER Work and/or Tacoma Power's Work.** Prior to commencement of any CUSTOMER Work or any work on the Installation Project that may impact the Tacoma Power Work, CUSTOMER shall provide to Tacoma Power the CUSTOMER Contractor's proposed schedule(s) for the completion of the CUSTOMER Work and other Installation Project work that may impact or be dependent upon the Tacoma Power Work.

- A. The Parties will, in good faith, develop and agree upon a schedule of work for the Tacoma Power Work including schedule stages and milestones, notice requirements or other schedule-related issues ("Schedule of Work"), which shall be attached and incorporated into this Agreement as **Exhibit D**. The Schedule of Work shall consider and reflect the following:
- For scheduling purposes, this work is expected to be on a straight time basis.
  - Weather conditions may impede this work plan.
  - Equipment and material supply chain delays that may impact either the CUSTOMER Work or Tacoma Power work schedule.
  - Emergency operations will take precedence on Tacoma Power's work force commitments.
  - Tacoma Power's work schedule and priorities will be developed in coordination with the CUSTOMER Project Manager.
  - Permits must be obtained by the CUSTOMER Contractor before setting the Schedule of Work.
- B. CUSTOMER Contractor will administer its construction work and activities in accordance with the agreed upon Schedule of Work and timely notify Tacoma Power of any scheduling changes related to the Mary Bridge Children's Hospital Project or Installation Project that are expected to materially impact the CUSTOMER Work and/or Tacoma Power's Work. CUSTOMER's Resident Engineer shall coordinate with Tacoma Power's Project Manager as necessary to avoid delays to CUSTOMER Contractor performance.
- C. Following commencement of the CUSTOMER Work, Tacoma Power shall timely notify CUSTOMER Project Engineer in writing of any changes in the schedule of Tacoma Power Work that are expected to impact the CUSTOMER Work and CUSTOMER Contractor shall exercise good faith efforts to incorporate such changes into its construction schedules to minimize any delay or adverse impacts.

**2.3.2** The Schedule of Work shall incorporate the construction tasks to be performed by CUSTOMER Contractor for Tacoma Power, which will include work on existing and new underground facilities as described in **Exhibit A** and **B**, in order to maintain continuous electrical service to Tacoma Power customers and/or avoid delay to Tacoma Power Work.

## 2.4 Changes to Design Documents.

**2.4.1** In the event Tacoma Power submits a written change in **Exhibit A** or **Exhibit B** after commencement of the CUSTOMER Work, CUSTOMER shall have ten (10) business days following receipt to review and approve any such submittal; which approval shall not be unreasonably withheld. Should CUSTOMER not approve the change as submitted, CUSTOMER shall provide written comments to Tacoma Power specifying the reasons for non-approval.

**2.4.2** In the event CUSTOMER requests a change in **Exhibit A** after commencement of the CUSTOMER Work, CUSTOMER shall provide Tacoma Power with written notice specifying the basis and scope of such proposed change. Within ten (10) business days following receipt of such notice, Tacoma Power shall review such request and either (i) approve such change and modify **Exhibit A** accordingly, which approval shall not be unreasonably withheld, or (ii) provide written comments to CUSTOMER.

**2.4.3** All proposed or actual changes to **Exhibit A** requested by CUSTOMER, which result in a cost increase over the **Preliminary Cost Estimate (Exhibit C)** shall be paid solely by CUSTOMER. All proposed or actual changes to **Exhibit A** requested by Tacoma Power that result in such cost increase shall be governed by Article 4 below. The Parties agree to work cooperatively to timely resolve any disputes arising out of the review process for changes to **Exhibit A**, using the process set forth below in Article 8 below.

## ARTICLE 3 – PAYMENT OBLIGATIONS OF CUSTOMER

### 3.1 Payment.

CUSTOMER agrees that, subject to the terms of this Agreement, it shall be responsible for payment of all of the City's actual Direct Costs, as defined herein, related or attributable to the Installation Project. CUSTOMER's payment obligation for Tacoma Power's design, Inspection Work, and Tacoma Power Work to be performed hereunder is estimated at **\$1,560,585** as more fully described in the **Preliminary Cost Estimate (Exhibit C)**. The Preliminary Cost Estimate set forth in **Exhibit C** may be modified in accordance with Article 4 of this Agreement. Said payment obligation is based on a preliminary estimate of the cost for Tacoma Power design, Inspection Work, and Tacoma Power Work to be performed hereunder and reflects the Parties' best estimates of the Direct Costs that may be incurred by Tacoma Power under this Agreement. Actual payments required under this Agreement shall be based on actual work performed and materials provided under this Agreement. In the event it is determined that the scope of work for which Tacoma Power is responsible hereunder has been accomplished for a lesser amount than identified in this Agreement, CUSTOMER shall only pay for actual Direct Costs.

If Tacoma Power determines that Direct Costs will likely exceed **\$1,560,585** by more than \$50,000, Tacoma Power will provide prompt notice to CUSTOMER that an amendment to this Agreement is necessary and additional funds shall be required. Tacoma Power and CUSTOMER hereby acknowledge that an amendment to this Agreement and additional funds will be required before actual Direct Costs exceed **\$1,560,585** by more than \$50,000. In order to ensure that no Installation Project Direct Costs exceed **\$1,560,585** by more than \$50,000, Tacoma Power may suspend all further Installation Project related work and Tacoma Power Work, including, without limitation, Inspection Work, until said amendment authorizing additional funds is executed. Further, the failure or inability to execute an amendment, or make additional funds available consistent with the terms and conditions of the executed amendment, in a timely manner could result in schedule delays. This paragraph does not apply to costs for which CUSTOMER is not responsible under the terms of this Agreement.

### 3.2 Invoices & deposits.

Within 30 days of mutual execution of this Agreement, CUSTOMER shall tender an Initial Payment to Tacoma Power in the total amount of \$1,560,585. Said Initial Payment represents pre-payment of estimated Direct Costs as outlined in the Preliminary Cost Estimate (Exhibit C). It is agreed that Tacoma Power will not begin actual construction activities associated with the Tacoma Power Work beyond temporary power and removal of existing underground distribution to Jackson Hall and CH East until the Initial Payment has been paid and Tacoma Power may cease performance hereunder if any invoiced amount is not paid within thirty (30) days following mutual execution of this Agreement.

**3.3. Records.** Tacoma Power shall, in accordance with its standard processes and procedures, keep records of the Direct Costs using a work order accounting system.

**3.4** Invoices shall be mailed to:

#### CUSTOMER:

MultiCare Health System  
c/o David Z. Stokes, Senior Director, PM  
CBRE, Healthcare Project Advisory  
3417 Noble Ave.  
Richmond, VA 23222  
C +1 804-245-4547  
david.stokes@cbre.com

**3.5 Payment.** Except for the Initial Payment, which will be invoiced and is due upon execution of this Agreement, CUSTOMER shall fully pay each invoice submitted by the City within 30 calendar days of receipt of the invoice. Checks shall be made payable to the Treasurer, City of Tacoma and shall be mailed to:

City of Tacoma  
Department of Public Utilities, Power Division  
Attn: Sharon Brophy  
3628 South 35<sup>th</sup> Street  
Tacoma, WA 98409-3192  
Reference: W/O# 10000152769

In the event CUSTOMER fails to pay any monies to the City as and when due hereunder, CUSTOMER shall pay interest on such uncontested unpaid sum from thirty (30) calendar days after the date due at an annual rate equal to twelve percent (12%) per annum, or the maximum rate permitted by law, whichever is less. After 10 business days' written notice to CUSTOMER that it has failed to pay an uncontested amount when due and provided CUSTOMER does not cure such default within that ten business day period, Tacoma Power reserves the right to suspend performance hereunder, including but not limited to construction activities, for non-payment.

### 3.6 Intentionally deleted.

**3.7 Refund.** Upon completion of the Installation Project the actual Direct Costs incurred by Tacoma Power will be compared with the estimated costs, invoice payments, and remaining minimum deposited amount. If an overpayment to Tacoma Power exists then a refund will be issued to CUSTOMER within 60 days after completion of the Installation Project including, without limitation, finalization of all as-builts and Tacoma Power's receipt of all costs. If an underpayment for Direct Costs exists, then CUSTOMER shall tender such amount to Tacoma Power within 60 days after receipt of an invoice from Tacoma Power for such amount. CUSTOMER may contest a charge for any Tacoma Power Work detailed in an invoice within 30 days of receipt of such invoice by providing written notice to Tacoma Power specifying the charges and/or documentation in dispute. Upon receipt of such notice, Tacoma Power will investigate items contested and make appropriate amendments to the invoice, if necessary. The Parties shall attempt to resolve all disputes within 30 days of the date of notice of a contested invoice before submitting the matter for dispute resolution as provided in **Article 8**. It is further agreed that at the time of a final audit, all required adjustments will be made and reflected in a final payment. Interest shall not accrue on the contested part of any billing until mutually resolved.

**3.8 Audit.** During the progress of the Parties work under this Agreement and for a period not less than three (3) years from the date of final payment to the City, the records and accounts pertaining to the Parties' work under this Agreement and accounting therefore are to be kept available for inspection and audit by either Party. Copies of all records, accounts documentation or other data pertaining to the Installation Project will be made available for inspection, copying, or audit upon written request by either Party. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall be retained until all litigation, claim or audit

finding has been resolved even though such litigation, claim or audit continues past the three-year retention period.

In the event a written request to audit is received, the recipient Party agrees to cooperate fully with the auditor or independent auditor chosen, retained, and paid by the requesting Party. In the event the audit determines that CUSTOMER has paid Tacoma Power in excess of the amounts properly due hereunder, Tacoma Power will promptly refund the excess amount to CUSTOMER. In the event the audit determines that Tacoma Power has incurred costs for its design, Inspection Work, and/or the Tacoma Power Work that exceeds payment made and required to be made by CUSTOMER, CUSTOMER shall promptly pay Tacoma Power the amount owed. In the event the Parties cannot agree on the results of the audit, or upon a method of refund or payment, the disagreement shall be dealt with in accordance with the Dispute Resolution provisions of Article 8 below.

#### ARTICLE 4 – EXTRA WORK

In the event either Party identifies additional work that requires an increase over the Preliminary Cost Estimate for the Tacoma Power Work as set forth in **Exhibit C**, the Party asserting such additional work will provide written notice thereof to the other Party. The Parties agree to negotiate in good faith to modify this Agreement to authorize any increased payment resulting from such additional work.

