

CITY OF STOCKTON
STANDARD AGREEMENT

Agreement Number:

1. This Agreement is entered into between the City of Stockton ("City") and VIRGINIA TRANSFORMER CORP. ("Contractor") to provide a 60-12.47KV TWO WINDING PRIMARY SUBSTATION TRANSFORMER as set forth in Exhibit A to this Agreement.

2. The term of this Agreement is as follows, unless amended as described in Exhibit A and Exhibit C section 8:
Commences on: September 30, 2024 Terminates on: September 30, 2027

3. The maximum not to exceed amount to be paid to Contractor for the term of this Agreement, including if authorized, reimbursement of expenses, is: \$1,110,000
Additional freight charges may apply, "Prepaid & Add".

4. The complete Agreement consists of all the following Agreement documents which by reference are incorporated and made a part of this Agreement. The parties agree to comply with the terms and conditions of this Agreement.

- (a) Exhibit A – Statement of Work
- (b) Exhibit B – Insurance
- (c) Exhibit C – General Terms & Conditions
- (d) Exhibit D – Professional Services Special Terms & Conditions
- (e) Exhibit E – Compensation Schedule
- (f) Exhibit F – Timeline



IN WITNESS WHEREOF, the authorized parties have executed this Agreement.

CONTRACTOR

Virginia Transformer Corp.

Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

	DocuSigned by: <i>Steve Nelson</i>	9/9/2024
Authorized Signature	41C33DD6ED42411 Mr. Steve Nelson Chief Financial Officer Virginia Transformer Corp.	Date

~~Chris Dearmon~~

Printed Name and Title of Person Signing

220 Glade View Drive, NE, Roanoke, 24012
Address

CITY OF STOCKTON

Harry Black, City Manager Date

ATTEST:

Katherine Roland, CMC, CPMC, Interim City Clerk

APPROVED AS TO FORM:
Lori M. Asuncion, City Attorney

BY: _____

EXHIBIT A
STATEMENT OF WORK

1. Project Objectives

The purpose of the transformer is to accept electrical power from PG&E at a voltage of 60,000 volts and to reduce (transform) it to 12,470 volts for distribution. If the transformer fails, then the RWCF can no longer receive power from PG&E and will be on rental generators.

2. Project Scope

Contractor shall furnish a redundant 60-12.47kV two-winding primary substation transformer for the Regional Wastewater Control Facility. The transformer shall be designed, constructed, and tested in accordance with Specifications Section 261113, see Section 3. It shall fit on the existing equipment pad.

Contractor shall perform an evaluation of losses and provide load and no-load loss measurements. This shall include all delivery and unloading charges FOB Destination:

Regional Wastewater Control Facility
ATTN: KELLY JU
2500 Navy Drive
Stockton, CA 95206

Contractor shall provide adequate assistance and/or equipment necessary to load and unload their products at the delivery site.

The City reserves the right to conduct all inspections as it deems appropriate. Until the equipment has been furnished in accordance with Specification Section 261113, all loss or damage arising from any unforeseen obstruction or difficulties, either natural or artificial, which may be encountered, or from any action of the elements, or from any act or omission not authorized by these specifications on the part of the proposer or any agent or person employed by them, shall be sustained by the Contractor. This shall also include the services of a competent engineer to inspect the transformer prior to off-loading and provide field testing per Specifications Section 261113.

3. Specifications

SECTION 261113
60 - 12.47 kV TWO-WINDING PRIMARY SUBSTATION TRANSFORMER

SCOPE:

1. The equipment to be furnished by the Bidder consists of one (1) base rated 10,000 kVA substation transformer with load tap changer.
2. These specifications describe the transformers to be designed, constructed and tested in accordance with the latest revision of the applicable IEEE, ANSI, and NEMA standards, except where specific requirements of these specifications conflict with these standards. In such cases, these specifications take precedence. It is assumed that the equipment provided by the manufacturer will be in strict compliance with these specifications unless specific exception is taken and explanation provided.
3. Units shall be designed for outdoor use with overhead non-insulated conductors on the high-side and underground insulated conductors on the low-side.

MANUFACTURERS: The following manufacturers are pre-approved.

1. Niagara Transformer Company
2. Virginia Transformer Company
3. ABB
4. Siemens

TECHNICAL SPECIFICATIONS:Ratings and Descriptions:

1. Number of Phases:	Three
2. Coolant:	Oil
3. Type of Coolant:	ONAN/ONAF/ONAF
4. Frequency:	60 HZ
5. Capacity:	10,000/13,333/16,665 kVA at 55°C rise 11,200/14,934/18,667 kVA at 65°C rise Without loss of insulation life
6. High Voltage:	60 kV Delta
7. BIL (High Voltage):	350 kV
8. Rated Taps: (High Voltage)	Two (2) 2 ½ % taps above rated voltage, two (2) 2 ½ % taps below rated voltage. (All de-energized.)
9. Low Voltage:	12.47/7.2 kV Grounded Wye
10. BIL (Low Voltage and Neutral):	95 kV
11. Impedance:	8.4% or nearest standard
12. Temperature Rise:	55°C with allowance to 65°C with insulation specified.
13. Windings:	All windings shall be copper.

GENERAL CONSTRUCTION:

- 1A. No Load Tap Changer: A de-energized tap changer suitable for handling the maximum 65°C current in the winding and meeting all voltage requirements will be supplied to permit changing the tap connections in the high side winding from outside the transformer case. This tap changer will have self-cleaning, self-aligning, positive positioning contacts to eliminate maintenance due to misalignment and contact wear, and will be designed for operation only when the transformer is de-energized. The tap changer will be mounted at a location that will be convenient for design and operational purposes and particular consideration will be given to the lead connection to insure dielectric integrity under transient voltage conditions.

