

Public reporting burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of the collection of information, including suggestions for reducing this burden to Department of Agriculture, Commerce Office, OC, OMB Control #0372-0118, AG Box 7830, Washington, DC 20250. You are not required to respond to this collection of information unless this form displays the currently valid OMB control number.

ENGINEERING SERVICE CONTRACT
ELECTRIC SYSTEM DESIGN AND CONSTRUCTION

AGREEMENT, made AUGUST 2ND, 2021, between

NAVAJO TRIBAL UTILITY AUTHORITY
(hereinafter called the "Owner") and NATIONAL POWERLINE, LLC
of 19820 NORTH 7TH AVENUE, PHOENIX, ARIZONA 85027 hereinafter called the "Engineer").

WHEREAS, the Owner has obtained loans made or guaranteed by the United States of America, acting through the Administrator of the Rural Utilities Service (hereinafter called the "Administrator"), to finance in whole or in part a rural electric system pursuant to the Rural Electrification Act of 1936, as amended, and plans the construction of a project designated A227 SHIPROCK, being hereinafter called the "Project," consisting of approximately the following facilities:

Distribution and Transmission Lines:

_____ miles (_____ km) of _____ kV line,
_____ miles (_____ km) of _____ kV line.

CONSTRUCTION SERVICES - POLE STRUCTURE REPLACEMENTS & LINE

Substations:

Name N/A _____ MVA _____ kV to _____ kV
_____ MVA _____ kV to _____ kV

Switching Stations:

Name N/A _____ kV
_____ kV

Other:

N/A _____ miles (_____ km) of line conversion, _____ miles (_____ km) of line

removal, and the following: N/A

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the parties hereto agree as follows:

ARTICLE I

General Obligations

In accordance with the normal standards and practices used in the profession, the Engineer shall render diligently and competently all engineering services which shall be necessary or advisable for the expeditious, economical, and sound design and construction of the Project, with due consideration given to applicable ecological and environmental requirements. The enumeration of specific duties and obligations to be performed by the Engineer hereunder shall not be construed to limit the general undertakings of the Engineer.

ARTICLE II

Preconstruction Period

Section 1. The Engineer shall give thorough consideration to aesthetics and the protection of the environment in all phases of construction of the Project, including line routing and station locations. Where RUS or the Owner has prepared an environmental document or the Owner must comply with the conditions of a Special Use Permit imposed by a Federal land management agency, the Engineer shall incorporate all environmental commitments of the applicable documents that specifically relate to the facilities to be constructed.

Section 2. The Engineer shall, within thirty (30) days after the date of execution of this Agreement, make a complete field inspection and investigation for the purpose of determining the most economical and practicable location of the proposed lines.

The Engineer shall cooperate with the Owner's right-of-way agent and attorney in developing a schedule of right-of-way procurement and assist the Owner in developing suitable property maps for use by the Owner's easement solicitors.

Section 3. Prior to the preparation of Plans and Specifications by the Engineer, the Owner shall furnish to the Engineer the following as may be applicable:

(a) Copies of pertinent Engineering Studies, including Construction Work Plans when available, on which to base the design of the electrical facilities to be built; key maps of the Owner's present and proposed facilities and detail or vicinity maps showing location of existing lines, consumers served, and easements obtained.

(b) Detailed lists of materials, if any, on hand or on order which are to be furnished by the Owner in the construction of the Project, together with the quantity and the value of each item of such material.

(c) With respect to materials contained in the assembly units indicated for removal, a list showing values of individual material items for which the Contractor will be credited with respect to salvaged materials returned to the Owner if not included in item (b) above.

Section 4. Sufficient soil test data to ensure adequate foundation designs shall be provided by the Owner _____ the Engineer [check one].

Section 5. If requested by the Owner, the Engineer shall prepare and submit to the Owner estimates of quantities of materials to be furnished by the Owner for use in connection with the construction of the Project. The Engineer shall procure and submit to the Owner forms of contracts and other documents for such materials and for such other services as may be necessary or desirable in connection with the construction of the Project.

Section 6. For transmission lines, the Engineer shall prepare and submit to the Owner for approval and to the Administrator for approval, if approval of the Administrator is required, a summary of transmission line and substation design data with supporting calculations. The Plans and Specifications and the Plan and Profile, if any, shall be based on the design data approved by the Owner and by the Administrator, if approval of the Administrator is required.

Section 7. The Engineer shall prepare and submit to the Owner for approval and to the Administrator for approval, if approval of the Administrator is required, plan and profile sheets for all transmission lines.

Section 8. In specifying right-of-way clearing for transmission lines where "feathering" and/or undulating boundaries are required, the Engineer shall mark all brush and trees to be removed unless such marking is the responsibility of another authority. The Engineer shall also compute all clearing units, and show all clearing units on the plan and profile drawings or on separate drawings prepared for this purpose.

Section 9. The Engineer shall prepare, and within 365 days after the date of execution of this Agreement, submit to the Owner for approval and to the Administrator for approval, if approval of the Administrator is required, two copies of complete and detailed plans and specifications, drawings, maps, and other documents required for the construction of the Project (all of the foregoing being hereinafter collectively called the "Plans and Specifications"). In the preparation of the Plans and Specifications, the Engineer shall consult with the Owner to the end that the Project shall serve the purpose intended by the Owner. Unless otherwise directed by the Owner, the Engineer shall use Construction Work Plans and Engineering Studies, as furnished by the Owner, as a basis for the preparation of the Plans and Specifications. The Engineer shall diligently make such changes in the Plans and Specifications as may be required by the Owner or the Administrator as a condition of approval thereof.

Section 10. The Engineer shall, for each substation, prepare and furnish for the Owner's approval and for the Administrator's approval, if approval of the Administrator is required, the following drawings and such others as may be necessary or desirable for the construction of the Project:

One line diagram (relays, breakers, transformers, switches, etc.)

Three line diagram (PT, CT, phasing, etc.)

Plot plan (excluding land surveys and plots necessary in acquisition of property)

Grading plan, fence layout and details

Structure plan and details

Structure elevations (with section views)

Footing plan and details

Grounding plan and details

Cable trench and layout plan

Lighting plan and details

Control house plan and details

Control house elevations and details

Material lists

N/A

Section 11. All maps, drawings, plan and profile sheets, plans and specifications, contract forms, addenda, estimates, studies, and other documents required to be prepared or submitted by the Engineer under this Article 11 or other articles of this Agreement shall conform to the applicable standard specifications and other forms prescribed by the Administrator, unless deviation therefrom shall have been approved by the Administrator.

Section 12. The Engineer shall furnish to the Owner all engineering information, data, and drawings required for procuring all necessary or desirable permits, licenses, franchises, and authorizations from public bodies, and all necessary or desirable permits, licenses, or agreements with respect to the crossing of navigable streams, railroads, and power lines, and with respect to the paralleling or crossing of communications lines and signal circuits, and shall assist the Owner to the extent necessary to obtain such permits, licenses, franchises, authorizations, and agreements. The Engineer shall also furnish to the Owner all engineering information, data, and drawings required for procuring transmission line right-of-way through condemnation proceedings. If

requested by the Owner, the Engineer shall attend, or appear as a witness in, hearings or other proceedings before public service commissions or other regulatory bodies in connection with procuring of the foregoing.

Section 13. When notified by the Administrator (if approval of the Administrator is required) and by the Owner of their approval of the form of Construction Contract, the Engineer shall immediately take all appropriate and necessary action to procure full, free, and competitive bidding for the award of such contract or contracts, and when requested assist the Owner with the purchase of material and equipment. The term "Construction Contract" as used herein shall also include right-of-way clearing contracts, equipment contracts, or materials contracts if such contracts are utilized in the construction of the project. In fulfilling this responsibility, the Engineer shall prepare and submit to the Owner for approval a recommended list of qualified bidders to construct the project. Upon approval of such list by the Owner, the Engineer, in collaboration with the Owner, shall fix a date for the opening of bids for such contracts. The Engineer shall prepare and furnish to the qualified bidders the Plans and Specifications and Construction Drawings together with all necessary forms and other documents.