Any actual or proposed cost increases of more than \$50,000 over the amount set forth in **Exhibit C** will require formal approval by CUSTOMER to be chargeable by, and paid to the City, provided that CUSTOMER shall not unreasonably withhold such approval. Any necessary authorization(s) for payment shall be processed in a timely manner to avoid delaying work by Tacoma Power and/or the CUSTOMER Contractor. However, Tacoma Power may suspend all Tacoma Power Work, Inspection Work, or other related work impacting Direct Costs until an amendment authorizing or approving additional cost increases is executed by the Parties.

In the event of a conflict between this Article 4 and any other term or condition of this Agreement, this Article 4 shall prevail.

#### ARTICLE 5 – INSTALLATION PROJECT ADMINISTRATION AND REPRESENTATIVES

**5.1** It is acknowledged that CUSTOMER, by and through the CUSTOMER Contractor, shall be responsible for all administrative activities required for the Installation Project except internal administration of Tacoma Power Work or as expressly agreed otherwise hereunder. It is further acknowledged that such administrative activities shall ensure all CUSTOMER Work is completed to Tacoma Power standards and that in no event shall performance of Inspection Work by Tacoma Power personnel result in delegation to, or assumption by, Tacoma Power of any duty to complete and pay for such work or of any other obligation or responsibility of CUSTOMER hereunder.

**5.2 Permits.** Except as otherwise specifically provided herein, CUSTOMER shall be responsible, at its sole expense, for acquiring all necessary permits, including but not limited to construction easements, or other governmental approvals necessary to perform and complete the Installation Project. Tacoma Power shall not be responsible for securing any permits or easements for the prosecution of the CUSTOMER Work. The Parties agree that CUSTOMER may assign responsibility to the CUSTOMER Contractors for obtaining any permits necessary for performance of the CUSTOMER Work.

**5.3 Administration.** The following designated Project Managers shall be responsible for administering the joint and cooperative undertaking of the Installation Project as described herein:

**5.3.1 Tacoma Power's Project Manager** shall be **Michael Johnson**. All Installation Project related work, including correspondence with Tacoma Power, review and approval of changes to Design Documents, scheduling, participation, and other activities related to the CUSTOMER Work and the Tacoma Power Work shall be coordinated through said Project Manager.

Michael Johnson Project Manager  
Tacoma Power  
3628 South 35<sup>th</sup> Street  
Tacoma WA, 98409-3192  
(253) 441-4525 Office & (253) 533-0450 Mobile

**5.3.2 CUSTOMER Project Manager** shall be **David Stokes**. All Installation Project related work including, but not limited to, CUSTOMER Work and Tacoma Power Work correspondence with CUSTOMER regarding the administration of this Agreement shall be coordinated through said Project Manager. The issuance of approved changes to the Design Documents will be handled by the CUSTOMER Project Manager before Notice to Proceed is issued.

David Z. Stokes, Senior Director, PM  
CBRE, Healthcare Project Advisory  
3417 Noble Ave.  
Richmond, VA 23222  
C +1 804-245-4547  
david.stokes@cbre.com

**5.3.3** The foregoing designation of Project Managers shall not modify or supersede the dispute escalation process or designated Party representatives set forth in Article 8.

#### 5.4 Field Representatives

**5.4.1 Tacoma Power's Designated Field Representative.** Upon its receipt of CUSTOMER's Notice to Proceed, Tacoma Power shall designate a Field Representative in writing to CUSTOMER. The Field Representative will be present to assure that Tacoma Power standards are followed, to coordinate any work with Tacoma Powers dispatch office, to assure proper as built documentation is recorded, and to communicate with Tacoma Power's Project Manager.

**5.4.2 CUSTOMER Resident Engineer.** CUSTOMER designates as its Resident Engineer the following: [An individual to be named at a later date by CUSTOMER with notice of such appointment to Tacoma Power]

Upon issuance of Notice to Proceed, CUSTOMER shall designate its Resident Engineer as its field representative. The Resident Engineer will be in control of the construction site and handle all scheduling, inspection, approval, change orders and other construction activities relating to the work under this Agreement. All communications between Tacoma Power and the CUSTOMER Contractors shall be made through the Resident Engineer.

**5.5 Notices.** Except for routine day to day communications, all notices which may be or are requested to be given pursuant to this Agreement shall be in writing and be deemed given when personally delivered, or when deposited in the United States mail, postage prepaid, and marked registered or certified mail, return receipt requested, and addressed to the parties at the following addresses unless otherwise provided for herein:

**To Tacoma Power:**

Michael Johnson  
Project Manager  
3628 South 35<sup>th</sup> Street  
Tacoma WA, 98409-3192  
(253) 441-4525, (253) 533-0450

**With a copy to:**

Management Analyst II  
Tacoma Power, T&D  
3628 South 35<sup>th</sup> Street  
Tacoma WA, 98409-3192

**To CUSTOMER:**

MultiCare Health System  
Attn: Nicole Wenzel  
315 Martin Luther King Jr. Way  
PO Box 5299  
MS: 1313-5-CON  
Tacoma, WA 98415-0299  
Nicole.Wenzel@multicare.org

*With copies to:*

MultiCare Health System  
Attn: David Stokes, CBRE, Inc.-Real Estate Services  
315 Martin Luther King Jr. Way  
PO Box 5299  
MS: 1313-5-CON  
Tacoma, WA 98415-0299  
MultiCareFinance@cbre.com

MultiCare Health System  
Attn: General Counsel  
315 Martin Luther King Jr. Way  
PO Box 5299  
MS: 820-4-LEG  
Tacoma, WA 98415-0299  
Legal.Services@multicare.org  
Contractsupport@multicare.org

Hillis Clark Martin & Peterson, P.S.  
999 Third Avenue, Suite 4600  
Seattle, WA 98101  
Attn: Kurt E. Kruckeberg  
Kurt.Kruckeberg@hcmp.com

Either Party may change the address to which notices shall be sent by providing written notice of such change to the other Party.

**ARTICLE 6 – INSPECTION AND ACCEPTANCE OF INSTALLATION PROJECT WORK**

**6.1 Timely Inspection/Approvals.** In coordination with the CUSTOMER Resident Engineer and as the work progresses, Tacoma Power shall be invited to conduct reasonable and timely inspection of each stage of the CUSTOMER Work. CUSTOMER Contractor shall give at least two (2) business days' prior notice to Tacoma Power of when work items are scheduled to be performed and are ready for Inspection Work. As stages are completed, Tacoma Power will provide approvals or rejections pursuant to the process in Section 6.2.

**6.2 Sequencing of Inspections/Approvals/Acceptance.** The CUSTOMER Work will be conducted in stages that require inspections and approvals from Tacoma Power before the CUSTOMER Contractor proceeds with the next stage of the CUSTOMER Work and/or before Tacoma Power proceeds with certain Tacoma Power Work. The sequence of inspections, approvals and final acceptance is as follows:

- (a) Inspections. Tacoma Power will provide regular inspection activities as coordinated with CUSTOMER Resident Engineer in writing (e-mail is acceptable) via regular communications. If Tacoma Power discovers that the particular elements of the CUSTOMER Work were not performed, or installed per **Exhibit A**, then Tacoma Power shall give prompt notice to the Resident Engineer of said defect(s) and what work remains to be done. Tacoma Power shall endeavor to complete its inspections and notice of approval or rejection in less than two (2) business days of discovery. CUSTOMER and/or the CUSTOMER Contractor will direct all applicable sub-contractors to, promptly re-perform or make repairs to the CUSTOMER Work as necessary to fully comply with **Exhibit A**. Following its inspection and approval, Tacoma Power shall be allowed to use and operate the completed stage of the CUSTOMER Work as part of its utility system. Tacoma Power will notify CUSTOMER at least 10 business days in advance to coordinate work which Tacoma Power knows may impact the completion of the Installation Project, with the exception of emergency work which must be completed immediately, and work agreed to by the CUSTOMER.
- (b) Final Inspection. At the completion of all the CUSTOMER Work, the Resident Engineer will schedule a final inspection with Tacoma Power's Project Manager & Tacoma Powers Construction Inspector, and Tacoma Power shall have five (5) working days after receipt of written notice from CUSTOMER Contractor to accept or reject the completed CUSTOMER Work ("Final Inspection"). If Tacoma Power discovers that the particular stage or element of the CUSTOMER Work was not performed or installed per **Exhibit A**, then Tacoma Power shall give prompt written notice to the Resident Engineer of said defect(s) and what work remains to be done. Upon receipt of such notice, the CUSTOMER Contractor will, directly or through its sub-contractor(s), promptly re-perform or make repairs to the CUSTOMER Work as necessary to fully comply with **Exhibit A**, unless it is reasonably demonstrated that the specified defects are the direct result of actions or omissions by Tacoma Power.
- (c) Final Acceptance. After Tacoma Power has connected the CUSTOMER Work to its utility system, Tacoma Power will be asked to provide its Final Acceptance of the CUSTOMER Work. Tacoma Power's final acceptance of CUSTOMER Work shall occur only when Tacoma Power is satisfied that (i) all CUSTOMER Work is completed in accordance with **Exhibit A**, and (ii) all items indicated on Tacoma Power Inspector's punch list have been completed. Upon such final acceptance, Tacoma Power's Project Manager shall provide written notice thereof to CUSTOMER Project Manager.
- (d) Utility Installation Agreement Substation. Prior to Tacoma Power energizing the short-term service for the Mary Bridge Children's Hospital Project, CUSTOMER and the City shall enter into a "Utility Installation Agreement -Substation" for substation and transmission line design, procurement, and construction related to such substation with commercially reasonable terms as further defined in the Utility Installation Agreement - Substation.

Nothing in Tacoma Power's inspection, approval, or acceptance of the CUSTOMER Work shall reduce or waive CUSTOMER Contractor's responsibility for performance and full and proper completion of CUSTOMER Work.

- (a) **6.3 Warranties and Performance Bond**. CUSTOMER fully warrants the CUSTOMER Work shall be performed in a good and workmanlike manner, which warranty shall include all contractor and manufacturer's warranties it obtains and/or may assert in connection with said work. CUSTOMER, or the CUSTOMER Contractor as applicable, will assign all assignable rights under said warranties to the Tacoma Power with respect to all electrical facilities of the CUSTOMER Work that support or are included in the meter –switch room. The foregoing warranty shall not apply to any deficiencies or defects arising from Tacoma Public's acts or omissions.
- (b) Bonds. To ensure full and complete satisfaction of its obligations hereunder, **CUSTOMER** or the **CUSTOMER** Contractor shall obtain and furnish to Tacoma Power a performance bond for the cost of the **CUSTOMER** Work directly related to electrical facilities, together with the estimated additional Direct Costs Tacoma Power may reasonably incur in the event of a significant default hereunder. Such bond shall:
- (1) be in the amount of not less than \$500,000;
  - (2) name the City of Tacoma, Department of Public Utilities, Light Division, as the sole obligee thereunder.
  - (3) be in a form acceptable to the Tacoma Power's legal counsel; and
  - (4) be delivered to Tacoma Power prior to commencement of any Tacoma Power Work, or within five (5) business days following the Effective Date of this Agreement, which ever shall first occur.