The operating handle will be protected from unauthorized operation with provisions for padlocking in any position. The operating handle will be located on the tank wall at a height convenient for operation by a man standing on the foundation. Visible indication of all tap positions will be provided by a position indicator with the Number 1 or letter A assigned to the tap having the greatest number of effective turns. Sliding contact type tap changer shall be utilized over the rotary type.

- 1B. Load Tap Changer (LTC): The transformer shall be complete with a inductive-type load tap changer having a range of 10 percent above and 10 percent below normal voltage in 32 equal 5/8 percent steps. The LTC shall be Reinhausen Type RMV-II or approved equal.

The LTC shall have full rated kVA on taps above and a current rating corresponding to the full load current of rated voltage on taps below normal voltage. The LTC taps may be located wherever necessary on the Low Voltage winding to produce the desired results. The LTC mechanism shall be designed for a minimum contact life of 500,000 operations before contact replacement is required. Contacts must be silver-plated. If the quoted tap changing system requires a preventive autotransformer or series transformer, it shall meet Class 2 power transformer standards including circular core/coil design and disc of helical type winding construction, using all copper conductors.

- a. The tap changer mechanism shall be mounted in separate oil filled compartment capable of withstanding full vacuum in the main tank without damage to the LTC compartment or components. The compartment shall be equipped with the following:
1. Magnetic liquid level gauge, with alarm contacts.
 2. Pressure control switch with trip and alarm contacts.
 3. Drain and filling valve.
 4. Tap selector with 33 operating positions.

5. Eight-pound mechanical pressure relief device, Qualitrol or approved equal.
 6. Sudden pressure relay to be same as required for the main task.
- b. The motor drive mechanism of the LTC shall be housed in a separate NEMA Type 3R cabinet and shall be equipped with the following:
1. Operating mechanism with motor drive. Motor to be 208-240V A.C. single-phase with magnetic release brake. Draining of the LTC compartment should not be required for access to the drive motor.
 2. Local position indicator to be visible from glass panel in door with two drag hands to indicate maximum and minimum positions.
 3. Operations counter to be visible from glass panel in door.
 4. All controls and motor mechanisms shall be mounted for easy accessibility from the ground.
 5. Hand crank for use during maintenance shall be interlocked with motor to prevent simultaneous operation.
 6. Tow limit switches shall be provided to open the drive and control circuits at the upper and lower limits. Switches shall include contacts and remote indication.
 7. The transformer shall be designed so that the routine LTC maintenance can be performed without the necessity of pulling vacuum or handling oil from the main tank.
- c. The transformer shall include, in the main tank, a current transformer on the low voltage side, X1 bushing for input to the line drop compensator. The Owner will provide a potential source for operating the voltage regulating relay, which will consist of one line to ground potential transformer on X1 and XO with a secondary voltage of 120 volts.
- d. The following equipment shall be supplied and mounted in the control cabinet attached to the transformer tank:
1. Static voltage regulating relay.
 2. Line drop compensator with resistance and reactance adjustments.
 3. Reactance reversing switch.
 4. Provisions for manual operation.
 5. Automatic-off-manual selector switch.
 6. Raise-off-lower control switch for manual operation.
 7. Motor and controls protected by circuit breakers.
 8. Voltage testing terminals.

9. Current transformer with line drop compensator.
 10. Circulating current CTs for parallel operation.
- e. The LTC shall be equipped with a digital tap changer control, plus all necessary accessories and equipment for parallel transformer operation, including but not limited to the following:

- Beckwith M-2001B - Tap Changer Control
- Beckwith M-0329B - LTC Backup Control
- Beckwith M-2025B - Current Loop Interface Module
- Beckwith M-0169A - Auxiliary Current Transformer
- Beckwith M-0127A - AC Circulating Current Relay
- Beckwith M-0170A - AC Load Current Relay

2. Core & Coil Construction: Transformer must be of the power design having a round core and coil assembly with all windings being copper. The transformer must be designed to meet ANSI C57-12-90a test criteria for round design (2% maximum change in IZ after fault test). Core shall have cold-rolled, oriented grain steel with all sheets cut so that magnetic flux flows in the direction of the structural steel grain. The high voltage coils shall be continuous circular disc wound with additional insulation on the line end turns to provide superior surge performance. The low voltage windings shall be either of the disc or helical type whichever offers the highest reliability for through faults. The core and coil shall be assembled and have accessories in accordance with the latest ANSI C57.12 Standards. The bidder shall provide pertinent information with respect to the type of construction of the core and coils with the proposal.

The purchaser reserves the right to inspect the completed core and coil assembly prior to tanking. The manufacturer shall notify the purchaser not less than five (5) business days prior to the date of tanking to allow the customer to witness tanking, if so desired.

3. Insulation: Transformer shall employ thermally-uprated insulating material to allow 12% overload capability without loss of insulation life. Insulation on all conductors used in the coil winding process shall be cellulose insulating paper. It shall be wound onto the conductor employing a spinning process. The paper insulation shall be applied in single or multiple strands such that a minimum of 30% of the paper surfaces are overlapped to provide for a continuous insulating surface. Sufficient tension shall be maintained on the paper strands so as to prevent loose wraps. If clamping rings are utilized in the transformer design, full circumference rings shall be used. Core and coils shall be dried using a "vapor phase" system prior to filling.
4. Oil: The transformer will be complete with the first filling of inhibited transformer oil refined especially for use in transformers. Oil shipped in the transformer shall have been tested to a dielectric strength by the ASTM D877 method. Oil supplied to the site by tanker shall have a minimum dielectric strength of 70 kV using the ASTM D877 method taking samples from the top and bottom. The oil must be tested to a dielectric strength of 70 kV when placed in the transformer. All test values shall meet or exceed

those listed in ANSI standard C57.106. Oil shall be certified Non-PCB in accordance with current EPA regulations.