Section 14. The Engineer shall be available to each prospective bidder for consultation with respect to the details of the Plans and Specifications and all other matters pertaining to the preparation of the proposals for the construction of the Project or the supply of materials or services therefor. The Engineer, or a competent representative of the Engineer, shall attend and supervise all openings of bids for the construction of the Project or for the furnishing of materials or services therefor. In case fewer than three (3) bids are received for the construction of the Project or component parts of the Project, the Owner shall be notified immediately and such bids shall remain unopened unless permission is obtained from the Owner for the opening of such bids. If bids are opened, the Engineer shall carefully check and prepare detailed assembly unit price tabulations of all bids received, and shall render to the Owner all such assistance as shall be required in connection with consideration of the bids received so that contracts may be prudently and properly awarded in accordance with the policy and procedure prescribed by the Owner and the Administrator.

Section 15. If any change is to be made in the Plans and Specifications after the Construction Contract has been approved by the Owner and by the Administrator, if approval of the Administrator is required, the Engineer shall prepare and submit the necessary details for a contract amendment in accordance with the procedure prescribed by the Owner and the Administrator.

ARTICLE III

Staking

Section 1. The Engineer, with the approval of the Owner, shall determine when staking of the Project shall begin; provided, however, that the Engineer shall not commence staking until the Owner shall have certified that all right-of-way authorizations and easements reasonably required for the construction of the Project have been procured. The Owner shall furnish qualified persons to negotiate with landowners or tenants with respect to such right-of-way authorizations and easements and the locations of meter poles or service entrances. The Engineer shall proceed diligently with such staking and continue therewith in such manner as not to retard the progress of construction of the Project.

The staking shall be done in a thorough and workmanlike manner and in accordance with the latest revision of the National Electrical Safety Code, applicable State codes, plans and specifications, and approved transmission line plan and profile sheets. The Engineer shall in no case stake lines other than those authorized by the Owner. The Engineer shall replace all stakes lost or removed prior to or during construction of the Project. All costs, including costs of stakes, equipment, and other material used in connection with the staking, shall be borne by the Engineer. All stakes shall be marked to show the pole number. Where practicable, all stakes shall be driven in such manner that the pole number shall be visible from the pole hauling truck when poles are being distributed. Each transmission structure stake shall be marked with the station number and the height and class of pole. Where it is probable that the Contractor will have difficulty in locating stakes, the Engineer shall drive a four-foot (1.2 m) building lath or equivalent in addition and adjacent to the stake. The Engineer shall give due consideration to the location of the consumer's load center and service termination in staking pole locations on or near the consumer's premises so that the service entrance cable or low voltage conductors to buildings will be as short as possible.

Section 2. The Engineer shall cause staking sheets or structure lists to be maintained in such form as the Owner shall require, on which shall be accurately entered all pertinent and useful information and directions concerning the construction of the Project. Five counterparts of the staking sheets or structure lists shall be supplied by the engineer to the Contractor and two copies shall be supplied to the Owner. When revisions in staking sheets or structure lists are necessary, the Engineer shall cause all copies of the staking sheets or structure lists to be corrected to reflect such revisions in the information or directions previously incorporated thereon.

Section 3. The Engineer shall prepare and submit to the Owner a report showing the quantity, kind, price, and extended total of all units of construction for each portion of the Project at the time such portion is released to the Contractor for construction.

Section 4. A competent resident engineer, with full authority to act for the Engineer, shall be maintained by the Engineer at the site of the Project at all times when staking is being performed.

ARTICLE IV

Construction Management

Section 1. The Engineer shall supervise the construction of the Project and shall make a diligent effort to ensure the expeditious and economical construction thereof in accordance with the Plans and Specifications and the terms of the Construction Contract or contracts and ensure that all specified environmental criteria are followed. The Engineer shall carefully inspect all materials and equipment prior to their incorporation in the Project and shall promptly reject those not in compliance with the Specifications. The Engineer shall also supervise and inspect the incorporation of the materials in the Project and the workmanship with which such materials are incorporated. Such inspection shall be deemed to be adequate if a reasonable percentage of all construction units are inspected at the time of installation. The Engineer, as representative of the Owner, shall have sole responsibility for requiring the Contractor to perform the Construction Contract in accordance with its terms and the Plans and Specifications; and, in performing the duties incident to such responsibility, the Engineer shall issue to the Contractor such directives and impose such restrictions as may be required to obtain reasonable and proper compliance by the Contractor with the terms of the Construction Contract and the Plans and Specifications, in construction of the Project; provided that the Engineer shall not be required to exercise any actual control over employees of the Contractor. The term "supervise" when used herein shall not confer upon the Engineer responsibility for the Contractor's construction means, methods, or techniques. The obligations of the Engineer hereunder run to and are for the benefit of only the Administrator and the Owner.

Section 2. The Engineer shall measure ground resistance at all substation ground fields prior to bonding the ground field to the substation structure. In addition, upon recommendation by the Engineer and authorization by the Owner, the Engineer shall measure the ground resistance at the following locations:

(a) At all transmission structures with overhead ground wire prior to the installation of the overhead ground wire.

(b) At all transmission structures with pole grounds prior to the installation of power conductor. The Engineer shall prepare a report of the ground resistance measurements mentioned above and submit such report to the Owner together with recommendations for changes, if any, required to ensure satisfactory operation. To the extent such changes are approved, the Engineer shall make appropriate changes in the Plans and Specifications in accordance with the provisions of Section 15 of Article II.

Section 3. The Engineer shall maintain at the site of the Project during the entire period of construction a competent resident engineer with full authority to act for the Engineer, unless specifically directed otherwise by the Owner in writing. When necessary to assure adequate inspection, one or more competent inspectors shall also be maintained when construction units are being installed or corrective work is being performed, the number of inspectors being subject to approval by the Owner. The Engineer shall report, in writing, defects in workmanship or materials to the Contractor and the Owner and shall instruct the Contractor to correct such defects immediately, in accordance with the terms of the Construction Contract. A resident engineer shall be present during the final inspection of completed construction.

Section 4. The Engineer shall test along lines, immediately after they have been energized, for objectionable radio interference. All cases of radio interference due to faulty construction or defective equipment in the Project shall be reported to the Contractor for correction.

ARTICLE V

Final Documents

Section 1. The Engineer shall prepare and, within twenty (20) days after the completion of construction of the Project by the Contractor, submit complete and detailed final documents to the Owner for approval and to the Administrator for approval, if approval of the Administrator is required.

ARTICLE VI

Compensation

Section 1. The Owner shall pay the Engineer for the services performed hereunder as indicated in the attached Schedule A.

Section 2. The total compensation to be paid in connection with this Agreement shall not exceed
\$ 1,042,740.00 (TEN MILLION, FOUR HUNDRED TWENTY-SIX THOUSAND, SEVEN HUNDRED FORTY Dollars)

Section 3. Compensation payable to the Engineer under this Agreement shall be in addition to taxes or levies (excluding Federal, State and local income taxes) which may be assessed against the Engineer by any State or political subdivision directly on services performed or payments for services performed by the Engineer pursuant to this Agreement. Such taxes or levies, which the Engineer may be required to collect or pay, shall, in turn, be added by the Engineer to invoices submitted to the Owner pursuant to this Agreement.

Section 4. Interest at the rate of ZERO percent (0%) per annum (percentage is not to exceed any applicable State usury laws) shall be paid by the Owner to the Engineer on all unpaid balances due the Engineer commencing thirty (30) days after the due date; provided that the delay in payment beyond the due date is not caused by any condition within the control of the Engineer. Such compensation shall be paid ten (10) days after the amount of interest has been determined by the Engineer and the Owner.

Section 5. Prior to the time when any payment shall be made to the Engineer pursuant to this Agreement, the Engineer, if requested by the Owner, shall furnish to the Owner, as a condition precedent to such payment, a certificate to the effect that all salaries or wages earned by the employees of the Engineer in connection with the Project, have been fully paid by the Engineer up to and including a date not more than fifteen (15) days prior to the date when such payment shall be made. Before the time when the final payment shall be made to the Engineer by the Owner, the Engineer shall also furnish to the Owner, as a condition precedent to such payment, a certificate that all the employees of the Engineer have been paid for services rendered by them in connection with the Project and that all other obligations which might become a lien upon the Project have been paid.