**6.4 Ownership/Use**. Tacoma Power shall own all power supply and distribution facilities installed pursuant to this Agreement up to the demarcation points identified in the Design Documents specifically including, but not limited to, the conduits and vaults installed as the result of the CUSTOMER Work. CUSTOMER shall own and be solely responsible for all Mary Bridge Children's Hospital Project electrical facilities on the customer side of said demarcation points, provided that Tacoma Power will be given access to any such facilities while under construction. Upon receiving notice of final acceptance and approval from Tacoma Power Construction Inspector, CUSTOMER shall transfer control of the completed CUSTOMER Work to Tacoma Power for its use, occupancy, operation and maintenance. Tacoma Power shall thereafter install equipment, cabling, and other miscellaneous fixtures and devices.

Tacoma Power will be responsible for the operation and maintenance of said utility meters and components, switchgear, conduits, vaults, pad mounted equipment and primary power cables.

#### ARTICLE 7 - LEGAL RELATIONS



**7.1 Indemnification by City.** To the extent permitted by law, the City shall protect, defend, indemnify, and save harmless CUSTOMER, and its officers, employees, and agents, while acting within the scope of their employment, from any and all third party claims, demands, judgments, damages, or liability of any kind including injuries to persons or damages to property, including reasonable attorney's fees and costs incurred in connection therewith, which arise out of, or in any way result from, or are connected to, or are due to the negligent acts or omissions of the City, its employees, agents and/or contractors in performing the Inspection Work and/or Tacoma Power Work under this Agreement. The foregoing defense, indemnification and hold harmless provisions shall not apply to the extent the claim, suit, or action for injuries, death, or damages is caused by the negligence or misconduct of CUSTOMER and/or the CUSTOMER Contractor, or their respective officers, employees, agents, or contractors. Where such claims, suits, or actions result from concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of the indemnifying Party's own negligence. The City agrees that its obligations under this indemnification section extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents.

**7.2 Indemnification by CUSTOMER.** To the extent permitted by law, CUSTOMER shall protect, defend, indemnify, and save harmless the City, and its officers, officials, employees, and agents, while acting within the scope of their employment, from any and all third party claims, demands, judgments, damages, or liability of any kind including injuries to persons or damages to property, including reasonable attorney's fees and costs incurred in connection therewith, which arise out of, or in any way result from, or are connected to, or are due to the negligent acts or omissions of CUSTOMER, the CUSTOMER Contractor, and/or their respective officers, employees, agents or contractors in performing the CUSTOMER Work under this Agreement. The foregoing defense, indemnification and hold harmless provisions shall not apply to the extent the claim, suit, or action for injuries, death, or damages is caused by the negligence or misconduct of the City, its employees, agents and/or contractors. Where such claims, suits, or actions result from concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of the indemnifying Party's own negligence. CUSTOMER agrees that its obligations under this indemnification section extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents and/or by the CUSTOMER Contractor or their employees, agents, or sub-contractors.

**7.3** For purposes of the indemnification provisions set forth in this Article 7, each Party hereby waives, with respect to the other only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. EACH PARTY EXPRESSLY RECOGNIZES THAT THIS WAIVER WAS THE SUBJECT OF MUTUAL NEGOTIATION. Such waiver shall not, however, be construed as establishing any independent right or cause of action by employees of CUSTOMER against it or by employees of Tacoma Power against it. In the event of any claims, demands, actions and lawsuits, the indemnifying Party upon prompt notice from the indemnified Party shall assume all costs of defense thereof, including legal fees incurred by the indemnified Party, and of all resulting judgments that may be obtained

against the indemnified Party. In the event that a Party incurs attorney fees, costs or other legal expenses to enforce the provisions of this section, all such fees, costs and expenses shall be recoverable by the prevailing Party. This indemnification shall survive the termination of this Agreement.

#### **7.4 Insurance.**

**7.4.1 CUSTOMER Coverages.** CUSTOMER or the CUSTOMER Contractor that will perform the CUSTOMER Work shall not commence work under this Agreement until all reasonably required insurance has been obtained and such insurance has been approved by the City. It is CUSTOMER responsibility to ascertain that all contractors including, but not limited to, the CUSTOMER Contractor (and each of its affiliated sub-contractors that participate in performance of CUSTOMER Work), shall have the insurance as required by this Agreement at all times during performance of the CUSTOMER Work. The insurance coverages required herein shall be maintained and effective at all times any such work is being performed.

(a) Workers Compensation Insurance. CUSTOMER shall, at all times during the life of this Agreement, fully comply with all of the terms and conditions of the laws of the State of Washington pertaining to Workers' Compensation together with any and all amendments and supplements thereto and any and all regulations promulgated there-under. In the event any of the CUSTOMER Work herein is sublet, CUSTOMER shall require the CUSTOMER Contractor, and all other contractors and sub-contractors performing work on the Installation Project, other than Tacoma Power, to fully comply with all of the terms and conditions of the laws of the State of Washington pertaining to Workers' Compensation. For persons engaged in employment who are not within the mandatory coverage of the state Workers' Compensation laws, CUSTOMER shall provide and shall cause the CUSTOMER Contractor and each and every other said contractor and subcontractor to provide compensation insurance (including self-insurance if it otherwise meets all requirements of state Workers' Compensation laws), satisfactory to the City, at least equivalent to the benefits provided for covered employment under state Workers' Compensation laws.

(b) Public Liability and Property Damage Insurance. CUSTOMER shall procure and maintain during the life of this Agreement, a policy of commercial general liability insurance, with an insurance carrier authorized to do business in the State of Washington. The policy shall be approved as to form and content by the Tacoma City Attorney and shall protect the City from liability imposed by law for damages suffered by any persons arising out of or resulting from acts or omissions in the performance of this Agreement: (1) for bodily injury or death resulting therefrom caused by accidents or occurrences resulting from any act or omission by CUSTOMER, the CUSTOMER Contractor, and their respective employees, agents, and other contractors in the performance of the Agreement, and (2) for injury to, or destruction of, any property, including property of the City, and including loss of use. The policy or policies shall include coverage for claims for damages because of bodily injury or death or property damage arising out of

the ownership, maintenance or use of any motor vehicle, including hired or non-owned vehicles. The City of Tacoma, Department of Public Utilities, Power Division shall be designated in said policy as a primary additional named insured and shall be given 30 days written notice of cancellation, nonrenewal, or material change in the coverage provided. Said insurance shall be on a Commercial General Liability form with coverages to include Blanket Contractor, Broad Form Property Damage, Personal Injury, Protective Liability and Employers Liability. Limits shall be at \$1,000,000 per occurrence, \$2,000,000 aggregate and for contracts in excess of \$500,000 the minimum coverage limits include Umbrella Excess Liability of \$5,000,000. CUSTOMER shall further furnish CGL policy coverage provisions or endorsements specifying that the City's insurance is excess to any other collectible insurance. CUSTOMER shall furnish evidence of the amount of any deductible or self-insured retention under the CGL policy or policies, which amount shall be subject to approval by the City Attorney's Office for the City of Tacoma if the amount of the deductible or self-insured retention exceeds \$20,000. The City may require CUSTOMER to furnish evidence of its ability to pay the amount of any deductible or self-insured retention. If the policy provides for a deductible or self-insured retention, CUSTOMER shall be solely responsible for paying the amount of the deductible or self-insured retention toward the cost of any claim under the policy. If CUSTOMER fails to maintain such insurance, the City, at its discretion, may obtain equivalent substitute insurance coverage and be entitled to full reimbursement and payment of its costs thereof. Nothing herein contained shall be in any manner construed as limiting the extent to which CUSTOMER or its contractor(s) may be held liable or responsible for payment of damages resulting from their operations.

(c) **Builder's Risk.** CUSTOMER and the CUSTOMER Contractor shall be expected to protect and insure from loss for any tools and equipment owned or rented by CUSTOMER and/or the CUSTOMER Contractor, and each of their respective sub-contractors, employees or agents. Until the CUSTOMER Work is completed and finally accepted by the City, all construction is at the sole risk of CUSTOMER and no acceptance of payment by the City shall constitute acceptance of the CUSTOMER Work or relieve CUSTOMER of responsibility to deliver to the City the completed CUSTOMER Work as required by this Agreement.

(d) **Proof of Insurance Coverage; Self-Insurance.** CUSTOMER shall furnish and file with the City, within ten business days of the Effective Date of this Agreement, a certificate of insurance coverage together with policy endorsements verifying the insurance coverage types and limits required herein. An up-to-date certificate of insurance must be on file with the City throughout the term of this Agreement. The City may, at the time the Agreement is executed or at any other time, require CUSTOMER to furnish and file with the City a certified true copy of the insurance policy or policies, together with a letter from the insurance carrier verifying that the premium has been paid for the period indicated. The policy or policies shall be approved as to form and content by the City Attorney. Notwithstanding anything to the contrary in this Agreement, CUSTOMER may satisfy all insurance requirements under this Agreement through a program of self-insurance to the

extent allowed by applicable law, and upon Tacoma Power's reasonable request, CUSTOMER shall provide evidence of self-insurance funding and/or, a letter committing its self-insurance program to the minimum amounts required herein. CUSTOMER agrees that it will pay any deductible or self-insured portions of the insurance or self-insurance provided.

## ARTICLE 8 - DISPUTE RESOLUTION

**8.1 Preventing Conflicts.** The Parties agree to use their best efforts to prevent and resolve potential sources of conflict before they escalate into dispute, claims or legal actions.

**8.2 Resolving Disputes Through Negotiation.** The Parties agree to use their best efforts to resolve disputes arising out of or related to this Agreement using good faith negotiations by engaging in the following dispute escalation process should any such disputes arise:

**8.2.1 Level One** – The respective Project Managers of the Parties shall meet to discuss and attempt to resolve the dispute in a timely manner. If they cannot resolve the dispute within ten (10) business days after the referral of that dispute to Level One, either party may refer the dispute to Level Two.

**8.2.2 Level Two** – An executive officer of CUSTOMER or designee and the Superintendent of Tacoma Power or his designee shall meet to discuss and attempt to resolve the dispute in a timely manner.