5. Oil Preservation System: The oil preservation system shall be of the pressurized inert gas type. The inert gas system shall have all standard accessories, including but not limited to separate high-pressure nitrogen tank, automatic pressure regulating valves, and high and low pressure gauges and alarm contacts. The bottle and associated equipment shall be enclosed in one cabinet. The manufacturer shall supply with the transformer sufficient inert gas for the initial filling and purging. Nitrogen bottles shall be green in color and furnished with a proof-of-purchase document (bill of sale) in the Owner's name which shows said cylinder's serial number. The gas bottle and equipment shall be contained within a painted steel rain tight enclosure (NEMA 4, with three-point latching, handle, and locking provisions). Viewing port shall be made available at the gauge level for inspection of the cylinder pressure without opening the cabinet.
6. Tank and Accessories:
 - a. All tank seams shall be double welded (inside and outside) and shall be a minimum of six (6) inches from the corner. Corner welds are not acceptable.
 - b. Cover shall be domed to shed water and welded to the tank. During the welding of the transformer cover, an inorganic gasket will be permanently located between the cover and the tank flange to prevent entrance of weld spatter into the tank.
 - c. All gasketed openings shall be designed with means provided for controlled compression of the gasket, utilizing metal-to-metal stops, and re-usable gaskets of oil resistant material. All gasketed joints on top of the transformer shall utilize flanges, which are raised at least $\frac{1}{8}$ inch above the cover surface.
 - d. Tank shall be built to withstand full vacuum without permanent distortion.
 - e. The following moving and handling facilities shall be provided:
 - 1) Lifting eyes for lifting covers only.
 - 2) Lifting facilities for core and coils.
 - 3) Jacking and rolling provisions, whereby any lug or pad shall be capable of supporting the entire weight of the transformer when filled with oil. There shall be a minimum of eight (8) jacking pads with pulling eyes located at the base of the transformer. There shall be one (1) on each side of each corner in order to facilitate movement in any direction.
 - 4) Base suitable for skidding in any direction.
 - f. One or more raised manholes on cover. Each manhole shall be at least 18" diameter. Manholes must be round. No oval, rectangular or square covers shall be accepted.
 - g. Core shall be grounded at only one point and brought to a convenient location for testing and be brought out on the cover through a bushing and grounded externally.

- h. Fall Protection: A device suitable for mounting a safety device in the approximate center of the tank cover and capable supporting hardware including harnesses utilizing gravity brakes shall be provided.
- i. Tank shall be provided with the following valves with plugs (NOTE: All plugs shall be brass):
- 1) One, two-inch (2") combination oil drain valve, lower filter connection and sampling device.
 - 2) One, one-inch (1") valve for upper filter connection.
 - 3) Inlet and outlet flanged oil line shut-off valves for each cooler assembly.
 - 4) One, three-inch (3") filling plug.
 - 5) Valve shall be provided for the sudden pressure relay on the tank wall.
 - 6) Valve(s) shall be provided for a gas monitor system.
- j. All standard accessories and maintenance devices outlined in ANSI C57.12 shall be provided and shall include but not be limited to the following:
- 1) A minimum of nine (9) ground pads with two 1/2-13 UNC tapped holes on 1.75" centers shall be provided. One shall be placed on each corner near the base of the transformer, one next to the neutral bushing, one at bottom of low voltage enclosures for transition to base of transformer, two for the high voltage lightning arresters located on top of the tank and at each end of the high voltage bushings and one near the core ground bushing. The connectors to be supplied with this unit for the grounding connection to these pads shall be Anderson Catalog No. SWL-025B, or equivalent.

Also 4" x 2" copper bars shall be provided to ground the XO bushing and the high voltage lightning arresters. See enclosed sketch for routing.
 - 2) Dial-type oil temperature indicator with maximum temperature-indicating device mounted eye-level, push button re-set, alarm, trip, and spare contacts wired to terminal blocks in the control cabinet.
 - 3) Magnetic oil level gauge with high- and low-level alarm contacts wired to terminal blocks in the control cabinet.
 - 4) Dial-type low side and high side winding temperature indicators, actuated from the hottest spot detector element in HV and LV leads, with maximum temperature indicating device mounted eye-level, push button re-set, two stages of fans, alarms, trip and spare contact wired to terminal blocks in the control cabinet.
 - 5) Qualitrol 910 Series (or equivalent) oil space type sudden pressure relay shall be provided for relay operation in case of sudden pressure rise. An auxiliary seal-in relay shall be provided with each pressure relay. The auxiliary relay shall have two (2) normally open contacts with re-set pushbutton and voltage

ratings of 120/240V A.C. and 24, 48, and 125V D.C., customer selectable. Relay shall be readily accessible for inspection or tests without de-energizing the transformer. Relay wiring shall include MOV surge suppressors (G.E.#V140LA10A) across all contacts of this relay. An auxiliary relay with 60-second time delay shall be provided for loss of DC alarm.