ARTICLE VII

Miscellaneous

Section 1. The Owner may at any time terminate this Agreement by giving notice to the Engineer in writing to that effect not less than ten (10) days prior to the effective date of termination specified in the notice. Such notice shall be deemed given if delivered or mailed to the last known address of the Engineer. From and after the effective date specified in such notice, this Agreement shall be terminated, except that the Engineer shall be entitled to receive compensation for services hereunder as provided in Section 2 of this Article VII.

Section 2. In the event that this Agreement at any time be terminated pursuant to Section 1 of this Article VII, the compensation which shall be payable to the Engineer by the Owner shall be computed so far as possible in accordance with the provisions of Article VI. To the extent that the provisions of Section 1 of Article VI cannot be applied because construction is incomplete at the effective date of such termination, the Engineer shall be paid for engineering services in respect of incomplete construction a sum which shall bear the same ratio of the compensation which would have been payable under the provisions of Section 1 of Article VI, if such construction had been completed, as the engineering services in respect of such incomplete construction bear to the engineering services which would have been rendered if construction had been completed.

If requested by the Owner, the Engineer shall submit to the Owner in duplicate a verified statement of actual expenses in respect of such incomplete construction. All compensation payable under this Section 2 shall be due and payable thirty (30) days after the approval by the Owner of the amount due hereunder.

Section 3. The Engineer shall have the right, by giving the Owner not less than thirty (30) days notice in writing, to terminate this Agreement if the Engineer shall have been prevented by conditions beyond the control and without the fault of the Engineer (a) from commencing performance of this Agreement for a period of twelve (12) months from the date of this Agreement, or (b) from proceeding with the completion of full performance of any remaining services required of the Engineer pursuant to this Agreement for a period of six (6) months from the date of last performance by the Engineer of other services required pursuant to this Agreement. From and after the effective date specified in such notice this Agreement shall be terminated, except that the Engineer shall be entitled to receive compensation for services performed hereunder, computed and payable in the same manner as set forth in Section 2 of this Article.

Section 4. Upon completion of the Project or termination of the Contract, the Engineer shall be obligated forthwith to deliver to the Owner all maps, tracings, and drawings of the Project and all letters, documents, and other material, including all records pertaining thereto.

The term "Completion of the Project" shall mean full performance of all obligations under this Contract and all amendments and revisions thereof as evidenced by the approval of the final documents by the Owner and by the Administrator, if approval of the Administrator is required.

Section 5. The Engineer shall follow all applicable RUS rules and regulations.

Section 6. The Engineer shall prepare and execute in such form and detail as the Owner and the Administrator shall direct all estimates, certificates, reports, and other documents required to be executed by the Engineer pursuant to the terms of the Construction Contract or the Loan Contract, including progress reports of engineering services and reports of the progress of construction.

Section 7. The Engineer shall approve each monthly estimate of the Contractor prior to payment by the Owner. Such approval shall include a certification by the Engineer that all construction for which payment is requested has been completed in accordance with the terms of the Construction Contract and that all defective construction, of which the Contractor shall have received fifteen (15) or more days written notice, has been corrected. The Engineer shall also maintain at the site of the Project a cumulative inventory of all units of construction incorporated in the Project.

Section 8. The Engineer shall notify the Owner when the Project, or any section thereof, shall be ready to be energized. When requested by the Administrator, such notice shall also be given to the Administrator. The Engineer shall assist the Owner in causing the Project, or such section thereof to be energized.

Section 9. Insurance. The Engineer shall take out and maintain throughout the period of this Agreement insurance of the following types and minimum amounts:

(a) Workers' compensation and employers' liability insurance, as required by law, covering all of the Engineer's employees who perform any of the obligations of the Engineer under the Agreement. If any employer or employee is not subject to the workers' compensation laws of the governing State, then insurance shall be obtained voluntarily to extend to the employer and employee coverage to the same extent as though the employer or employee were subject to the workers' compensation laws.

(b) Public liability insurance covering all operations under the Agreement shall have limits for bodily injury or death of not less than \$1 million each occurrence, limits for property damage of not less than \$1 million each occurrence, and \$1 million aggregate for accidents during the policy period. A single limit of \$1 million of bodily injury and property damage is acceptable. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form.

(c) Automobile liability insurance on all motor vehicles used in connection with the Agreement, whether owned, nonowned, or hired, shall have limits for bodily injury or death of not less than \$1 million per person and \$1 million per occurrence, and property damage limits of \$1 million for each occurrence. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form.

(d) Errors and Omissions (Professional Liability) Insurance in an amount at least as large as the maximum compensation specified in Article VI, Section 2, but not less than \$500,000.

The Owner shall have the right at any time to require public liability insurance and property damage liability insurance greater than those required in subsections "b" and "c" of this Section. In any such event, the additional premium or premiums payable solely as the result of such additional insurance shall be added to the total compensation to be paid under this Agreement.

The Owner shall be named as Additional Insured on all policies of insurance required in subsections "b" and "c" of this Section.

The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to the Owner. The Engineer shall furnish the Owner a certificate evidencing compliance with the foregoing requirements which shall provide not less than thirty (30) days prior written notice to the Owner of any cancellation or material change in the insurance.

The Engineer shall also follow the requirements of 7 CFR part 1788, RUS Fidelity and Insurance Requirements for Electric and Telephone Borrowers.

Section 10. The obligations and duties to be performed by the Engineer under this Agreement shall be performed by persons qualified to perform such duties efficiently. The Engineer, if the Owner shall so direct, shall replace any resident engineer or other persons employed by the Engineer in connection with the Project. The Engineer shall file with the Owner and the Administrator a statement, signed by the Engineer, of the qualifications, including specific experience of each engineer and inspector assigned to the Project and the duties assigned to each.

Section 11. Approvals, directions, and notices provided to be given hereunder by the Administrator to the Engineer or the Owner shall be deemed to be properly given if given by any person authorized by the Administrator to give approvals, directions, or notices.

Section 12. The Engineer shall establish and maintain an office at the site of the Project, with telephone service where available, when staking or construction is in progress. Any notice, instructions, or communications delivered to such office shall be deemed to have been delivered to the Engineer.

Section 13. This Agreement may simultaneously be executed and delivered in two or more counterparts each of which so executed and delivered shall be deemed to be an original, and all shall constitute but one and the same instrument.

Section 14. The obligations of the Engineer under this Agreement shall not be assigned without the approval in writing of the Owner.

Section 15. The Engineer shall comply with applicable statutes pertaining to engineering and warrants that N/A [Name of Engineer] who will be in responsible charge of the Project possesses license number N/A issued by the State of N/A on the N/A day of N/A, N/A.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

NAVAJO TRIBAL UTILITY AUTHORITY
Owner

By [Signature]
Walter W. Hoase, P.E.
General Manager

7/29/2021

ATTEST:

[Signature]
Arash N. Modami, Secretary

NATIONAL POWERLINE, LLC
Contractor

[Signature]
Stephen J. Adams, Sr. VP of Operations

[Strike out inapplicable designation.]

ATTEST:

[Signature] Secretary

**THIS PAGE IS
INTENTIONALLY
BLANK**

Schedule A
Compensation

AS PER NATIONAL POWERLINE, LLC BEST & FINAL OFFER COST RESPONSE DTD JULY 15, 2021.

1) HARD ROCK, AZ (TURQUOISE TRAIL):	\$1,000,000.00
2) DILKON, AZ (DOUBLE CIRCUIT):	\$1,973,530.00
3) KAYENTA, AZ (SNAKE ROCK):	\$197,350.00
4) MEXICAN WATER, UT (THREE-PHASE):	\$1,973,530.00
5) MEXICAN WATER, UT (SINGLE-PHASE):	\$1,578,830.00
6) KAYENTA, AZ R605 FEEDER:	\$394,710.00
7) KAYENTA, AZ 230/69kV SUBSTATION B3 TO TSEGI:	\$855,200
8) SHIPROCK, NM (EAST HOGBACK TO PUMPING STATION):	\$789,410.00
9) NENAHNEZAD SCHOOL, NM:	\$986,770.00
10) KAYENTA TOWNSHIP TAX:	\$86,960.00
11) NAVAJO NATION 6% SALES TAX:	\$590,180.00
TOTAL COST:	\$10,426,740.00

TERMS AND CONDITIONS ATTACHED HERETO AS EXHIBIT NO. 1 ARE INCORPORATED AS A
SUPPLEMENT TO THIS RUS FORM 236 AGREEMENT.