**8.3 Failure to Resolve Dispute Through Best Efforts.** Except as otherwise specified in this Agreement, in the event the dispute is not resolved at Level Two within ten (10) business days after referral of that dispute to Level Two, the dispute may be referred to mediation as mutually agreed to by the Parties, or the Parties may exercise whatever other rights they may have at law or in equity. At all times prior to resolution of the dispute, the Parties shall continue to perform their respective duties under this Agreement in the same manner and under the terms as existed prior to the dispute.

**8.4 Venue.** Venue for any legal action shall be in Pierce County, Washington. Venue for any alternative dispute proceedings shall be in Pierce County, Washington.

## ARTICLE 9 – MISCELLANEOUS PROVISIONS

**9.1 Termination.** If this Agreement is terminated by CUSTOMER and/or if CUSTOMER defaults under this Agreement prior to completing all CUSTOMER Work and said termination or default results in a state of reduced operation and reliability to City-owned utilities, then the City shall restore its utility systems to a reliable and operable condition and CUSTOMER shall be responsible for and shall promptly pay Tacoma Power all costs associated with such restoration.

**9.2 Agency or Employee Relationship.** No joint venture or partnership is formed as a result of this Agreement. No employees, agents or subcontractors of one Party shall be deemed, or represent themselves to be, employees of any other Party. In performing work and services pursuant to this Agreement, CUSTOMER, its employees, consultants, agents, and representatives shall be acting as agents of CUSTOMER and shall not be deemed or construed to be employees or agents of the City in any manner whatsoever. CUSTOMER shall not hold itself out as, nor claim to be, an officer or employee of the City and will not make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of the City. CUSTOMER shall be solely responsible for any claims for wages or compensation by the respective employees, contractors, sub-contractors, agents, and representatives of CUSTOMER and the CUSTOMER Contractor, and shall defend, indemnify, and hold the City harmless, from these claims. In performing work and services pursuant to this Agreement, the City, its, employees, consultants, agents, and representatives shall be acting as agents of the City and shall not be deemed or construed to be employees or agents of CUSTOMER in any manner whatsoever.

**9.3 Entire Agreement.** This Agreement and the Exhibits attached hereto constitute the entire agreement and understanding between CUSTOMER and the City relating to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, oral or otherwise, except those expressly set forth or referenced herein.

**9.4 Severability.** In the event that any term, covenant, condition, or provision of this Agreement, or the application of the Agreement to any person or circumstance, is found to be invalid or unenforceable in any respect, the remainder of this Agreement, and the application of such term or provision to other persons or circumstances nevertheless shall be binding with the same effect as if the invalid or unenforceable provision were originally deleted. The Parties agree to bargain in good faith to reform this Agreement or replace any invalid or unenforceable provision with a valid and enforceable provision that comes as close as possible to the intention of the invalid or unenforceable provision.

**9.5 Amendments.** No waiver, modification, addition, or amendment to this Agreement shall be of any force or effect unless reduced to writing and signed by the authorized employees of each Party hereto.

**9.6 Rights and Remedies.** The duties and obligations imposed by this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of or waiver regarding any duties, obligations, rights, and remedies otherwise available by law. No waiver by either Party hereto of any default shall affect or impair any right arising from any subsequent default. The failure of either Party hereto to insist at any time upon the strict observance or performance of any of the provisions of this Agreement or to exercise any right or remedy provided for in this Agreement shall not impair any such right or remedy nor be construed as a waiver or relinquishment of such right.

**9.7 Force Majeure.** Neither Party hereto shall be liable to the other Party for any failure to perform an obligation set forth herein to the extent such failure is caused by war, act of terrorism, supply chain delays or disruptions, pandemic, or an act of nature, provided that such Party has made and is making all reasonable efforts to perform such obligation and minimize any and all resulting loss or damage. Tacoma Power has a responsibility to restore service after storms before returning to scheduled work. Storm related schedule delays, without any City negligence contributing to such delay, shall not constitute liability.

**9.8 Transfer/Assignment.** Neither Party shall assign any interest, obligation, or benefit in this Agreement or transfer any interest in the same, whether by assignment or novation, without prior written consent by the other Party. This Agreement is binding upon, and inures to the benefit of, the Parties and their respective permitted successors and assigns.

**9.9 Benefits.** This Agreement is intended for the sole benefit of the Parties to this Agreement. Nothing in this Agreement is intended to give any person or entity, other than the Parties hereto, any legal or equitable right, remedy, or claim under this Agreement.

**9.10 Authorization To Execute Agreement.** Each Party represents and warrants that the individual executing this Agreement on such Party's behalf is duly authorized to execute this legally binding Agreement for and on behalf of the Party for whom they have signed. CUSTOMER through its undersigned representative, expressly acknowledges and agrees that the formal approval of this Agreement by the City of Tacoma's Public Utility Board is a required pre-condition to the effectiveness and enforceability of this Agreement. Tacoma Power shall have no legal or equitable liability hereunder and/or in connection with the Installation Project unless or until such approval is obtained. Upon such approval, this Agreement shall become effective as of the Effective Date first above written.

**9.11 HIPAA.** The City acknowledges that, in connection with any entry onto CUSTOMER's property, the City and its employees and agents (collectively, "City Related Parties") may come into contact with protected health information ("PHI") within the meaning of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-91, and regulations promulgated thereunder ("HIPAA"). The City (i) shall not disclose, and shall cause City Related Parties not to disclose, any such PHI, (ii) shall implement such appropriate safeguards as may be necessary to protect the confidentiality of any such PHI against unauthorized access and use in connection with such entries onto CUSTOMER's property, and (iii) shall report to CUSTOMER in writing any unauthorized use or disclosure of any such PHI by the City or City Related Parties in connection with any such entry onto CUSTOMER's property within five (5) business days of becoming aware of such unauthorized use or disclosure. In the event HIPAA or any similar or related law or regulation requires a written contract with respect to the obligations of CUSTOMER, the City, or City Related Parties in connection with the privacy and security of PHI, then CUSTOMER and the City shall execute, and the City

shall cause City Parties to execute, such written contract on such terms as are required by law. The City further acknowledges that, for CUSTOMER to comply with HIPAA, CUSTOMER may need to restrict access to the portions of CUSTOMER's property where PHI is kept or stored. Except in cases of emergency, the City agrees that, except when accompanied by an authorized representative of CUSTOMER, neither the City nor any agent of the City shall be permitted to enter those areas of CUSTOMER's property, if any, designated by CUSTOMER as locations where patients are treated (when a patient is present) and where PHI and medical records are kept or stored.

(Signatures on following page)

**MULTICARE HEALTH SYSTEM,  
a Washington nonprofit corporation**

By DocuSigned by:  
Nicole Wenzel  
Printed Name: Nicole Wenzel  
Title: VP Facilities Management &  
Operations Support Services,  
MultiCare Health Systems

By DocuSigned by:  
Tim Lynch  
Printed Name: Tim Lynch  
Title: Senior Vice President, Chief  
Administrative Officer,  
MultiCare Health Systems

**CITY OF TACOMA  
DEPARTMENT OF PUBLIC UTILITIES**

By DocuSigned by:  
Jackie Flowers  
Printed Name: Jackie Flowers,  
Utilities Director/CEO

Approved:

By DocuSigned by:  
Chris Robinson  
Printed Name: Chris Robinson  
Power Superintendent

☐ OR ☒

Approved:

DocuSigned by:  
Andy Cherullo  
Printed Name: Andy Cherullo  
Finance Director

Approved as to Form:

DocuSigned by:  
Michael W. Smith  
Printed Name: Michael W. Smith  
Deputy City Attorney

**Exhibit A  
CUSTOMER Work**

**Design Documents attached:**

- Tacoma Power drawings UP413

**Developer/Customer's Responsibility:**

**The customer is responsible for furnishing the primary trench and maintaining the trench throughout all phases of construction. The customer is to provide a 5/8-inch minus crushed rock, compacted pad at all the vault locations, complete the backfill after the utility systems are installed, and provide the sand for shading the gas pipe when required.**

- a. The developer/customer shall be responsible to have the primary civil (trench, conduit, and vaults) system and secondaries installed by a qualified electrical contractor licensed in the State of Washington under Chapter 19.28 RCW. All work must be completed in accordance with Tacoma Power's design, construction, and inspection standards.
- b. If the developer or agent fails to properly install the civil system in accordance with Tacoma Power's drawings, standards, and as directed by Tacoma Power's T&D Construction Inspector, then that portion will be replaced, relocated, or revised by the customer at the customer's expense. Failure to make all corrections as specified by Tacoma Power will result in the customer paying for any costs incurred by Tacoma Power to make the corrections before service is provided. All secondary work must be inspected by a Tacoma Power Electrical Inspector.
- c. Clearances from padmounted transformers to structures are measured from the nearest metal portion of the transformer to the structure or structure's overhang. The clearance from a building and/or overhang must be four (4) feet if the building has noncombustible walls and/or overhang (brick, concrete, steel, or stone) and eight (8) feet if the building has combustible walls and/or overhang. No doors, windows, stairways or other openings may be located within eight (8) feet of any transformer. A three (3) foot side clearance between the transformer and a driveway is required. This is measured from the outside of the transformer vault lid. Some of the lots may require an adjustment to the building placement to provide adequate clearance to our structures. See Standard A-UG-1200 for more details.
- d. The developer/customer agrees to convey to Tacoma Power all required easements for our construction and maintenance of the electrical system. A "For Construction" print will not be issued until all required easements have been conveyed to Tacoma Power.
- e. The developer/customer shall be responsible to contact and coordinate the construction activities with the other utilities (i.e., natural gas, telephone, and cable).

- f. The developer/customer shall be responsible to have a licensed engineer or land surveyor provide for all property surveys, including setting and maintaining temporary wooden hubs for lot or building site corners and establishing and maintaining finished elevations along Tacoma Power's underground electrical distribution system trench, and at structure locations. Tacoma Power will not be held responsible for the replacement of said corners that may be obliterated or lost during construction. Elevations at all breaks in grade along the trench and at all structure locations shall be marked on one print of the electrical layout and returned to Tacoma Power for construction purposes. Tacoma Power shall be notified in writing of any changes in elevations or plat layouts prior to installation of the underground distribution system. If any changes are made after Tacoma Power's facilities have been installed, the cost of relocating or revising Tacoma Power's facilities will be charged to the customer. Any deviation due to inadequate depth of coverage, as required by State Safety Codes, shall be at the developer's expense.
- g. The developer/customer shall provide an all-weather access road to each structure (i.e., pole, transformer, junction box, switchgear, etc.). Access to transformers and structures will be on roadways rated for truck traffic suitable for Tacoma Power line construction vehicles.