- 6) Mechanical automatic re-setting pressure relief device with semaphore located on top of the transformer and alarm contacts wired to terminal blocks in the control cabinet. Qualitrol or approved equal.
 - 7) Removable radiators with shut off valve.
 - 8) Pressure vacuum gauge with alarm contacts wired to terminal blocks in the control cabinet. Qualitrol or approved equal.
 - 9) Tank-mounted stainless steel diagrammatic nameplate detailing transformer data. Nameplate shall be Type C as outlined in Table 7 of ANSI/IEEE C57.12.00.
 - 10) Fault gas monitor, DGA, device mounted eye level. Sample valve to be located near top of tank and close to radiators. Device controls shall be wired to terminals in control panel. G.E., Mitsubishi, Qualitrol, or approved equal. The device shall include an EIA-232 serial port and/or fiber Ethernet port for external communications and SCADA utilizing compliant DNP3 and Modbus protocols. Any special software necessary for communication or device management shall be furnished with the device.
 - 11) Welded cover.
 - 12) All control and fan wiring external to the tank and control cabinet shall be enclosed within a galvanized metal conduit. All control wiring shall be clearly labeled in accordance with shop drawings. All conduit fittings, i.e. LB's, unions, couplings, clamps, etc., shall be galvanized metal.
 - 13) Control voltage for all alarm and indicator contacts shall be 125V D.C.
- k. Paint: Prior to painting, the surface shall be shot or sandblasted for removal of weld splatter, rust, dirt, and all or any foreign matter accumulated during fabrication. All surfaces shall be thoroughly cleaned of all dirt, oil and other impurities with a detergent wash with an iron phosphate conversion coating and a chrome seal. All non-current carrying metal surfaces shall be painted with an undercoat of rust inhibiting primer such as zinc chromate epoxy, red iron oxide (or equal), followed by two (2) coats of urethan enamel (or equal). Paint finish color shall be ANSI #70, light gray, Munsell notation 5BG 7.0/0.4 or equivalent. Minimum overall dry thickness of the undercoat and the finish coats shall be 1.5 and 3 mills, respectively, for a total of 4.5 mills. The radiators shall be hot dipped galvanized with a minimum overall dry thickness of 3 mills. Vendor shall include radiator specifications with their proposal. The internal surfaces shall be painted white with oil resistant epoxy enamel with dry thickness of 3 mills. An accelerated aging test must be performed on the paint to be used inside the tank. The method and results must be submitted with the bid. The bottom of the tank will be coated with heavy asphalt underground

paint. The top of the main tank and LTC compartment shall be provided with a non-skid coating. A sufficient amount of touch-up paint (spray cans) will be furnished to cover scratches that occurred during shipping and installation.

- I. Control Cabinet: One NEMA Type 3R control cabinet with hinged interior mounting back panel shall be mounted on exterior of the transformer to house all terminal boards for power, control, current transformers, alarm contacts, cooling equipment controls, and other devices except as specified otherwise. Hinges, latches, and hardware shall be corrosion resistant. Cabinet shall be a minimum of 5'W x 4'H x 10"D with three-point latching mechanism for hinged double doors operated by one handle and padlock provisions. The cabinet shall have two (2) 120V A.C. lamps controlled by door operated switches, two (2) 250 watt heaters rated 240V A.C. and one (1) 120 volt duplex outlet protected by a ground fault interrupter breaker.

A removable plate to be drilled by the purchaser for conduit entry shall be provided in the bottom of the control cabinet.

7. Bushings and Connectors: The 60 kV bushings shall have a current rating equal to or in excess of the maximum high side current at lowest tap setting at full ONAF rating at 65°C. The basic impulse level will be 350 kV, LAPP Type POC-A, or approved equal. The 12.47 kV bushings shall have a current rating equal to or in excess of the maximum low side current at lowest tap setting at full ONAF rating at 65°C. The basic impulse level will be 95 kV suitable for horizontal side wall mounting, ABB Type "A" Bushing or approved equal. The center of the 12.47 kV bushings must be at an elevation of 145.5 inches above ground level. The low side bushing shall be mechanically supported to reduce transverse loading. All bushings shall be mounted to the tank with stainless steel hardware.

The low side bushings shall exit the tank at the top of the transformer.

All bushings shall be supplied with four (4) hole tin plated NEMA pad studs. The surface area of the pads shall be sufficient to accommodate the maximum current at lowest tap setting at full ONAF 65°C current rating of the transformer. The second throat section shall have three copper bars one for each phase bushing drilled to attach to the four (4) hole stud and have four (4) sets of 2-hole NEMA spacing for connecting 2-hole spade lugs. Each bar shall have the same current capacity at the bushing and stud and be mechanically supported to reduce traverse loading.

Access panels shall be provided in both throat sections. In the first section, a panel shall be located in the bottom of the throat and in the access cover to accommodate the installation of existing bus duct. In the second section, a panel shall be located in the bottom of the throat to accommodate the installation of a future cable bus system.

8. Insulation Class and Test: The transformer shall have a high voltage insulation class of 138 kV, 650 kV basic impulse level with a 275 kV applied test voltage. The low voltage insulation shall have a 110 kV basic impulse level and have a 34 kV applied test voltage. These shall be in accordance with ANSI Standard C57.12.00.
9. Lightning Arresters: Transformers shall be furnished complete with primary station class porcelain lightning arresters mounted on the transformer. These arresters will

be supplied with a four (4) hole, tin-plated, NEMA terminal and connectors capable of accepting 4/0 copper through 350 MCM copper on the line terminals. The ground terminal with connector shall be capable of accepting 4/0 copper. The three primary lightning arresters shall be Ohio Brass Type VN 219584, or equivalent, 108 kV RMS, with 84 kV MCOV arrester rating. All arresters shall be gray.