29620 N 7th Ave
Phoenix, AZ 85027
Phone: (513) 879-7959
Fax: (602) 978-9119
www.NationalPowerline.com

Date: July 15, 2021
Subject: Navajo Tribal Utility Authority – 2021 Engineering Pole Replacements
ATTN: Lester Lee, Denny Hardy, Avis Jimm

Dear Mr. Lee,

National Powerline LLC is pleased to submit this *BEST AND FINAL* proposal for the Navajo Tribal Utility Authority – 2021 Engineering Pole Replacements for a fixed price of \$10,426,470.00 USD (Navajo Tax and Kayenta Township Tax Included).

National Powerline LLC is willing to discuss the possibility of transitioning this agreement into T&E Not to Exceed if requested by NTUA to recognize potential cost savings.

This proposal is based upon the proposal documents provided by NTUA for each of the project segments throughout the bid process and is inclusive of Addendums 1 through 3.

PROPOSAL PRICING BREAKDOWN:

Item	Segment	Days	Total Cost
1	Kayenta. R605 Feeder Upgrade from Kayenta Townsite Substation to Kayenta Health Center Tap	14	\$ 394,710.00
2	Kayenta Snake Rock 69kV structure replacements, and single-phase distribution conductor underbuilt	7	\$ 197,350.00
3	Kayenta 230/69 kV Substation B3 to Tsegi 69kV transmission line, pole and cross arm replacements	29	\$ 855,200.00
4	East Hogback to Pumping Station three-phase distribution pole replacements	27	\$ 789,410.00
5	Nenahnezad School three-phase distribution pole replacements	33	\$ 986,770.00
6	Mexican Water three-phase distribution line construction	66	\$ 1,973,530.00
7	Mexican Water single phase to three phase distribution line conversion	53	\$ 1,578,830.00
8	Dilkon double circuit, 14.4/24.9kV three-phase distribution line, energized work	66	\$ 1,973,530.00
9	Hard rock, AZ. Turquoise Trail new 14.4/24.9kV three-phase distribution line construction	33	\$ 1,000,000.00
10	Kayenta Township Tax (for all work performed within Kayenta limits)		\$ 86,960.00
11	Navajo Nation 6% Sales Tax (for all work performed on the Navajo Reservation)		\$ 590,180.00
GRAND TOTAL:			\$ 10,426,470.00



13620 N 7th Ave
 Phoenix, AZ 85027
 Phone: (623) 879-7959
 Fax: (623) 879-9119
 www.NationalPowerline.com

A CENTURI COMPANY

PROPOSAL ASSUMPTIONS:

1. Per discussions on July 14th, 2021 conference call, Item 9 – Hard Rock / Turquoise Trail / Hemp Wells will be contracted and constructed as T&E Not to Exceed (NTE) at rates previously used for the Navajo Mountain project plus a 3.5% labor rate increase in line with local union labor rate increases. These rates have been included below for your reference.

National Powerline will charge NTUA on a composite rate per laborer working on this project. These will be incremental rates charged on a per person-hour basis. The straight time rate will apply on normal working days up to 8 hours. Overtime (OT) applies to hours over 8 on a normal working day and Saturdays. Double time (DT) applies to hours over 10 on normal working days, Sundays, holidays and night work.

T&E Composite Rates		
Composite ST Rate	Composite OT Rate	Composite DT Rate
\$ 217.95	\$ 249.83	\$ 298.54

2. Project will require (1) GF and (2 to 3) line crews (11 to 16 men total) working a 6-10 schedule.
3. Our pricing is based upon the inaccuracy of the RFP documents provided and field verifications conducted accounted for our estimate pricing and incorporated requisite risk values based on historical operational experience to date.
4. Assume NTUA to provide all materials and deliver to pre-determined yards located in vicinity of each project. Hauling from any sites other than this identified project yards are not included in this proposal.
5. Poles will be delivered to the project sites by others.
6. Right-of-way clearing to be performed by others.
7. Access road maintenance or improvements to be performed by others. Contractor assumes that access will be appropriately made for rubber tire vehicles throughout the planned project alignment. Assume Owner and/or Owners subcontractor to make several turn around points going up to the top of the mountain to support proper vehicle egress for operations and in the event of any emergencies.
8. Contractor assumes to bring all retired materials (Old Poles, hardware, etc.) to the projects identified yard. Any hauling beyond this point will be handled via change order.
9. Assume to use native backfill for new structures unless otherwise directed in writing from Owner. Any substantial material changes in backfill that would require contractor to incur additional costs not accounted for in this proposal, will be handle via change order.
10. While conducting construction operations, National Powerline reserves the right to control the ingress and egress to the work site. All personnel not following safety protocols will be asked to leave as to not



13620 N 7th Ave
 Phoenix, AZ 85027
 Phone: (623) 879-7959
 Fax: (623) 879-9119
 www.NationalPowerline.com

A CENTURI COMPANY

impact operations nor create an unsafe work environment.

11. Assume a clean and safe workspace and assume work areas to be energized when performing work. If needed National Powerline will identify to Owner representative the need for an outage and work with Owner personnel to submit outage requests to allow for the safe execution of the work.
12. National Powerline has been given no environmental restrictions. Thus, any environmental issues that may arise that will result in crews being idle or stopping the progression of our planned work will result in a change order.
13. Assume site restoration by others.
14. No performance or payment bond was requested and is not included in this proposal.
15. All materials will be returned to the project identified yard and turn over to Owner representative upon completion of the project. Any requested hauling beyond this point will be handled via change order.
16. Delays by Owner and/or other selected contractors performing other scopes of work associated with the completion of the overall Projects that would preclude our team from meeting our production schedules is not included in this proposal. Any delays will be handled via change order.
17. No night work and/or Sunday work will be needed.
18. Assume all excavation rental equipment used on this project to be passed through at cost plus 10%
19. Assume rubber tire equipment access to all identified pole locations throughout the right-of-ways.

Proposal Exclusions:

- Helicopter costs
- Right-of-way clearing
- Access road maintenance or road improvements to access work sites.
- Permits need to perform scopes of work. i.e. SWPPP, Dust Control, traffic control, excavation, etc.
- Traffic Control costs is not excluded from our pricing and is estimated to not be needed.
- SWPPP best management practices (BMPs) or BMP maintenance.
- Concrete backfill.
- Transfer or additional work required for the partial or complete transfers of existing or new communications lines from other providers.
- Environmental or other specialty monitors to observe the work.
- Bulk construction water.
- Dumpsters or other trash receptacles for disposals of retired materials.
- Show up/construction yard.
- Yard Security.



15820 N 7th Ave
 Phoenix, AZ 85027
 Phone: (623) 878-7559
 Fax: (623) 878-9119
 www.nationalpowerline.com

A CENTURI COMPANY

- Site Restoration.
- Retention on any submitted billings.
- Warranty
- Bond

We greatly appreciate this opportunity. If you have any questions or concerns, please don't hesitate to reach out and we will be happy to provide further documentation or clarification.

Sincerely,

Michael McConnell
 Director of Operations,
 National Powerline LLC



NAVAJO TRIBAL UTILITY AUTHORITY
 AN ENTERPRISE OF THE NAVAJO NATION

PROFESSIONAL SERVICES AGREEMENT

This professional services agreement (the "Agreement") is entered into as of the 2nd day of August, 2021 ("Effective Date") between Navajo Tribal Utility Authority ("NTUA") and National Powerline, LLC ("Contractor") (as used herein "Parties" refers collectively to NTUA and Contractor, and "Party" refers to NTUA or Contractor by the context).