**Design Documents attached-**

- Tacoma Power drawings UP413

**Specifications & Contractor's Responsibility:**

After the "For Construction" drawing has been released by Tacoma Power, the contractor will be required to furnish and install the following in accordance with Tacoma Power's design, construction, and inspection standards:

**Items listed below must be inspected and approved by Tacoma Power's T&D Construction Inspector. Call (253) 381-3023, 24-hours prior to any work being done.**

- a. Prior to any construction, the contractor shall contact the project engineer to schedule a pre-construction meeting.
- b. The primary trench and conduit in accordance with Standard C-UG-1300. The conduit shall be Schedule 40 PVC gray electrical type or as shown on the Tacoma Power drawing. If the trench is more than four feet deep, shoring will be required. Trenches shall be backfilled with Fluidized Thermal Backfill (FTB) per standard C-UG-2050.
- c. Two (2) internally grounded, concrete junction boxes (No. 554 per Standard C-UG-2000) with H-20 lids, each with a spring-loaded door according to Standards C-UG-1100 and C-UG-1500. See attached literature on fully traffic rated lids for junction boxes for this project.

- d. One (1) internally grounded, concrete Feeder Splice vault (No. 684 per Standard C-UG-2000) according to Standards A-UG-1200, A-UG-1150 and C-UG-2000. LID's/access doors shall have non-skid surface.
- e. One (1) internally grounded, concrete Feeder Splice vault (No. 810 per Standard C-UG-2000) according to Standards A-UG-1200, A-UG-1150 and C-UG-2000. LID's/access doors shall have non-skid surface.
- f. Two (2) internally grounded, concrete Feeder Splice vault (No. 814 per Standard C-UG-2000) according to Standards A-UG-1200, A-UG-1150 and C-UG-2000. LID's/access doors shall have non-skid surface.
- g. One (1) internally grounded, concrete transformer vault and cover for padmount switch (No. 810 per Standard A-UG-1150, C-UG-2000) according to Standards. Access door shall have non-skid surface.
- h. Two (2) internally grounded, concrete transformer vaults and cover for padmount transformers, see construction UG-1200 and C-UG-1700 for three-phase transformers for site excavation and vault specifications, with location as shown on Tacoma Power's drawing.
- i. All secondary service boxes (SSBs) and lids according to standard C-UG-2000.
- a. Pole Risers: Pole riser will be Schedule 80 PVC conduit for the first 10' extending from the ground up the pole. The contractor will install the risers shown on the Tacoma Power provided For Construction drawing, as directed by Tacoma Power's T&D Construction Inspector, in accordance with Tacoma Power Standard C-UG-1200.
- j. Guard posts shall be installed at transformer locations according to Standard C-UG-1400. The transformer will not be installed until an acceptable transformer guard is installed. Consult with Tacoma Power's T&D Construction Inspector for guard post requirements.
- k. Proof primary conduit using a Tacoma Power approved mandrel after backfill. The conduit is to be fished and swabbed by the customer upon completion of the installation. Proving shall then be demonstrated with Tacoma Power's authorized T&D Construction inspector present. After proving that the conduit is free from obstruction, the customer shall leave a 1/8-inch diameter polypropylene fish cord in the conduit.
- l. Obtain an electrical permit for any secondary work from Tacoma Power's Electrical Inspection office. Call (253) 502-8277 for permit fees and other required information.
- m. For services of 400 amps and above, a set of electrical plans must be submitted to the Electrical Inspection Office for review.
- n. All secondary conduits and cables from the transformers (or from the service boxes) to the service point on each building, and data conduit as specified by Tacoma Power for remote meter reading, system automation or other Tacoma Power data needs. Any secondary cables pulled after the transformer is set will be done with the transformer in place at an additional fee. Installation of secondary conduit is to be inspected by the Electrical Inspection office before backfill of the trench. Call (253) 502-8277, 24-hours prior to construction for inspection scheduling.
- o. Obtain a copy of the following Tacoma Power Standards prior to construction: A-UG-1200, C-UG-1100, C-UG-1200, C-UG-1300, C-UG-1400, C-UG-1700, C-UG-2000 and C-UG-2050. These Standards can be obtained from this office or from Tacoma Power's website ([www.tacomapower.com](http://www.tacomapower.com)).
- p. The contractor is responsible to have a copy of this letter and the standards available on the construction site.
- q. All trenching/backfill, pathways and vaults to support Tacoma Power communication infrastructure.

**Exhibit B  
Tacoma Power Work**

**Design Documents attached-**

- Tacoma Power, Drawings UP413

**Tacoma Power's Responsibility:**

Tacoma Power will prepare a preliminary drawing for this project showing where the electrical facilities are to be installed. Preparation of this drawing will begin upon receipt of the payment and this **CUSTOMER** Agreement signed by an authorized person. Depending on the workload, lead time until release of this drawing for review may take up to **six weeks**. Two copies of the preliminary drawing with a cover letter will be sent to the developer and other joint trench utilities for review and comments. After full payment has been received, all required easements have been secured and the preliminary drawings that were sent for review and comments have been returned to Tacoma Power, a "**For Construction**" drawing will be issued. A **two-week** period will be required to schedule construction after the "For Construction" drawing is issued, then the following will be provided by Tacoma Power:

- a. Frame the terminal poles and complete the terminal pole risers.
- b. Remove one (1) span - 12.5/7.2kv overhead aerial facilities & misc. fixtures and devices. Overhead and underground facilities owned and maintained by Tacoma Power.
- c. One (1) three-phase, 300kVA, 120/208 volt pad mount transformer on the customer-supplied concrete vault providing 4-wire service. The AIC at the transformer secondary bushings is 28,700 amps.
- d. One (1) three-phase, 500kVA, 120/208 volt pad mount transformer on the customer-supplied concrete vault providing 4-wire temp service. The AIC at the transformer secondary bushings is 34,700 amps.
- e. One (1) three-phase, 1500kVA, 277/480 volt pad mount transformer on the customer-supplied concrete vault providing 4-wire service for temp service during construction. The AIC at the transformer secondary bushings is 34,000 amps.
- f. All necessary primary cables and terminations, all secondary cables from the transformers to the service boxes, and all secondary terminations at the transformers and service boxes.
- g. All other necessary overhead and underground facilities for providing electrical

service.

- h. One (1) 600 amp 12.5kv pad mount switch.
- i. All necessary primary cables and terminations, and all secondary terminations at the transformer.
- j. Three-phase meters & CT's as follows:
  - a) Two (2) three-phase primary meters for main hospital service
  - b) Two (2) three-phase meters & CT's for secondary services to parking garages.
- k. All cable, fiber and equipment required to complete Tacoma Power communication system.

**Exhibit C  
Project Cost Estimate**

**CUSTOMER** is to reimburse Tacoma Power for all supplied materials associated with the Installation Project for the entire cost of the Tacoma Power Work.

**The Preliminary Cost Estimate for the Tacoma Power Work is:**

Mary Bridge Children's Hospital Project	
On-Site Distribution Costs	\$1,205,585
Offsite OH Reconductor North of Division	\$ 200,000
Offsite OH Reconductor South of 5 <sup>th</sup> Street	\$80,000.00
HFC Costs	\$75,000
<b>Estimated Construction Total</b>	<b>\$1,560,585</b>

**Exhibit D  
Schedule of Work**

The schedule is to be determined and added when developed in coordination with the Project Team.



## AMENDMENT NO. 1

### TO UTILITY INSTALLATION AGREEMENT (SHORT-TERM SERVICE)

THIS AMENDMENT is made and entered into effective as of \_\_\_\_\_, 2025 ("Effective Date"), by and between the City of Tacoma, Department of Public Utilities, Light Division, a municipal corporation of the State of Washington, (hereinafter referred to as "Tacoma Power" and/or "City") MultiCare Health System, a Washington nonprofit corporation (hereinafter referred to as "CUSTOMER") and collectively referred to as the "Parties".

### RECITALS

**WHEREAS** Tacoma Power and Customer entered into that certain Utility Installation Agreement (Short Term Service), with an effective date of July 20, 2023 (hereinafter "Installation Agreement"), that set forth the terms and conditions pursuant to which the Parties would cooperatively undertake, at Customer's sole expense, all electric utility work and associated equipment and materials needed for the Mary Bridge Children's Hospital Project, and

**WHEREAS** pursuant to Section 6.2.(d) of the Installation Agreement, Customer and Tacoma Power were to enter into a "Utility Installation Agreement - Substation" for substation and transmission line design, procurement, and construction related to a substation prior to Tacoma Power energizing the short-term service for the Mary Bridge Children's Hospital Project, and

**WHEREAS** since the execution of the Installation Agreement, Customer has elected, in lieu of installing a new substation, to design its own electrical service system that includes an approximately 2-megawatt Customer owned and operated generation facility to serve a portion of its electric load and to receive electrical service from Tacoma Power limited to a single source distribution line without automatically redundant electrical service, and

**WHEREAS** per these Customer elections and decisions, Tacoma Power completed a System Impact Study on April 25, 2025, that identified system improvements which the Customer selected rather than pursuing the substation option, and

**WHEREAS** the Parties will execute a Reimbursement Agreement providing for Customer to pay for the system improvements identified in the 2025 Impact Study and an Operating Agreement detailing the operating requirements and expectations for electric service to Customer arising from its election to install its own generation facility and receive single source service, and

**WHEREAS** the Customer has requested that Tacoma Power energize the Mary Bridge switchgear, the Short-Term Service, prior to Tacoma Power completing system improvements, and

**WHEREAS** however, per the Installation Agreement, a "Utility Installation Agreement – Substation" was required to be executed prior to such energization, and

**WHEREAS** in light of these developments, the Parties desire to amend the Installation Agreement to provide for energization upon execution of the Reimbursement Agreement and the Operating Agreement.

NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the parties agree as follows:

1. The above recitals modify and are added to and incorporated into the Installation Agreement recitals.
2. Section 2.2.10 "Substation" is hereby deleted.
3. Section 6.2(d) "Utility Installation Agreement: Substation" is deleted in its entirety and replaced with the following:


Prior to Tacoma Power energizing the short-term service for the Mary Bridge Children's Hospital Project, Customer and Tacoma Power shall enter into a "Reimbursement Agreement" whereby the Customer shall fund the required system enhancements identified in the 2025 Impact Study and an "Operating Agreement" that specifies the operational requirements for the Customer's load and generation and the Customer's obligations to Tacoma Power and limitations in service.

4. All other terms of the Installation Agreement, together with all Exhibits, are hereby ratified and shall remain in full force and effect, unaltered by this Amendment.

*(Signatures on following page)*

IN WITNESS WHEREOF, the Parties hereto have accepted and executed this Amendment, as of the Effective Date stated above.