10. Cooling Equipment: The transformer shall be furnished complete with forced air cooling equipment. The equipment shall include a contactor/relay for fans controlled by winding temperature indicator, manually operated "Man-Auto" switch for transformer fans in a weatherproof control cabinet, fans, and control wiring. Cooling equipment shall be 230V, AC, 60 HZ, single-phase control power. Each fan motor shall mount directly on the radiator and have the same rating and diameter. Fans shall be two-blade type with maximum RPM of 1150. Bidder shall furnish with their bid a sketch of fan location on radiators as well as total square footage of radiator cooling area and quantity of radiators. Each fan motor shall be individually protected by self-reset thermal devices. Loss of an individual fan shall not affect the operation of remaining fans. All wiring from fan motors to junction boxes shall be moisture-proof with built-in receptacles. All radiators and/or heat exchangers shall be equipped with bolted flanges and valves to permit removal without draining the oil from the transformer. Fan motors shall be weatherproof, totally enclosed with sealed, permanently lubricated ball bearings. An auxiliary relay with 60-second time delay shall be utilized for loss of A.C. alarm. All alarm and control voltage shall be 48V D.C. All radiators shall be interchangeable and constructed to withstand tank operating pressure and full vacuum. Vent and drain holes with brass plugs shall be supplied on each radiator or heat exchanger.
11. Current Transformers: Each high voltage bushing shall have two (2) 600:5 and (1) 1200:5 multi-ratio CT's. Each low voltage bushing shall have two (2) 2000:5 multi-ratio CT. The neutral bushing shall be equipped with one (1) 1200:5 multi-ratio CT. All the above CT's shall be relay accuracy C800. The low voltage X2 bushing and high voltage A2 bushing shall each be equipped with a CT for winding temperature equipment. The low voltage XI bushing shall be equipped with a CT for input to the live drop compensator. The ratio to be determined during design. All CT taps shall be brought down to shorting type terminal blocks inside the control cabinet. All wire penetrations through the tank lid shall be permanently sealed. Current transformers shall have fully distributed windings and a minimum thermal rating of 2.0.
12. Noise: Noise level shall not exceed NEMA Standard TR1-0.06, Table 0-1. If a variable flux LTC design is quoted, the sound level guarantee shall be at the LTC position that produces the maximum flux density. If a reactance LTC mechanism is quoted, the sound level guarantee shall be met on all bridging positions of the preventative auto.
13. Corona and RIV: Transformer shall not exceed NEMA and IEEE Standards for corona and radio influence voltages.
14. Short Circuit Requirements: Without limiting in any way any obligation of the Bidder under this agreement, the Bidder shall demonstrate to the satisfaction of the Owner that the transformer proposed to be furnished under this specification shall have

sufficient mechanical strength to withstand without failure all bolted through fault, assuming an infinite bus fault. The impedance of the transformer shall be the only limitation of the fault current. The Bidder shall demonstrate that the transformers meet this requirement by one of the following methods:

- a. Certified test data showing that a transformer with a core and coil identical in design and construction and identical or similar with respect to kVA Capacity, kV ratings, BIL, impedance and voltage taps has been tested under maximum short circuit conditions without failure. A description of the test code under which the transformer was tested for short-circuit strength will be provided by the Bidder to the Owner.
- b. A history of successful experience with transformers of identical or similar ratings, design and construction. The Bidder shall list all transformers in service with core and coils that are essentially identical in design, construction, and manufacture to the transformer covered by this specification and shall provide information on the date of installation, location, and failures, if any. Where such transformers have not been built or the cumulative service record is less than 20 transformer years, a list of transformers in service that represent the closest approximation to the transformer covered by this specification shall be submitted. The information submitted shall be representative of the total experience of the manufacturer with the design of the transformer to be furnished and shall include the dates of installation (or shipment, if not installed), the ratings of the transformers, and a list of failures and causes of failures, if any have been experienced. Furthermore, the transformer shall meet the requirements as specified in ANSI Standards C57.12.00 Section 7.

15. Internal surge arresters or non-linear resistors shall not be included as part of the internal insulation system, unless written authorization is first obtained from the engineer.

16. Tests: The following tests shall be made in accordance with the procedure outlined in ANSI Standards C57.12.90 and any other applicable standards. These tests shall be performed at the factory with the actual bushings, radiators and other auxiliary equipment associated with the transformer attached in order to duplicate the in-service conditions. Certified test results shall be provided to the Owner in accordance with ANSI Standards C57.12.00.

- a. Leak tests on tank, coolers, and piping.
- b. Losses:
 - 1) Excitation losses at 100 and 110 percent of rated voltage.
 - 2) Total losses at rated voltage.
 - 3) Auxiliary losses.

- 4) Reported Losses. ANSI reference temperature of 20°C for No Load Losses and 75°C for Full Load Losses.
 - c. Resistance of windings at 75°C.
 - d. Impedances, positive sequence and zero sequence of all winding combinations.
 - e. Regulation at 1.0 and .8 PF.
 - f. Excitation current at 100 and 110 percent of rated voltage.
 - g. Low frequency dielectric test.
 - h. Induced potential test.
 - i. Corona test.
 - j. Noise test - shall not exceed NEMA Standard TR1-0.06, Table 0-1.
 - k. Impulse test as specified in ANSI Standard C57.98 shall be performed for each high voltage terminal.
 - l. Power factor of windings and bushings.
 - m. Turns ration and polarity test. For current transformers, ANSI Standard C57.13.1 shall also apply.
 - n. ANSI temperature test will be made when there is no record available of a temperature test made in accordance with ANSI Standards C57.12.90 and C57.100 on an essentially thermal duplicate unit. The temperature tests shall include examination of the tank surfaces for hot-spots with infrared equipment.
 - o. A combustible gas-in-oil analysis shall be made before and after dielectric tests. When heat run tests are performed, analyses shall also be made before and after the heat run tests. If the transformer is drained and refilled with oil during the performance of these tests, additional gas-in-oil analyses shall be made before draining and after refilling.
 - p. Furnish dew point of transformer gas, tank pressure, and winding temperature just prior to shipping.
 - q. Seller shall notify Purchaser two (2) weeks prior to testing for purposes of Purchaser witnessing same, if desired.
17. Alarms: Each alarm output shall be wired through terminal blocks in the control cabinet to annunciators also mounted in the control cabinet. The annunciators shall be Schweitzer Engineering Laboratories, Inc., (SEL) Type 2533, with standard firmware, 48V DC power supply, 48V DC control input voltage, 14 digital inputs and 7 digital outputs, SEL Catalog Number 2533022100XC2X0. A total of two (2) SEL annunciators shall be provided, one for the main tank alarms and one for the LTC alarms. The following accessories shall be provided with each annunciator:
- SEL-2533 Wetting Voltage Jumper Kit, Six 4-Prong Jumpers, SEL P/N 915900239
 - Additional Configurable Labels, SEL P/N 9260065