WHEREAS, NTUA wishes to engage Contractor to assist NTUA in providing assistance in a certain area of service, as described below ("Services") and

WHEREAS, Contractor desires to provide such services to NTUA pursuant to the terms and conditions set forth below;

NOW THEREFORE, in consideration of the promises, the covenants and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Terms and Conditions. The Terms and Conditions attached hereto as Exhibit "A" are incorporated into this Agreement by reference as if fully set forth herein.
2. Services. NTUA hereby retains Contractor to provide professional consulting services to provide electrical construction services to replace 69kV and 14.4/24.9 kV three phase transmission and distribution structures at the following segments: Hard Rock, AZ (Turquoise Trail); Dilkon, AZ (Double Circuit); Kayenta, AZ (Snake Rock); Mexican Water, AZ (Three-Phase); Mexican Water, AZ (Single Phase); Kayenta, AZ (R605 Feeder); Kaventa, AZ (KY230/69kV Substation B3 to Tsegil); Shiprock, NM (East Hogback to Pumping Station); and Nenahnezad, NM (Nenahnezad School) services in accordance with the Scope of Work, attached as Exhibit "B". Contractor shall perform such services and provide additional services as NTUA should require. Contractor shall act diligently and in accordance with all applicable laws in performing the Services.
3. Compensation. Contractor shall be compensated at the applicable rates in accordance with the Cost of Work attached hereto as Exhibit "C" and shall not exceed **\$10,426,740.00** dollars, which shall be inclusive of all applicable taxes including Navajo Nation taxes. Contractor agrees that Services under this Agreement shall not continue for the remainder of the Agreement, unless otherwise agreed to and modified in writing, if such Services shall exceed the allocated amount.

All reasonable travel, lodging, and food costs will be reimbursed. NTUA and Contractor shall take all necessary measures necessary to plan travel in as far advance as possible. Contractor shall provide all the necessary documentation for reimbursement.



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

- 4. **Time and Availability.** Contractor shall devote the time necessary to satisfactorily perform the Services for NTUA. Contractor shall give due regard in selecting dates and time to perform Services and shall consider the needs of NTUA's business functions when performing such Services.
- 5. **Term.** This Agreement shall commence as of the Effective Date and shall continue in full force until July 31, 2022 in accordance with this Agreement. NTUA and Contractor may negotiate to extend the term of this Agreement and the terms and conditions if NTUA deems it necessary. NTUA may terminate this Agreement without cause upon five (5) days written advance notice to Contractor. Termination shall not discharge or modify any of the obligations of the Parties arising prior to the effective date of Termination, including obligations to pay for Services performed prior to effective date of termination.
- 6. **Legal Authority.** The Contractor has authorized the person identified as the designated Official to execute this Agreement and to provide reports, and notices as may be required.



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

EXHIBIT NO. 1

Terms and Conditions

- 1. **Terms and Conditions.** The Terms and Conditions ("Terms") apply to the Services provided to NTUA by Contractor as set forth in this Agreement to which these Terms are attached. The Terms are incorporated into the Agreement and constitute the entire agreement between the Parties with respect to the Services provided unless otherwise stated in this Agreement. The Agreement is expressly reserved to these Terms and any changes which modify or alter the Terms or the Agreement are expressly rejected unless agreed to mutually by both parties.
- 2. **Compensation.** The Compensation for the Services shall be set forth in Exhibit "C", unless otherwise stated.
- 3. **Invoice.** The Contractor shall invoice NTUA monthly for fees and expenses incurred in performance of the Services. Such invoice shall provide a reasonable description and documentation of the Services provided and costs incurred. NTUA shall pay the amounts invoiced within sixty (60) days of receipt of an invoice from Contractor. In the event of any dispute as to payment Parties shall act expeditiously and in good faith to resolve the dispute. Contractor shall separate, on each invoice, work performed within or outside the territorial jurisdiction of the Navajo Nation. Such invoices shall break out all hours by personnel name, travel, out-of-pocket and labor expenses in separate line items, with a reasonable description and documentation of the tasks completed and costs incurred.
- 4. **Taxes.** Contractor shall be responsible for all taxes payable with respect to amounts paid to Contractor by NTUA hereunder, and unless required by law, NTUA shall not withhold any taxes from amounts payable to Contractor. Contractor shall promptly provide NTUA with any certificates necessary to evidence its exemption from withholding. Contractor understands that it is responsible to pay all applicable taxes and shall, when requested by NTUA, properly document to NTUA that any and all taxes have been paid. In the event Contractor fails to pay Navajo Nation taxes required by Navajo law, NTUA shall have the right, but not the obligation, of withholding Navajo Nation taxes on each invoice presented for payment for work performed within the Navajo Nation.

Work physically performed within the Navajo Nation is subject to Navajo Nation taxes. "[T]he taxpayer shall be responsible for paying the Sales Tax only on the gross receipts received for that portion of the work when the taxpayer is physically located within the Navajo Nation." (Navajo Nation Sales Tax Regulation §6.106). The applicable Navajo Nation tax shall be paid directly to The Office of the Navajo Tax Commission by Contractor.



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

- 5. **Independent Contractor.** Contractor is an independent contractor and will not, through performance of Services, be or become an agent, partner or employee of NTUA. Contractor is not granted any authority or responsibility, express, implied or apparent, to bind any act on behalf of NTUA.
- 6. **Benefits.** Contractor shall not be entitled to participate in any benefits or programs maintained by NTUA for its employees including, but not limited to pension, retirement, life, medical and disability benefits, profit sharing or other fringe benefits. No workers' compensation insurance shall be obtained by NTUA to cover Contractor.
- 7. **Insurance.** Throughout the term of this Agreement, Contractor shall maintain comprehensive liability insurance and workers compensation insurance on all its employees, and Contractor shall carry coverage of not less than the following amounts: (i) Commercial General Liability Insurance (including contractual liability coverage) with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence, naming NTUA as an additional insured thereunder; (ii) Commercial Auto Liability insurance with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence, naming NTUA as an additional insured thereunder and (iii) workers compensation insurance as required by law. At the time of execution of this Agreement, Contractor shall provide NTUA with a certificate of insurance evidencing the insurance coverages required under this Section, and thereafter Contractor shall provide NTUA with certificates evidencing any renewal thereof. Any modification, renewal, replacement or cancellation of such insurance coverages to the extent feasible by Contractor's insurer, will be provided to NTUA with thirty (30) days prior written notice to NTUA. Approval of Contractor's insurance shall not relieve Contractor of any obligation contained herein, including without limitation, Contractor's defense and indemnity obligations. Contractor's insurance shall be primary and non-contributory and is required to respond and pay prior to any other insurance or self-insurance available.
- 8. **Indemnification.** Contractor agrees to defend, indemnify and hold NTUA and its affiliates, officers, directors, employees, agents, successors and assigns harmless from any and all losses, liabilities, damages and claims and all related costs and expenses (including reasonable legal fees and disbursements and costs of investigation, litigation, settlement, judgment, interest and penalties) ("Loss" or "Losses") related to or arising from any third-party demand, claim or suit for damages, injunction, or other relief, on account of or arising from any actual or alleged: (i) breach of any representation, warranty, covenant or provision of this Agreement; (ii) damage to any property; (iii) infringement of any intellectual property rights or ownership rights; (iv) public charges and penalties; or (v) demand, liability or lien, provided the foregoing arise in connection with (1) negligent acts or omissions or willful misconduct of Contractor or any of its officers, directors, employees, and agents (other than those acting in a capacity for NTUA) in connection with the construction, installation, maintenance, presence, use or removal of