**MUTLICARE HEALTH SYSTEM**  
**A Washington Nonprofit Corporation**

By   
James G. Lee  
EVP Population Based Care &  
Chief Financial Officer

**CITY OF TACOMA**  
**DEPARTMENT OF PUBLIC UTILITIES**

By \_\_\_\_\_  
Jacky Flowers,  
Utilities Director/CEO

Approved:

By \_\_\_\_\_  
Chis Robinson  
Power Superintendent/COO

Approved:

\_\_\_\_\_  
Finance Director

Approved as to Form:

\_\_\_\_\_  
Deputy City Attorney

## **MultiCare MBCH REIMBURSEMENT AGREEMENT**

Between TACOMA POWER  
and  
MultiCare Health System

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_, 2025, between MultiCare Health System, a Washington nonprofit corporation, hereinafter referred to as "CUSTOMER" and the City of Tacoma, Department of Public Utilities, Light Division, a municipal corporation of the State of Washington, hereinafter referred to as "Tacoma Power." CUSTOMER and Tacoma Power each may be referred to as a "Party," or collectively as the "Parties".

### **RECITALS**

**WHEREAS**, CUSTOMER owns and operates medical facilities including hospitals, medical office buildings, and parking facilities on its property west of S. I St. and south of Division Ave. within the City of Tacoma (hereinafter referred to as the "Premises"; the term "Premises" as used herein includes all Customer facilities that are located within the above described general area served by Tacoma and that contribute to the Customer's electric load);

**WHEREAS**, CUSTOMER is redeveloping a portion of its Premises to the west of Martin Luther King Jr. Way and south of Division Avenue;

**WHEREAS**, this expansion consists of a new children's hospital, a medical office building, and parking facilities (collectively the "Facilities");

**WHEREAS**, construction of the new Facilities and site improvements to the Premises is known as the Mary Bridge Children's Hospital Project (hereinafter referred to as "Project");

**WHEREAS**, in January 2023, at the request of CUSTOMER, TACOMA POWER completed a System Impact Study ("2023 System Impact Study") which determined that a new substation and other system modifications were required to serve the proposed increase in Premises load from the Facilities of approximately 3.3MW, meet automatic redundancy requirements, and prepare for any future CUSTOMER Premises expansion;

**WHEREAS**, in 2025 the CUSTOMER advised TACOMA POWER that, while the electric service requested for the Facilities would actually increase the load demand by approximately 3.5MW, instead of 3.3MW, the CUSTOMER planned to install CUSTOMER owned generation, with a generation output of approximately 2MW, that would offset the electrical demands of the new Facilities, and, the CUSTOMER further advised TACOMA POWER that the Customer did not require electrical service automatic redundancy for Premises services;

**WHEREAS**, on February 4, 2025, the CUSTOMER and TACOMA POWER entered into an Electrical Service System Impact Study Agreement for a second System Impact Study to determine the feasibility, cost and method of interconnecting the proposed load and generation with TACOMA POWER's transmission and distribution facilities per the updated description of CUSTOMER's service needs for the Facilities;

**WHEREAS** said impact study was completed and dated April 25, 2025 ("2025 Impact Study");

**WHEREAS**, the 2025 Impact Study determined that the additional factors identified by CUSTOMER (including the proposed CUSTOMER owned generation and CUSTOMER's request that TACOMA POWER not provide system redundancy) alleviated the current need for the new substation that was identified in the 2023 System Impact Study;

**WHEREAS**, based on the reduced resiliency requirements, the 2025 Impact Study identified targeted system improvements which the CUSTOMER has selected rather than the substation option;

**WHEREAS**, earlier on July 23, 2023, CUSTOMER and TACOMA POWER had entered into a utility installation agreement for Tacoma Power to provide Short-Term Service, which included an obligation for CUSTOMER and TACOMA POWER to enter into a utility installation agreement for substation and transmission line design, procurement, and construction prior to energizing the Short-Term Service ("2023 UIA");

**WHEREAS**, the CUSTOMER has requested TACOMA POWER energize the Mary Bridge Hospital switchgear ("Short-Term Service") prior to Tacoma Power completing the targeted system improvements identified in the 2025 Impact Study;

**WHEREAS**, the 2023 UIA required the execution of a substation installation agreement before energizing any of the Facilities, concurrent with this Agreement, the parties are executing an amendment to the 2023 UIA;

**WHEREAS**, further, concurrent with this Agreement, in order to address resiliency expectations related to service beyond this Agreement, the CUSTOMER and TACOMA POWER are executing an Operating Agreement that outlines the ongoing resiliency, reliability, and operational expectations around load service and their associated generation;

**NOW, THEREFORE**, Tacoma Power and CUSTOMER agree as follows:

### **ARTICLE 1 – Purpose and Intent.**

#### **1.1 Scope**

This Agreement will serve as a mechanism to fund the required system enhancements identified in the 2025 Impact Study. This Agreement sets forth the terms and conditions pursuant to which Tacoma Power will undertake, at CUSTOMER's sole expense, the herein specified Tacoma Power Work to install electrical system capacity for the Mary

## Bridge Children's Hospital Project

Prior to Tacoma Power energizing the Short-Term Service to Mary Bridge Children's Hospital Project, CUSTOMER will pay the estimated Direct Costs as outlined in the Preliminary Cost Estimate as specified herein for all substation and distribution work associated with providing capacity related directly to the Mary Bridge Children's Hospital Project.

CUSTOMER further acknowledges that any additional load requests from CUSTOMER will trigger a new series of impact and facility studies, which may require a new substation or other energy-related improvements.

### 1.2 Non-Redundant Service

As further detailed in the Operating Agreement, CUSTOMER acknowledges that the Premises electric services provided to CUSTOMER will be via a single source and, in the event of an outage, the CUSTOMER will rely on its own backup generation to maintain electric service until restoration of that single source or an alternate source is determined to have sufficient capacity and is manually switched. Tacoma Power's consent to this CUSTOMER designed electrical system configuration is expressly conditioned on CUSTOMER holding the City of Tacoma harmless from any losses, claims, or damages to the extent arising from outages or system failures arising from said configuration;

**1.3 Incorporation of Recitals.** The Parties acknowledge that the above stated Recitals are true and accurate and are incorporated as contractual provisions herein.

## ARTICLE 2 Definitions.

**2.1 "Direct Costs"** shall mean and include all costs and expenses incurred by Tacoma Power directly related to the Project or arising from Tacoma Power Work as provided under this Agreement and shall include, without limitation the following:

- i. All costs and expenses of materials, equipment, supplies, utilities, consumables, goods and other items used or incorporated in connection with and in furtherance of this Agreement and any taxes, and insurance, including costs for inspection, engineering, crews and equipment;
- ii. All labor costs and expenses incurred to date and pursuant to this Agreement for the design, inspection, and construction activities and/or tasks designated to be performed by Tacoma Power hereunder. Such costs are inclusive of payroll benefits and overhead for applicable labor classifications;
- iii. All cost and expenses incurred to date and during performance of this Agreement for any work performed by City consultants or contractors that pertains to the Project and as necessary to undertake and complete the Tacoma Power Work, subject to the terms and conditions of this Agreement.

**2.2 "Design Document(s)"** means the plans and specifications for the Project and prepared by Tacoma Power in coordination with CUSTOMER which include the

specifications, plans, drawings, and sketches applicable to the Tacoma Power Work

**2.3 "Project Manager"** means the respective persons designated by the Parties in Section 7 herein to be the point of contact for design and contract changes and/or updates.

**2.4 "The City"** is used interchangeably with "Tacoma Power" in this document.

**2.5 "Project Area"** means all lands, public and private, on which the work will be performed and includes all areas identified, described or delineated in the Design Documents.

## ARTICLE 3 – TACOMA POWER WORK

**3.1 Tacoma Power Work.** "Tacoma Power Work" means all labor, materials, equipment, services, supplies, overheads, applicable taxes and all other items necessary to make substation and distribution improvements, to relocate, reroute, modify and reconnect the power systems and facilities to accommodate the Project.

As part of the Tacoma Power Work, Tacoma Power will:

- Install an additional feeder in Hilltop Substation,
- Reconductor and reconfigure the overhead distribution system,
- Modify and/or upgrade protection systems for generation interconnection and work with Customer on commissioning of CUSTOMER owned generation.

**3.2 Design & Work:** Tacoma Power will provide Design Documents and define Tacoma Power Work per the design and performance requirements set forth in Tacoma Power's T&D Construction Standards and in the National Electrical Safety Code (NESC).

**3.3 Schedule of Work:** Tacoma Power Work will be scheduled and communicated to the CUSTOMER as necessary. The Schedule of Work shall incorporate the construction tasks to be performed by Tacoma Power. Tacoma Power will notify CUSTOMER in writing when Tacoma Power believes, in its sole discretion, that Tacoma Power Work is sufficiently completed under this agreement to permit interconnection of CUSTOMER owned generation. Tacoma Power will notify CUSTOMER in writing when Tacoma Power believes, in its sole discretion, that Tacoma Power Work is sufficiently completed under this agreement to permit coincident load of the Facilities to be as high as that indicated in the 2025 Impact Study.

## ARTICLE 4 -- CUSTOMER OBLIGATIONS

**4.1 Property Rights:** Tacoma Power may, in its sole discretion, procure additional access, easements, licenses, and/or rights of way as reasonably necessary to perform the Tacoma Power Work on property owned CUSTOMER or by persons or entities other than CUSTOMER and Tacoma Power. Tacoma Power will not be obligated to commence Tacoma Power Work on any property unless or until approved access and/or use rights have been established. Tacoma Power does not anticipate that such property rights will be necessary for the Tacoma Power Work and will promptly alert CUSTOMER if such property rights become necessary. Tacoma Power will not take any action pursuant to this

Section 4.1 that would result in any CUSTOMER cost without the prior written authorization from the CUSTOMER Project Manager. To the extent reasonably necessary to establish said property rights, CUSTOMER shall be responsible for all surveying and documentation preparation work required to secure and formally establish any property rights.

**4.2 Load limits:** Until completion of the scope of work identified in this agreement, CUSTOMER shall ensure that coincident load of the new Facilities total less than 3MW at any given time.

**4.3 Customer Owned Generation:** CUSTOMER shall not interconnect CUSTOMER owned generation to Tacoma Power's electrical system until allowed by Tacoma Power. CUSTOMER shall work with Tacoma Power on commissioning of CUSTOMER owned generation.