The individual alarms shall be wired to the annunciator inputs in accordance with the following schedule:

Main Tank Alarms

Input A1 - Oil Temperature Input A2 - Oil Level
 Input B1 - Winding Temperature (HV Winding)
 Input B2 - Pressure Vacuum Switch - Pressure
 Input C1 - Pressure Relief Device
 Input C2 - Sudden Pressure Relay
 Input D1 - Loss of AC Power to Fans
 Input D2 - Loss of DC Power to SPR
 Input E1 - Low Nitrogen Cylinder Pressure
 Input E2 - Gas Monitor
 Input F1 - Winding Temperature (LV Winding)
 Input F2 - Pressure Vacuum Switch - Vacuum

LTC Alarms

Input A1 - Oil Level
 Input A2 - Pressure Switch
 Input B1 - Pressure Relief Device
 Input B2 - Sudden Pressure Relay
 Input C1 - LTC Lower Limit
 Input C2 - LTC Upper Limit
 Input D1 - Loss of DC Power to SPR Input D2 - (spare - not used)
 Input E1 - (spare - not used)
 Input E2 - (spare - not used)
 Input F1 - (spare - not used)
 Input F2 - (spare - not used)

Outputs OUT01 and OUT02 of each annunciator shall be wired to terminal blocks in the control cabinet for customer use.

Alarm window labels shall be provided for each annunciator in accordance with the legend in Appendix A of this specification.

18. Losses: Losses shall be evaluated at rated voltage and base MVA using the following formula and values:

$$LEC = (GNLL * NLLTC) + (GLL * LLTC) = (GAL * ALTC) = P$$

Where:

LEC= Loss evaluated transformer cost

GNLL= Guaranteed maximum no load loss cost

NLLTC= No Load loss cost (\$2,980.00/kW)

GLL= Guaranteed maximum load loss cost

LLTC= Load loss cost (\$1570.00/kW)

GAL= Guaranteed maximum auxiliary load loss

ALTC= Auxiliary loss cost (\$560.00)

P= Quoted Price

Load and No-load loss measurements must be made on a test set that has been calibrated in accordance with the National Institute of Science and Technology, Technical Note 1204. Accuracy of losses must be stated and test results corrected to 85°C, but actual test shall be made at 20°C (ambient) "unit" temperature.

For the losses quoted, the Bidder shall state the error of measurement for the system used in the measurement of losses traceable to the National Institute of Science and Technology by means of a procedure described in NIST Technical Note 1204. In the event this measured value of error is not available at the time of bidding, the manufacturer shall supply its calculated value of error for the system it uses similar to the method in NIST, Technical Note 1204. Prior to testing of the transformer, said manufacturer shall provide data verifying that its accuracy in measurement is traceable to the National Bureau of Standards as outlined above. At that time, a value based on the loss factors stated in the specifications shall be used to adjust the manufacturer's quoted price that reflects the verified error of measurement if different from the calculated values. If the difference between the actual certified test losses exceeds the guaranteed losses provided by the transformer manufacturer, then this difference will be deducted from the delivery price of the transformer using the values above to compute this change in price. However, no increase in price will occur if the actual certified test losses are less than or equal to the guaranteed losses provided by the supplier. The Bidder shall indicate load, no load, and auxiliary losses. The manufacturer shall state the accuracy of its loss measurements and how this value was verified.

19. Evaluation Criteria: The following evaluation criteria will be used in determining the successful bidder:
 - a. Cost;
 - b. Guaranteed load, no-load, and auxiliary losses;
 - c. Warranties;
 - d. Quality;
 - e. Past performance of manufacturer with regards to failures and schedules;
 - f. Adherence of bidder to specifications;
 - g. Quoted delivery time;
 - h. Ability and willingness of bidder to perform complete dress-out of unit; and
 - i. Ability and willingness of bidder to perform final inspection and testing of unit.
20. Warranty: The transformer including all accessories shall be warranted to the City of Stockton for a period of five (5) years from the date of energization. During the first

year, the five (5) year warranty shall cover the transformer removal, transporting, and reinstallation if repairs are required.

Where warranties of five years are not available, a value of 1% per year of the quoted price will be added to normalize the warranty to five years for the purpose of evaluation.

21. Drawings: Drawings shall be supplied to the city.

Approval Drawings:

Three (3) sets of approval prints plus all drawings in AutoCAD (DXF) format shall be electronically supplied as soon as possible after receipt of purchaser's order.

Final Drawings:

After final approval, one (1) complete set of drawings plus all drawings in AutoCAD (DXF) format shall be sent to city. Three (3) complete sets of drawings plus all drawings in AutoCAD (DXF) format shall be sent to the City of Stockton.

Four (4) copies of each device instruction book and installation manuals will be supplied; one (1) copy should be sent to BHA and three (3) copies to the City of Stockton. Included with the instruction book sets will be a parts breakdown with ordering information on obtaining spare or replacement components as well as long-term storage and handling information.

22. Field Engineer: The manufacturer will furnish the services of a competent Engineer to inspect the transformer prior to off-loading. Furthermore, it shall be the responsibility of the Supplier to provide personnel and equipment to do the following:

- a. Off-load the transformer from the rail car onto a trailer and move to the site, if shipped by rail.
- b. Off-load the transformer onto the transformer foundation (foundation supplied by Owner.)
- c. Assemble any parts removed for shipment.
- d. Supply the oil.
- e. Provide equipment to oil fill the transformers.
- f. Oil filling.
- g. Complete dress-out.
- h. Final field-testing per specifications.