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

- systems, channels, equipment or software not provided by NTUA which are connected or are to be connected to Services; and (2) claims for infringement or misappropriation of any patent, trade secret, copyright, or other intellectual property rights, arising from the use of equipment and software, apparatus and systems not provided by or approved for use in connection with the Services by NTUA. Contractor shall not, however, be responsible for any Losses caused by the sole negligence or willful misconduct of the NTUA and its officers, directors, employees, agents, successors and assigns (other than those acting in capacity for Contractor).
- 9. **COVID-19.** The parties agree that in order to maintain a safe and healthy environment for all contractors, Contractors, employees, and customers, the Contractor shall abide by the NTUA Guidelines to NTUA Employees: COVID-19. In addition, the Contractor shall abide by applicable COVID-19, instructions consistent with the Guidelines, or applicable Navajo Nation executive orders, public health orders, or legislation will be borne by the Contactor. Nothing herein shall be construed as NTUA agreeing to be liable for any loss, death or injury of any kind whatsoever, that is caused by or a results of the novel coronavirus (COVID-19).
- 10. **Termination.** The following events are also deemed to be events of default pursuant to which NTUA has the right to terminate as set forth below:
 - a) NTUA may terminate this Agreement upon five (5) days written notice to Contractor;
 - b) If default shall be made in any of Contractor's covenants, agreements, or obligations contained in this Agreement and Contractor fails to cure said default within fifteen (15) days after written notice is provided to Contractor by NTUA, or in case of any assignment or transfer of this Agreement in violation above, NTUA may, at its option, terminate this Agreement by serving five (5) days' notice in writing upon Contractor. Notwithstanding the foregoing, NTUA shall have the right to terminate this Agreement immediately if Contractor fails to provide evidence of insurance as required in Section 7.
- 11. **Warranties.** Contractor warrants that:
 - (a) Contractor's agreement to perform the work pursuant to this Agreement does not violate any agreement or obligation between Contractor and a third party; and
 - (b) The work as delivered to NTUA will not infringe any copyright, patent, trade secret, or other proprietary right held by any third party; and
 - (c) The Services provided by Contractor shall be performed in a professional manner, and shall be of high grade, nature, and quality. The Services shall be performed in a timely manner and shall meet deadlines agreed between Contractor and NTUA; and



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

(d) The Services will be of a professional quality conforming to generally accepted industry standard and practices, and performed in a timely manner in accordance with the terms and conditions of this Agreement.

12. **Survival of Obligations.** Neither termination nor expiration of this Agreement shall terminate the obligations of the NTUA to Contractor for charges and reimbursements due to Contractor for performance of services under this Agreement, nor of Contractor with respect to the protection of NTUA's confidential information, supplied by NTUA to Contractor or prepared by Contractor for NTUA nor any indemnity obligations for the benefit of either party, all of which obligations shall survive any termination or expiration hereof.

13. **Confidentiality.** In performing consulting Services under this Agreement, Contractor will be exposed to certain "Confidential Information" (defined below) of NTUA. Contractor agrees that it will not use such Confidential Information in any way for the benefit of anyone other than NTUA, and will not disclose such information without the prior written authorization of the General Manager of NTUA, either during or after the term of this Agreement, for as long as such information is classified as Confidential Information.

Confidential Information shall include, but is not limited to information concerning patents, trade secrets, unpublished rates, confidential processes, material, research and development, proprietary software, analysis, techniques, material and designs useful to NTUA, vendor names, customers, supplier lists, databases, management systems, sales and marketing plans of NTUA, confidential development or research, confidential current or future agreements, or any other confidential or proprietary information of NTUA.

14. **Intellectual Property Rights.** Contractor agrees that any computer programs, software, copyrightable work, discoveries, drawings, plans, improvements and any other work developed for the benefit of NTUA (hereinafter called "Protected Work") developed by Contractor, or resulting from the performance of Contractor's responsibilities and obligations pursuant to this Agreement, are works made for the benefit of NTUA and the property of NTUA. If for any reason the Protected Work would not be considered a work made for the benefit of NTUA under applicable law, Contractor hereby sells, assigns and transfers to NTUA, its successors and assign, the entire right, title and interest in and to the Protected Work, including but not limited to exclusive rights to produce, distribute, prepare derivative works, display and perform the Protected Work. This provision shall survive expiration and termination of this Agreement.



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

15. **Retention of Payment.** NTUA may retain 10% of Compensation to confirm that all Services are satisfactorily completed. NTUA will determine if a retention is required and whether it will be imposed per invoice or at the final payment depending on the project and the circumstances. Once NTUA determines that all Services have been completed, the retention withheld by NTUA shall be released. In the event of a dispute between NTUA and Contractor, NTUA may withhold from the final payment an amount not to exceed 100% of the disputed amount.

MISCELLANEOUS

16. **Governing Law.** THIS AGREEMENT SHALL BE CONSTRUED AND THE LEGAL RELATIONS BETWEEN THE PARTIES DETERMINED IN ACCORDANCE WITH LAWS OF THE NAVAJO NATION, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW RULES WHICH MAY DIRECT THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION. ANY DISPUTE HEREUNDER REQUIRING JUDICIAL RESOLUTION SHALL ONLY BE MADE THE SUBJECT OF AN ACTION BROUGHT IN A COURT OF COMPETENT JURISDICTION OF THE NAVAJO NATION AND THE PARTIES EACH ACCEPT THE EXCLUSIVE JURISDICTION OF SUCH COURTS TO THE EXTENT AUTHORIZED BY THE NAVAJO SOVEREIGN IMMUNITY ACT, 1 N.N.C. §551, *ET. SEQ.*

17. **Complete Agreement.** This Agreement constitutes the complete agreement and sets forth the entire understanding and agreement of the parties as to the subject matter of this Agreement and supersedes all prior discussions and understandings in respect to the subject of this Agreement.

18. **Severability.** If any provision hereof is unenforceable or invalid, it shall be given effect to the extent it may be enforceable or valid, and such unenforceability or invalidity shall not affect the enforceability or validity of any other provision of this Agreement.

19. **Waiver.** Any waiver of any of the terms hereof shall be enforceable only to the extent it is waived in a writing signed by the Party against whom the waiver is sought to be enforced. The waiver by a party of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other or subsequent breach by the party in breach.

20. **Successors and Assigns.** All provisions contained in this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and assigns of NTUA and Contractor to the same extent as if each such successor and assign was named a party to this Agreement.



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

- 21. **Navajo Preference.** In performing the work under this agreement, the Contractor shall comply with all applicable laws, policies, rules and regulations of the Navajo Nation and the NTUA, including without limitation the Navajo Preference in Employment Law, codified at 15 N.N.C. Sections 601, *et seq.*, (the "NPEA"), and the Navajo Nation Business Opportunity Act, codified at 15 N.N.C., Sections 201, *et seq.*, (the "NNBOA"). The terms and provisions of the NPEA and NNBOA are specifically incorporated herein, and become a part of this agreement, and breach by the Contractor of any terms and provisions of such law shall constitute a breach of this agreement and provide grounds for the suspension or termination of the agreement or other remedy as specified in the NPEA and NNBOA.
- 22. **Assignment.** Contractor may not assign, sell, transfer or in any other way convey its rights, duties or obligations under this Agreement, either in whole or in part, without the prior written consent of the NTUA, which consent shall not be unreasonably withheld or delayed. Any attempted assignment by Contractor in violation of this section shall constitute a breach of this Agreement and shall be voidable by NTUA in its sole and absolute discretion.
- 23. **Procurement Procedure.** Contractor acknowledges that this Agreement and any modification of this Agreement shall be signed in accordance with applicable NTUA Procurement Procedure. Any violation of this section shall void such Agreements and modifications. A copy of the NTUA Procurement Procedure will be made available upon request to Contractor.
- 24. **Signatory Authority.** Contractor warrants that the signatory to this Agreement has the appropriate authority to execute such Agreements.
- 25. **Notices.** Any notice required by this Agreement shall be in writing and shall be delivered by hand or sent by United States Registered or Certified Mail, postage prepaid, addressed as follows:

<p>To NTUA: Navajo Tribal Utility Authority ATTN: Lester Lee, Electric Systems Director Post Office Box 170 Fort Defiance, Arizona 86504 Office: (928) 729-6223 Email: lesterl@ntua.com</p>	<p>To Contractor: National Powerline, LLC ATTN: Steve Morris, Construction Mgr. 19820 North 7th Avenue Phoenix, Arizona 85027 Office: (623) 879-7959 Mobile: (480) 341-7914</p>
---	--
- 26. **Sovereign Immunity.** Nothing in this Agreement shall be construed as limiting or waiving NTUA's sovereign immunity rights except to the limited extent provided in the Navajo Nation Sovereign Immunity Act, 1 N.N.C. §551 *et seq.*



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

- 27. **Order of Precedence.** Where there is a conflict between the Terms and Conditions set forth in Exhibit A and the other attachments including but not limited to Exhibit "B" attached hereto, the Terms and Conditions set forth in Exhibit A shall control.