**4.4. Preliminary Cost Estimate.** CUSTOMER's payment obligation for Tacoma Power Work, including design and procurement, is estimated at **\$2,580,000** as more fully described in the **Preliminary Cost Estimate (Exhibit A)**. Said payment obligation is based on a preliminary estimate of the cost for Tacoma Power Work to be performed hereunder and reflects Tacoma Power's best estimates of the Direct Costs that may be incurred by Tacoma Power under this Agreement. Actual payments required under this Agreement shall be based on actual work performed and materials provided under this Agreement.

**4.5. Payment Obligation.** CUSTOMER shall be responsible for payment of all of the City's actual Direct Costs, as defined herein, related or attributable to the Tacoma Power Work. With the mutual execution of this Agreement, CUSTOMER shall tender the total amount of **\$2,580,000**. It is agreed that Tacoma Power will not connect Short-Term Service to Mary Bridge Children's Hospital Project or begin actual construction activities until receiving the total Payment.

## ARTICLE 5 – BILLING – REFUNDS – AUDIT

**5.1. Additional Costs.** Subject to the terms and conditions of this Agreement, CUSTOMER shall, within thirty (30) days of receipt of any invoices, reimburse Tacoma Power for any Direct Costs incurred in excess of said Preliminary Cost Estimate. Tacoma Power may cease performance hereunder if any invoiced amount is not paid within thirty (30) days following issuance.

**5.2. Cost Exceedance.** If Tacoma Power determines that Direct Costs will likely exceed the Preliminary Cost Estimate (\$2,580,000) by more than \$50,000, Tacoma Power will provide CUSTOMER prompt notice that an amendment to this Agreement is necessary to add additional funds before the Preliminary Cost Estimate is exceeded and the Parties shall have thirty (30) days to negotiate such amendment that authorizes additional funds. In order to ensure that no Direct Costs exceed \$2,580,000 by more than \$50,000, and provided that the thirty (30) day negotiation period has expired, Tacoma Power may suspend all further Tacoma Power Work until said amendment authorizing additional funds is executed. Further, the failure or inability to execute an amendment, or make additional funds available consistent with the terms and conditions of the executed amendment in a

timely manner could result in schedule delays. This paragraph does not apply to costs for which CUSTOMER is not responsible under the terms of this Agreement.

**5.3. Records.** Tacoma Power shall, in accordance with its standard processes and procedures, keep records of the Direct Costs using a work order accounting system.

**5.4. Billing Address.** Invoices shall be mailed to:

### CUSTOMER:

MultiCare Health System  
c/o David Z. Stokes, Senior Director, PM Turner & Townsend  
3417 Noble Ave.  
Richmond, VA 23222  
C +1 804 245 4547  
david.stokes@turntown.com

**5.5. Payment.** Except for payment of the Preliminary Cost Estimate, which is due upon execution of this Agreement, CUSTOMER shall fully pay each invoice submitted by the City within thirty (30) calendar days of receipt of the invoice. Checks shall be made payable to the Treasurer, City of Tacoma and shall be mailed to:

Tacoma Power  
Attn: Elaine Hoff, Electrical Services - Utility Staff Support Supervisor  
3628 South 35<sup>th</sup> Street Tacoma, WA 98409-3192  
Reference: W/O#10000181636

In the event CUSTOMER fails to pay any monies to the City when due, CUSTOMER shall pay interest on such uncontested unpaid sum from thirty (30) calendar days after the date due at an annual rate equal to twelve percent (12%) per annum, or the maximum rate permitted by law, whichever is less. After ten (10) business days' written notice to CUSTOMER that it has failed to pay an uncontested amount when due, and provided CUSTOMER does not cure such default within that ten-business day period, Tacoma Power reserves the right to suspend performance hereunder for non-payment.

**5.6. Refund.** Upon completion of Tacoma Power Work, the actual Direct Costs incurred by Tacoma Power will be compared with the remaining deposited amount. If an overpayment to Tacoma Power exists then a refund will be issued to CUSTOMER within sixty (60) days after completion of the Tacoma Power Work including, without limitation, finalization of all as-builts and Tacoma Power's receipt of all costs. If an underpayment for Direct Costs exists then CUSTOMER shall tender such amount to Tacoma Power within sixty (60) days after receipt of an invoice from Tacoma Power for such amount (subject to cost increase provisions in Article 6, below).

**5.7. Contested Charges.** CUSTOMER may contest a charge for any Tacoma Power Work detailed in an invoice within thirty (30) days of receipt of such invoice by providing written notice to Tacoma Power specifying the charges and/or documentation in dispute.

Upon receipt of such notice, Tacoma Power will investigate items contested and make appropriate amendments to the invoice, if necessary. The Parties shall attempt to resolve all disputes within thirty (30) days of the date of notice of a contested invoice before submitting the matter for dispute resolution as provided in Article 11. It is further agreed that at the time of a final audit, all required adjustments will be made and reflected in a final payment. Interest shall not accrue on the contested part of any billing until mutually resolved.

**5.8. Audit.** For a period not less than three (3) years from the date of final payment to the City, the records and accounts pertaining to the work under this Agreement and accounting therefore are to be kept available for inspection and audit. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall be retained until all litigation, claim or audit finding has been resolved even though such litigation, claim or audit continues past the three-year retention period. In the event the audit determines that CUSTOMER has paid Tacoma Power in excess of the amounts properly due hereunder, Tacoma Power will promptly refund the excess amount to CUSTOMER. In the event the audit determines that Tacoma Power has incurred costs for the Tacoma Power Work that exceeds payment made and required to be made by CUSTOMER, CUSTOMER shall promptly pay Tacoma Power the amount owed. In the event the Parties cannot agree on the results of the audit, or upon a method of refund or payment, the disagreement shall be dealt with in accordance with the Dispute Resolution provisions of Article 11 below.

#### ARTICLE 6 – EXTRA WORK

In the event either Party identifies additional items or issues that add to the Direct Costs of Tacoma Power Work over the Preliminary Cost Estimate, the Party asserting such additional work will provide written notice thereof to the other Party. The Parties agree to negotiate in good faith to modify this Agreement to authorize any increased payment resulting from such additional work. Any actual or proposed cost increases of more than \$50,000 over the amount set forth in Exhibit A will require formal approval by CUSTOMER to be chargeable by, and paid to the City, provided that CUSTOMER shall not unreasonably withhold such approval. Any necessary authorization(s) for payment shall be processed in a timely manner to avoid delaying work by Tacoma Power. However, Tacoma Power may suspend all Tacoma Power Work impacting Direct Costs until an amendment authorizing or approving additional cost increases is executed by the Parties (subject to the notice requirement in Section 5.2, above).

#### ARTICLE 7 PROJECT ADMINISTRATION

**7.1** It is acknowledged that CUSTOMER, by and through the CUSTOMER Contractor, shall be responsible for all administrative activities required for the Project except internal administration of Tacoma Power Work or as expressly agreed otherwise hereunder.

**7.2 Administration.** The following designated Project Managers shall be responsible for Agreement administration and shall coordinate communication between the Parties. If either Party changes the following designation, that Party shall promptly notify the other Party.

**7.2.1 Tacoma Power's Project Manager** shall be **Ali Polda**. Correspondence with

Tacoma Power, review and approval of changes, scheduling, participation, and other activities related to Tacoma Power Work shall be coordinated through said Project Manager.

Ali Polda, Project Manager Tacoma Power  
3628 South 35<sup>th</sup> Street Tacoma WA, 98409-3192  
(206)687-8602 Mobile  
apolda@cityoftacoma.org

**7.2.2 CUSTOMER Project Manager** shall be Neil Piispanen. Correspondence with CUSTOMER regarding the administration of this Agreement shall be coordinated through said Project Manager.

MultiCare Health System  
Attn: CBRE (Neil Piispanen)  
PO Box 5299  
MS: 1313-5-CONS  
Tacoma, WA 98415

**7.2.3** CUSTOMER further designates CBRE Finance as its invoice agent for purposes of this Agreement and any notice to CBRE Finance shall be notice to CUSTOMER. CBRE Finance may be notified as follows:

CBRE Finance PO Box 5299  
MS: 1313-5-CONS  
Tacoma, WA 98415  
CBREFinanceMailbox@multicare.org

The foregoing designation of Project Managers and agents shall not modify or supersede the dispute escalation process or designated Party representatives set forth in Article 11.

**7.3 Notices.** Except for routine day to day communications, all notices which may be or are requested to be given pursuant to this Agreement shall be in writing and be deemed given when personally delivered, or when deposited in the United States mail, postage prepaid, and marked registered or certified mail, return receipt requested, and addressed to the parties at the following addresses unless otherwise provided for herein (e.g., Invoices):

#### To Tacoma Power:

Ali Polda, Project Manager Tacoma Power  
3628 South 35<sup>th</sup> Street Tacoma WA, 98409-3192  
(206)687-8602 Mobile  
apolda@cityoftacoma.org

#### With a copy to:

John Merrell, Transmission & Distribution Engineering Manager Tacoma Power  
3628 South 35<sup>th</sup> Street Tacoma WA, 98409-3192

(253) 502-8714  
jmerrell@cityoftacoma.org

**To CUSTOMER:**

MultiCare Health System  
Attn: Matt Towler  
315 Martin Luther King Jr. Way  
PO Box 5299  
MS: 1313-5-CON  
Tacoma, WA 98415-0299  
Matt.Towler@multicare.org

Either Party may change the address to which notices shall be sent by providing written notice of such change to the other Party.

**ARTICLE 8 - Indemnity.**

**8.1 Indemnification by City.** To the extent permitted by law, the City shall protect, defend, indemnify, and save harmless CUSTOMER, and its officers, employees, and agents, while acting within the scope of their employment, from any and all third party claims, demands, judgments, damages, or liability of any kind including injuries to persons or damages to property, including reasonable attorney's fees and costs incurred in connection therewith, which arise out of, or in any way result from, or are connected to, or are due to the negligent acts or omissions of the City, its officers, employees and/or agents. The foregoing defense, indemnification and hold harmless provisions shall not apply to the extent the claim, suit, or action for injuries, death, or damages is caused by the negligence or misconduct of CUSTOMER, or their respective officers, employees, agents or contractors. Where such claims, suits, or actions result from concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of the indemnifying Party's own negligence. The City agrees that its obligations under this indemnification section extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents.

**8.2 Indemnification by CUSTOMER.** To the extent permitted by law, CUSTOMER shall protect, defend, indemnify, and save harmless the City, and its officers, officials, employees, and agents, while acting within the scope of their employment, from any and all third party claims, demands, judgments, damages, or liability of any kind including injuries to persons or damages to property, including reasonable attorney's fees and costs incurred in connection therewith, which arise out of, or in any way result from, or are connected to, or are due to the negligent acts or omissions of CUSTOMER, and/or their respective officers, employees, agents. The foregoing defense, indemnification and hold harmless provisions shall not apply to the extent the claim, suit, or action for injuries, death, or damages is caused by the negligence or misconduct of the City, its employees, agents and/or contractors. Where such claims, suits, or actions result from concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of the indemnifying Party's own negligence. CUSTOMER agrees that its obligations under this indemnification section extend to any claim, demand,

and/or cause of action brought by, or on behalf of any of its employees or agents.

**8.3** For purposes of the indemnification provisions set forth in this Article 8, each Party hereby waives, with respect to the other only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. EACH PARTY EXPRESSLY RECOGNIZES THAT THIS WAIVER WAS THE SUBJECT OF MUTUAL NEGOTIATION. Such waiver shall not, however, be construed as establishing any independent right or cause of action by employees of CUSTOMER against it or by employees of Tacoma Power against it. In the event of any claims, demands, actions and lawsuits, the indemnifying Party upon prompt notice from the indemnified Party shall assume all costs of defense thereof, including legal fees incurred by the indemnified Party, and of all resulting judgments that may be obtained against the indemnified Party. In the event that a Party incurs attorney fees, costs or other legal expenses to enforce the provisions of this section, all such fees, costs and expenses shall be recoverable by the prevailing Party. This indemnification shall survive the termination of this Agreement.

**ARTICLE 9. Limitations of Liability**

9.1 Except as otherwise provided otherwise in this Agreement, it is understood and agreed that neither Party shall be liable to the other Party for any indirect, incidental or consequential loss or damage whatsoever, including, but not limited to, loss of profits or revenue on work not performed, or loss of use of revenues or loss of anticipated profits.

**ARTICLE 10. No Warranty.**

Tacoma Power makes no warranty or representation whatsoever regarding the suitability of the Facilities or the connection between the Facilities and Tacoma Power's facilities, or the reliability or efficacy of the Facilities, or any connections or facilities thereto, for any use or purpose.

**ARTICLE 11 - DISPUTE RESOLUTION**

**11.1 Preventing Conflicts.** The Parties agree to use their best efforts to prevent and resolve potential sources of conflict before they escalate into dispute, claims or legal actions.

**11.2 Resolving Disputes Through Negotiation.** The Parties agree to use their best efforts to resolve disputes arising out of or related to this Agreement using good faith negotiations by engaging in the following dispute escalation process should any such disputes arise:

**11.2.1 Level One** – The respective Project Managers of the Parties shall meet to discuss and attempt to resolve the dispute in a timely manner. If they cannot resolve the dispute within ten (10) business days after the referral of that dispute to Level One, either party may refer the dispute to Level Two.



11.2.2 Level Two – An executive officer of CUSTOMER or designee and the Superintendent of Tacoma Power or his designee shall meet to discuss and attempt to resolve the dispute in a timely manner.

**11.3 Failure to Resolve Dispute Through Best Efforts.** Except as otherwise specified in this Agreement, in the event the dispute is not resolved at Level Two within ten (10) business days after referral of that dispute to Level Two, the dispute may be referred to mediation as mutually agreed to by the Parties, or the Parties may exercise whatever other rights they may have at law or in equity. At all times prior to resolution of the dispute, the Parties shall continue to perform their respective duties under this Agreement in the same manner and under the terms as existed prior to the dispute.

**11.4 Venue.** Venue for any legal action shall be in Pierce County, Washington. Venue for any alternative dispute proceedings shall be in Pierce County, Washington.

## ARTICLE 12 – MISCELLANEOUS PROVISIONS

**12.1 Termination.** If this Agreement is terminated by CUSTOMER and/or if CUSTOMER defaults under this Agreement prior to completing all Tacoma Power Work, and said termination or default results in a state of reduced operation and reliability to City-owned utilities, then the City shall restore its utility systems to a reliable and operable condition and CUSTOMER shall be responsible for and shall promptly pay Tacoma Power all costs associated with such restoration.

**12.2 Agency or Employee Relationship.** No joint venture or partnership is formed as a result of this Agreement. No employees, agents or subcontractors of one Party shall be deemed, or represent themselves to be, employees of any other Party. In performing work and services pursuant to this Agreement, CUSTOMER, its employees, consultants, agents, and representatives shall be acting as agents of CUSTOMER and shall not be deemed or construed to be employees or agents of the City in any manner whatsoever. CUSTOMER shall not hold itself out as, nor claim to be, an officer or employee of the City and will not make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of the City. CUSTOMER shall be solely responsible for any claims for wages or compensation by the respective employees, contractors, subcontractors, agents, and representatives of CUSTOMER and the CUSTOMER Contractor, and shall defend, indemnify and hold the City harmless, from these claims. In performing work and services pursuant to this Agreement, the City, its employees, consultants, agents, and representatives shall be acting as agents of the City and shall not be deemed or construed to be employees or agents of CUSTOMER in any manner whatsoever.

**12.3 Entire Agreement.** This Agreement and the Exhibits attached hereto constitute the entire agreement and understanding between CUSTOMER and the City relating to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, oral or otherwise, except those expressly set forth or referenced herein.

**12.4 Severability.** In the event that any term, covenant, condition, or provision of this Agreement, or the application of the Agreement to any person or circumstance, is found to

be invalid or unenforceable in any respect, the remainder of this Agreement, and the application of such term or provision to other persons or circumstances nevertheless shall be binding with the same effect as if the invalid or unenforceable provision were originally deleted. The Parties agree to bargain in good faith to reform this Agreement or replace any invalid or unenforceable provision with a valid and enforceable provision that comes as close as possible to the intention of the invalid or unenforceable provision.

**12.5 Amendments.** No waiver, modification, addition, or amendment to this Agreement shall be of any force or effect unless reduced to writing and signed by the authorized employees of each Party hereto.

**12.6 Rights and Remedies.** The duties and obligations imposed by this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of or waiver regarding any duties, obligations, rights, and remedies otherwise available by law. No waiver by either Party hereto of any default shall affect or impair any right arising from any subsequent default. The failure of either Party hereto to insist at any time upon the strict observance or performance of any of the provisions of this Agreement or to exercise any right or remedy provided for in this Agreement shall not impair any such right or remedy nor be construed as a waiver or relinquishment of such right.

**12.7 Force Majeure.** Neither Party hereto shall be liable to the other Party for any failure to perform an obligation set forth herein to the extent such failure is caused by war, act of terrorism, supply chain delays or disruptions, pandemic, or an act of nature, provided that such Party has made and is making all reasonable efforts to perform such obligation and minimize any and all resulting loss or damage. Tacoma Power has a responsibility to restore service after storms before returning to scheduled work. Storm related schedule delays, without any City negligence contributing to such delay, shall not constitute liability.

**12.8 Transfer/Assignment.** Neither Party shall assign any interest, obligation, or benefit in this Agreement or transfer any interest in the same, whether by assignment or novation, without prior written consent by the other Party. This Agreement is binding upon, and inures to the benefit of, the Parties and their respective permitted successors and assigns.

**12.9 Benefits.** This Agreement is intended for the sole benefit of the Parties to this Agreement. Nothing in this Agreement is intended to give any person or entity, other than the Parties hereto, any legal or equitable right, remedy, or claim under this Agreement.

**12.10 Authorization To Execute Agreement.** Each Party represents and warrants that the individual executing this Agreement on such Party's behalf is duly authorized to execute this legally binding Agreement for and on behalf of the Party for whom they have signed. CUSTOMER through its undersigned representative, expressly acknowledges and agrees that the formal approval of this Agreement by the City of Tacoma's Public Utility Board is a required pre-condition to the effectiveness and enforceability of this Agreement. Tacoma Power shall have no legal or equitable liability hereunder and/or in connection with the Project unless or until such approval is obtained. Upon such approval, this Agreement shall become effective as of the Effective Date first above written.

**12.11 HIPAA.** The City acknowledges that, in connection with any entry onto

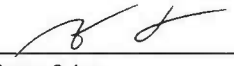
CUSTOMER's property, the City and its employees and agents (collectively, "City Related Parties") may come into contact with protected health information ("PHI") within the meaning of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-91, and regulations promulgated thereunder ("HIPAA"). The City (i) shall not disclose, and shall cause City Related Parties not to disclose, any such PHI, (ii) shall implement such appropriate safeguards as may be necessary to protect the confidentiality of any such PHI against unauthorized access and use in connection with such entries onto CUSTOMER's property, and (iii) shall report to CUSTOMER in writing any unauthorized use or disclosure of any such PHI by the City or City Related Parties in connection with any such entry onto CUSTOMER's property within five (5) business days of becoming aware of such unauthorized use or disclosure. In the event HIPAA or any similar or related law or regulation requires a written contract with respect to the obligations of CUSTOMER, the City, or City Related Parties in connection with the privacy and security of PHI, then CUSTOMER and the City shall execute, and the City shall cause City Related Parties to execute, such written contract on such terms as are required by law. The City further acknowledges that, for CUSTOMER to comply with HIPAA, CUSTOMER may need to restrict access to the portions of CUSTOMER's property where PHI is kept or stored. Except in cases of emergency, the City agrees that, except when accompanied by an authorized representative of CUSTOMER, neither the City nor any agent of the City shall be permitted to enter those areas of CUSTOMER's property, if any, designated by CUSTOMER as locations where patients are treated (when a patient is present) and where PHI and medical records are kept or stored.

*(Signatures on following page)*

IN WITNESS WHEREOF, the Parties hereto have accepted and executed this Amendment, as of the Effective Date stated above.

**MULTICARE HEALTH SYSTEM**

**A Washington Nonprofit Corporation**

By   
James G. Lee  
EVP Population Based Care &  
Chief Financial Officer

**CITY OF TACOMA**

**DEPARTMENT OF PUBLIC UTILITIES**

By \_\_\_\_\_  
Jacky Flowers,  
Utilities Director/CEO

Approved:

By \_\_\_\_\_  
Chis Robinson  
Power Superintendent/COO

Approved:

\_\_\_\_\_  
Finance Director

Approved as to Form:

\_\_\_\_\_  
Deputy City Attorney

#### Exhibit A Preliminary Cost Estimate

Subject to the terms and conditions of the Agreement, **CUSTOMER** is to reimburse Tacoma Power for all supplied materials and work associated with the Tacoma Power Work for the Project.

**The Preliminary Cost Estimate for the Tacoma Power Work is:**

Item	Estimate
New Distribution Feeder	\$470,000
Feeder Segment Upgrades	\$490,000
System Protections Modifications	\$830,000
Subtotal	\$1,790,000
External Overhead Billing Rate (14.2%)	\$250,000
Contingency 30%	\$540,000
<b>TOTAL</b>	<b>\$2,580,000</b>