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

EXHIBIT B

Scope of Work

To provide Electrical Construction Services for pole structure replacements of 14.4/24.9 kV three phase distribution lines & 69kV transmission structures and construction of 14.4/24.9 kV distribution lines that shall include the following:

A. General

1. Be familiar with RUS Bulletin 1726-601, Electrical System Construction Policies and Procedures, clarification of 7 CFR 1726;
2. RUS Bulletin 1728F-803 Specification and Drawings for 24.9/14.4kV Line Construction, in reference to 7 CFR Part 1728;
3. RUS Bulletin 1728F810 Electric Transmission Specifications and Drawings 34.5 kV through 69kV reference to 7 CFR Part 1728; and
4. RUS Bulletin 1728f-811 Electric Transmission Specification and Drawings 115kV through 230kV in reference to 7 CFR Part 1728.

B. Construction Segment: recommended order of completion of these projects is as follows, projects 1 through 5 have timelines that need to be met for completion, projects 6 through 9 have flexible timelines but requested to be completed in the order provided. Include an overall projected project schedule.

1. **Hard Rock, AZ.** Turquoise Trail, new 14.4/24.9kV three-phase distribution line construction, 5.22 miles. 70 poles. 390.00 feet of underground distribution. Flat sandy terrain. Construction planned start August, 2021.
2. **Dilkon, AZ.** double circuit, 14.4/24.9kV three-phase distribution line, energized work. 4.19 miles of upgrade. Single Three phase circuit to double circuit 4/0. 77 poles being installed/replaced. Construction to be completed by October 30, 2021.
3. **Kayenta, AZ.** Snake Rock six (6) 69kV structure replacements with ductile iron poles, plus 2 distribution poles, and installation of 14.4kV single phase distribution conductor underbuilt on the 69kV poles, energized work. Construction to be completed by October 30, 2021.
4. **Mexican Water, AZ.** New 14.4/24.9kV three-phase distribution line construction. 12.1 miles of three phase 4/0 ACSR conductor. Construction to be completed by December 10, 2021.



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

5. **Mexican Water, AZ.** 14.4kV single phase to 14.4/24.9kV three phase distribution line conversion, energized work. 6.13 miles, #4 ACSR to 4/0 ACSR conductor. Construction planned to start November 1, 2021; to be completed by December 24, 2021.
6. **Kayenta, AZ.** R605 Feeder Upgrade from Kayenta Townsite Substation to Kayenta Health Center Tap, 14.4/24.9kV three phase distribution pole replacements and conductor replacement, energized work, -53 poles to be replaced and re-conductor existing 1/0 with 4/0, flat terrain and within town limits.
7. **Kayenta, AZ.** Kayenta 230/69 kV Substation B3 to Tsegi 69kV transmission line, pole and cross arm replacements, energized work.
8. **Shiprock, NM.** East Hogback to Pumping Station, 14.4/24.9kV three-phase distribution pole replacements, energized work. 3.18 miles of upgrade. 52 poles being changed and installed. Conductor upgraded to 1/0 ACSR.
9. **Nenahnezad, NM.** Nenahnezad School 14.4/24.9kV three-phase distribution pole replacements, energized work. 5.23 miles of upgrade. Installing 1/0 ACSR.

C. The construction services shall include, but not be limited to, the following:

1. Determination that construction conforms to RUS specifications and standards with RUS approved materials and the requirements of the National Electrical Safety Code.
2. Determination that staking sheets and As-Built drawings represent the construction completed and inspected.
3. Preparation of a list of construction clean-up notes and staking sheet discrepancies to be furnished to NTUA. NTUA to perform the correction of construction, staking sheets, other records, and work order inventories.
4. Deviations corrected as result of inspection by the NTUA's designated inspector.
5. Noting, initialing, and dating the staking or structure sheets and/or As-Built drawings and noting the corresponding for line construction.
6. Noting, initialing, and dating the As-Built drawings for transmission & distribution pole replacements and distribution line construction.

D. Invoicing: shall be broken down by project description and job order numbers of each project listed above in Section B.

(REVISED 4/12/2021)



NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

EXHIBIT C

Cost of Work

Below is the detailed service(s) pricing, including any and all costs to provide the services.

FIXED VENDOR 111274
GL 630360
PR 10104138
PO
08/06/2021 CZ



**BEST AND
FINAL OFFER**

NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

B. Cost for Service

	SEGMENTS	Completion Time-Frame (in days)	TOTAL COST	
6356258	1 Hard Rock, AZ. Turquoise Trail new 14-A/14.94kV three-phase distribution line construction	33	\$ 1,000,000.00 **	3000361
6356257	2 Dilkon double circuit, 14-A/14.94kV three-phase distribution line energized work	66	\$ 1,973,530.00	
6356256	3 Kayenta Snake Rock 69kV structure replacements, and single phase distribution conductor underbuilt	7	\$ 197,350.00	
6356436	4 Mexican Water three-phase distribution line construction	66	\$ 1,973,530.00	
6356352	5 Mexican Water single phase to three phase distribution line conversion	33	\$ 1,578,830.00	
6356255	6 Kayenta R605 Feeder Upgrade from Kayenta Townsite Substation to Kayenta Health Center Tap	14	\$ 394,710.00	
6356254	7 Kayenta 130/69 kV Substation B3 to Tsegi 69kV transmission line, pole and cross arm replacements	29	\$ 853,200.00	
6356253	8 East Hogback to Pumping Station three-phase distribution pole replacements	27	\$ 789,410.00	
6356252	9 Nenahnezad School three-phase distribution pole replacements	33	\$ 906,770.00	
	10 Kayenta Township Tax (for all work performed within Kayenta limits)		\$ -86,900.00	\$86,835.60 3000128
	11 Navajo Nation 6% Sales Tax (for all work performed on the Navajo Reservation)		\$ -590,128.00	\$498,124.20 3000141
	GRAND TOTAL:		\$3,466,740.00	\$10,334,289.80

** Project to be constructed and constructed as Time and Equipment Not to Exceed (T/E/NTE) per discussions on 7/14 conference call

Company Name: National Powerline, LLC Date: July 15, 2021

Name/Title: Michael McConnell, Director of Operations Signature: [Signature]

2 of 3

5.11 121840001
45-88343
SRE Hogbaek to PP Station

CONTRACT #: 00270.21.1

NTUA ATTORNEY REVIEW FORM

Date to Attorney: February 8, 2022 Attorney Reviewing: Robert Silva

DOCUMENT FOR REVIEW: (Please provide a good description of the document)

CONTRACTOR/CONSULTANT: National Powerline, LLC

DESCRIPTION: AMENDMENT NO. 1. RUS Form 238 Construction Contract for the Electrical Construction Services - Pole Structure Replacements - Line project to be increased by \$636,184.12 for including Change Order Nos. 1, 2, 3, 4, and 5



CONTRACT AMOUNT: \$11,062,924.12

EFFECTIVE DATE: January 1, 2022 EXPIRATION DATE: December 31, 2022

REQUESTING DEPARTMENT: HQ EISD Electric Systems Division

REQUESTOR(S) NAME: Lester Lee, Electric Systems Director EXT: 6223

APPROVED: Reviewed by: [Signature] Date: 2/9/22

DISAPPROVED: Picked up by: _____ Date: _____

1st Review comments: _____

APPROVED: Reviewed by: _____ Date: _____

DISAPPROVED: Picked up by: _____ Date: _____

2nd Review comments: _____

DISTRIBUTION				
<input type="checkbox"/>	Requesting Dept.	<u>Avis Jimm, Contract Administrator</u>	<input type="checkbox"/>	Picked up by: _____
		<u>Purchasing Department</u>		Date: _____
			<input type="checkbox"/>	Scanned: _____
				Date: _____
<input type="checkbox"/>	Vendor	<input type="checkbox"/>	Picked Up	<input type="checkbox"/>
		<input type="checkbox"/>	Mailed	<input type="checkbox"/>
		<input type="checkbox"/>	Emailed	Date: _____
<input type="checkbox"/>	Other	<input type="checkbox"/>	Picked Up	<input type="checkbox"/>
		<input type="checkbox"/>	Mailed	<input type="checkbox"/>
		<input type="checkbox"/>	Emailed	Date: _____
<input type="checkbox"/> Withhold 10% / Inform Purchasing Agent & Accounts Payable				

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 9173-0187. The time required to complete this information is estimated to average 1 minute per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

U.S. Department of Agriculture Rural Utilities Service		1. Borrower Designation	2. Date
CONSTRUCTION OR EQUIPMENT CONTRACT AMENDMENT		AZ27 SHIPROCK	02-07-2022
3. Amendment No. ONE	4. Contract No.	5. Bond Extension Attached <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
6. Delivery or Completion Date		7. As Amended	
a. Original 08-02-2021		07-21-2022	
Instructions: 1. The Architect-Engineer shall submit three (3) copies of this form to the Owner. 2. If applicable, the Owner shall submit the three (3) copies of this form to RUS for approval.			
7. Reasons for, and Details and Description of the Amendment <i>(If additional space is needed, use reverse or separate sheet)</i>		8. A Summary Of the Original Contract Price and Amendments thereto, including this Amendment, follows: <i>(Amendments which decrease the price are preceded by a (-) minus sign.)</i>	
FOR ELECTRICAL CONSTRUCTION SERVICES - POLE STRUCTURE REPLACEMENTS & LINE PROJECT:		Original Contract Price \$ 10,426,740.00	
1) C/O #1 - NENAHNEZAD SCHOOL 3-PHASE DISTRIBUTION SEGMENT TO HAUL POLES/PICKUP MATERIAL. \$ 23,490.14		Amendment Number 1 \$ 636,184.12	
2) C/O #2 - MEXICAN WATER 3-PHASE DISTRIBUTION SEGMENT TO HAUL POLES/PICKUP MATERIAL AND REMOVE 2 MI. OF LINE NOT APART OF ORIGINAL SOW. \$118,242.41		Amendment Number 2 \$	
3) C/O #3 - MEXICAN WATER SINGLE PHASE TO 3-PHASE DISTRIBUTION LINE CONVERSION SEGMENT TO HAUL POLES AND PICK UP MATERIAL. \$ 75,951.57		Amendment Number 3 \$	
4) C/O #4 - BLACK MESA SUBSTATION T/LINE POLE WORK ADD'L POLE WORK NOT APART OF SOW. \$ 18,500.00		Amendment Number 4 \$	
5) C/O #5 - NENAHNEZAD SCHOOL 3-PHASE DISTRIBUTION SEGMENT FOR RE-CONDUCTORING WORK. \$400,000.00		Amendment Number 5 \$	
TOTAL AMENDED AMOUNT: \$636,184.12		Amendment Number 6 \$	
		Amendment Number 7 \$	
		Amendment Number 8 \$	
		Amended Contract Price \$ 11,062,924.12	

This amendment, providing for an increase of \$ 636,184.12 / decrease of \$ _____ in the contract price is submitted pursuant to the provisions of said contract. This Amendment does , does not require approval of the Administrator of RUS. To the extent the items hereof are approved, the contract shall be amended.

RECOMMENDED

[Signature]
Lester Lee, Electric Systems Director
NTUA EISD Electric Systems

02/09/22
Date

ACCEPTED

NATIONAL POWERLINE, LLC
Contractor

NAVAJO TRIBAL UTILITY AUTHORITY

By [Signature]
Michael A. McConnell, VP of Operations

By [Signature]
Sylvester Vasquez, P.E.
Deputy General Manager - Electric & Info Systems

2/8/2022
Date

02/09/2022
Date

This Amendment must be signed with the full name of the Contractor. If the Contractor is a partnership, this Amendment must be signed in the partnership name by a partner. If the Contractor is a corporation, this Amendment must be signed in the corporate name by a duly authorized officer.

RLS

RUS Form 238 (Rev. 2-04)



Change Order No. 5

15670 W 1st Ave
Phoenix, AZ 85027
Phone (602) 879-7059
Fax (602) 879-8112
www.nationalpowerline.com

Date: November 30, 2021
Subject: Navajo Tribal Utility Authority – Nenahnezad Reconductoring Proposed Change Order Pricing
Revision 2
ATTN: Denny Hardy

Dear Mr. Hardy,

National Powerline LLC is pleased to submit this revised proposed change order pricing for the reconductoring work associated with the Nenahnezad project associated with the Navajo Tribal Utility Authority – 2021 Engineering Pole Replacements for a fixed price of \$400,000.00 USD (Navajo Tax Included).

This proposal is based upon the proposal documents provided by NTUA for construction and the discussion had with our field construction management team during the request for pricing for this scope of work.

All previously submitted clarifications and assumptions shall remain in effect for this change in scope which is assumed to be executed as a change order under the terms of the previously executed contract.

PROPOSAL PRICING BREAKDOWN:

Item	Description	Qty	Total Labor Cost	Total Cost
5	Nenahnezad School three-phase distribution reconductoring	12	\$ 400,000.00	\$ 400,000.00
GRAND TOTAL:			\$ 400,000.00	

We greatly appreciate this opportunity. If you have any questions or concerns, please don't hesitate to reach out and we will be happy to provide further documentation or clarification.

LINE ITEM 20 3000361 = \$377,358.49
LINE ITEM 21 3000141 = \$22,641.51

Sincerely,

Aaron A. Brisman, PMP
Estimating Manager

Approved



Change Order No. 4

15822 N 7th Ave
Phoenix, AZ 85027
Phone (602) 879-7029
Fax (602) 879-5112
www.NationalPowerline.com

Date: December 23, 2021
Subject: Navajo Tribal Utility Authority – Black Mesa Substation Transmission Line Pole Work and Mexican Water 1ph to 3ph Additional Fiber Work Proposed Change Order Pricing
ATTN: Denny Hardy

Dear Mr. Hardy,

National Powerline LLC is pleased to submit this proposed change order pricing for the transmission line pole work outside of the Black Mesa Substation and the additional fiber optic transfer work required on the Mexican Water 1ph to 3ph Upgrade project which is associated with the Navajo Tribal Utility Authority – 2021 Engineering Pole Replacements for a fixed price of \$ 68,000.00 USD (Navajo Tax Included).

This proposal is based upon the proposal documents provided by NTUA for construction and the discussion had with our field construction management team during the request for pricing for this scope of work.

All previously submitted clarifications and assumptions shall remain in effect for this change in scope which is assumed to be executed as a change order under the terms of the previously executed contract.

PROPOSAL PRICING BREAKDOWN:

Item	Segment	Days	Total Labor Cost	Total Cost
1	Mexican Water 1ph to 3ph: Additional Fiber Work	5	\$ 49,500.00	\$ 49,500.00
2	Black Mesa Substation Transmission Line Pole Work	1.5	\$ 18,500.00	\$ 18,500.00
GRAND TOTAL:			\$ 68,000.00	

We greatly appreciate this opportunity. If you have any questions or concerns, please don't hesitate to reach out and we will be happy to provide further documentation or clarification.

Sincerely,

Aaron A. Brissman, PMP
Estimating Manager

APPROVED

For Line Item #2, Black Mesa Substation
Transmission Line Pole Work



Change Order No. 5

15822 N 7th Ave
Phoenix, AZ 85027
Phone (602) 879-7029
Fax (602) 879-5112
www.NationalPowerline.com

Date: November 30, 2021
Subject: Navajo Tribal Utility Authority – Nenahnezad Reconductoring Proposed Change Order Pricing
Revision 2
ATTN: Denny Hardy

Dear Mr. Hardy,

National Powerline LLC is pleased to submit this revised proposed change order pricing for the reconductoring work associated with the Nenahnezad project associated with the Navajo Tribal Utility Authority – 2021 Engineering Pole Replacements for a fixed price of \$400,000.00 USD (Navajo Tax Included).

This proposal is based upon the proposal documents provided by NTUA for construction and the discussion had with our field construction management team during the request for pricing for this scope of work.

All previously submitted clarifications and assumptions shall remain in effect for this change in scope which is assumed to be executed as a change order under the terms of the previously executed contract.

PROPOSAL PRICING BREAKDOWN:

Item	Segment	Days	Total Labor Cost	Total Cost
5	Nenahnezad School three-phase distribution reconductoring	12	\$ 400,000.00	\$ 400,000.00
GRAND TOTAL:			\$ 400,000.00	

We greatly appreciate this opportunity. If you have any questions or concerns, please don't hesitate to reach out and we will be happy to provide further documentation or clarification.

Sincerely,

Aaron A. Brissman, PMP
Estimating Manager

Approved