The cost of field engineering services shall be included in the transformer bid price. Also, an estimated time required for these services shall be included with the bid.

The Field Engineer will perform the following tests and supply to the City of Stockton a written report outlining the results of the test.

- 1) Double P.F. Test (Windings and Bushings)
- 2) Oil Dielectric Test (32,000V) Min.

- 3) Water Content of Oil (PPM)
- 4) Neutralization Number
- 5) Turns Ratio Test
- 6) Oil System Integrity
- 7) Oil Dissolved Gas Test
- 8) Insulation-resistance test (Meggar)

All tests shall be performed in accordance with the latest standards of EEI, NEMA, ANSI, and ASTM. ANSI Standard C57.106 shall be used as a guide in evaluating oil test results.

23. Shipment: F.O.B. point of delivery on transformer slab, dressed-out at the City of Stockton RWCF of Substation. The City of Stockton shall be notified at least two (2) weeks prior to shipment. Furthermore, the City Stockton shall be notified to confirm actual shipment and an estimated time of arrival at the site. If shipped by rail, notification of arrival shall be given 72 hours in advance of arrival at the rail siding so that arrangements can be made for rail car inspection prior to off-loading. If shipped by truck, same notification is necessary before off-loading at site.

The transformer may be shipped with or without oil. Oil as specified earlier (if shipped separately) should be shipped in a tank truck designed for this purpose for installation into transformer tank. If shipment is made without oil, transformer must be shipped with pressurized inert gas or with dry air.

24. Equipment Data: Each bidder shall furnish with their bid completed performance specification form, as suggested by ANSI Standard C57.12.00, to include but not limited to all requested information in this specification as well as all dimension, weights of core and coil, tank and oil.
25. Delivery: Bidder shall quote FOB transformer slab, RWCF Substation, Stockton, CA. The bidder shall quote its best delivery.

**Appendix A
Alarm Window Legend**

SEL 2533 Alarm Window Legend Main Tank Alarms LTC Alarms

A	MAIN TANK OIL TEMP	MAIN TANK OIL LEVEL
B	MAIN TANK WINDING TEMP	MAIN TANK P/V SWITCH
C	MAIN TANK PRESSURE RELIEF	MAIN TANK SUDDEN PRESSURE RELAY
D	MAIN TANK LOAC FANS	MAIN TANK LODC SPR
E	MAIN TANK LOW NIT CYL PRESS	MAIN TANK GAS MONITOR

A	LTC OIL TEMP	LTC PRESSURE SWITCH
B	LTC PRESSURE RELIEF	LTC SUDDEN PRESSURE RELAY
C	LTC LOWER LEVEL SW	LTC UPPER LEVEL SW
D	LTC LODC SPR	
E		

5. Major Deliverables

Contractor shall provide the City with following deliverables at a minimum:

- Approval Drawings:
- Three (3) sets of approval drawings in PDF and AutoCAD format.
- Final Drawings: After approval, one (1) complete set of drawings in PDF and AutoCAD format.
- Equipment Data: Performance specification form as suggested by ANSI Standard C57.12.00.
- Tests: Certified tests performed at the factory; tests performed by the field engineer.
- O&M Manuals: Four (4) copies of each device instruction book and installation manuals which shall include parts breakdown with ordering information on obtaining spare or replacement components as well as long-term storage and handling information.
- Warranty: The transformer including all accessories shall be warranted to the City of Stockton for a period of five (5) years from the date of energization. During the first year, the five (5) year warranty shall cover the transformer removal, transporting, and reinstallation if repairs are required.

6. Criteria of Acceptance for Deliverables

Delivery, off-loading, field testing/inspection of 60 - 12.47 kV Two-Winding Primary Substation Transformer.

7. Notices

Pursuant to Exhibit C – General Terms and Conditions, Paragraph 15 – Notices, the mailing address for all required notices is as follows:

Contractor: Virginia Transformer Corp.
Attn: Chris Dearmon
220 Glade View Drive
NE, Roanoke, 24012

City: City of Stockton
Attn: City Manager
425 N. El Dorado Street
Stockton, CA 95202

8. Key Personnel

Chris Dearmon
(540) 345-9892
Chris_dearmon@vatransformer.com

EXHIBIT B**INSURANCE REQUIREMENTS**

(Redundant Two-Winding Primary Substation Transformer)

Contractor shall procure and maintain for the duration of the contract, *and for 5 years thereafter*, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees, or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability**: Insurance Services Office Form CA 0001 covering Code 1 (any auto), with limits no less than **\$2,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Surety Bonds** as described below.
5. **Professional Liability** (if Design/Build), with limits no less than **\$1,000,000** per occurrence or claim, and **\$1,000,000** policy aggregate.

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the City of Stockton requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Stockton.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City of Stockton. The City of Stockton may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City of Stockton. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds \$25,000 unless approved in writing by City of Stockton. Any and all deductibles and SIRs shall be the sole responsibility of Contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City of Stockton may deduct from any amounts otherwise due Contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named Insured. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City of Stockton reserves the right to obtain a copy of any policies and endorsements for verification.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

- 1. The City of Stockton, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used). Additional insured Name of Organization shall read "City of Stockton, its officers, officials, employees, and volunteers." Policy shall cover City of Stockton, its officers, officials, employees, and volunteers for all locations work is done under this contract.
- 2. For any claims related to this project, the Contractor's insurance coverage shall be primary and non-contributory** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City of Stockton, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Stockton, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. This requirement shall also apply to any Excess or

Umbrella liability policies. The City of Stockton does not accept endorsements limiting the Contractor's insurance coverage to the sole negligence of the Named Insured.

3. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the City of Stockton.

Claims Made Policies (professional & Pollution only)

If any coverage required is written on a claims-made coverage form:

1. The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
3. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the City of Stockton for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractors Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Umbrella or Excess Policies

The Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the City of Stockton.

Waiver of Subrogation

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss.

Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the City of Stockton for all work performed by the Contractor, its employees, agents and subcontractors.

Verification of Coverage

Contractor shall furnish the City of Stockton with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause and **a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City of Stockton before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City of Stockton reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Contractor shall ensure that City of Stockton is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

Duration of Coverage

CGL & Excess liability policies **for any construction related work, including, but not limited to, maintenance, service, or repair work**, shall continue coverage for a minimum of 5 years for Completed Operations liability coverage. Such Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work**.

Surety Bonds

Contractor shall provide the following Surety Bonds:

1. Bid Bond
2. Performance Bond
3. Payment Bond
4. Maintenance Bond

The Payment Bond and the Performance Bond shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year warranty a separate Maintenance Bond is not necessary. If the warranty period specified in the contract is for longer than one year a Maintenance Bond equal to 10% of the contract price is required. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

Special Risks or Circumstances

City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

Certificate Holder Address

The address for mailing certificates, endorsements and notices shall be:

City of Stockton
Its Officers, Officials, Employees and Volunteers
400 E Main Street, 3rd Floor – HR
Stockton, CA 95202

EXHIBIT C**GENERAL TERMS AND CONDITIONS**

1. **Goods, Equipment and Services.** Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in Exhibit A of the Agreement. Contractor shall provide said services at the time, place and in the manner specified in Exhibit A of the Agreement.
2. **City Assistance, Facilities, Equipment and Clerical Support.** Except as set forth in Exhibit A, Contractor shall, at its sole cost and expense, furnish and maintain all facilities and equipment that may be required for furnishing services pursuant to this Agreement. If applicable, City shall furnish to Contractor only the facilities and equipment listed in Exhibit A to the Agreement.
3. **Compensation.** City shall pay Contractor for services rendered pursuant to this Agreement as described more particularly in Exhibit A and Exhibit E to the Agreement.
 - 3.1 Invoices submitted by Contractor to City must contain a brief description of work performed, time spent and City reference number. Within thirty (30) days of receipt of Contractor's invoice, City will review invoice, and if acceptable make payment on approved invoice.
 - 3.2 Upon completion of work and acceptance by City, Contractor shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Contractor fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.
4. **Sufficiency of Contractor's Work.** All Contractor services, work, and deliverables shall be performed in a good and workmanlike manner with due diligence in accordance with the degree of skill normally exercised by similar contractors supplying services and work of a similar nature, and in conformance with applicable laws, codes and professional standards. Contractor's work shall be adequate and sufficient to meet the purposes of this Agreement.
5. **Ownership of Work.** All reports, work product, all other documents completed or partially completed by Contractor or its approved subcontractors, in performance of this Agreement, and if applicable, drawings, designs, and plan review comments shall become the property of the City. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Contractor and its approved

subcontractors agree to execute any additional documents that may be necessary to evidence such assignment. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged or destroyed before final delivery to the City, the Contractor shall replace them at its own expense. Contractor and its approved subcontractors shall keep materials confidential. Materials shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.

6. Timeliness. Delivery timeline shall be in accordance with the contractor proposal.

7. Changes. Both parties to this Agreement understand that it may become desirable or necessary during the term of this Agreement for City to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with City and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work. Until the amendment is so executed, City will not be responsible to pay any charges Contractor may incur in performing such additional services, and Contractor shall not be required to perform any such additional services.

Any extended delays requested by the customer/Purchaser which result in the loss of the scheduled production slot will be subject to a re-scheduling fee of 30% of the specific order value.

8. Amendment. No variation of the terms of this Agreement shall be valid unless an amendment is made in writing and signed by both parties.

9. Contractor's Status

9.1 In performing the obligations set forth in this Agreement, Contractor shall have the status of an independent contractor and Contractor shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Contractor are its agents and employees and are not agents or employees of City. Contractor by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of City. Except as expressly provided in Exhibit A, Contractor has no authority or responsibility to exercise any rights or power vested in the City. No agent, officer or employee of the City is to be considered an employee of the Contractor. It is understood by both Contractor and City that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

- 9.2 Contractor shall determine the method, details and means of performing the work and services to be provided by Contractor under this Agreement. Contractor shall be responsible to City only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to City's control with respect to the physical action or activities of Contractor in fulfillment of this Agreement. Contractor has control over the manner and means of performing the services under this Agreement. If necessary, Contractor has the responsibility for employing other persons or firms to assist Contractor in fulfilling the terms and obligations under this Agreement.
- 9.3 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Contractor.
- 9.4 It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's assigned personnel under the terms and conditions of this Agreement.

10. Subcontractor.

- 10.1 Subcontractors shall not be recognized as having any direct or contractual relationship with City. Contractor shall be responsible for the work of subcontractors, which shall be subject to the provisions of this Agreement. Subcontractors will be provided with a copy of the Agreement and be bound by its terms. Contractor is responsible to City for the acts and omissions of its subcontractors and persons directly or indirectly employed by them.
- 10.2 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by Contractor.
- 10.3 It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's personnel.

11. Termination.

11.1 Termination for Convenience of City. The City may terminate this Agreement at any time by mailing a notice in writing to Contractor. The Agreement shall then be deemed terminated, and no further work shall be performed by Contractor. If the Agreement is so terminated, the Contractor shall be paid for the work actually completed at the time the notice of termination is received.

11.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

11.3 Funding- Non-Appropriation. It is mutually understood between the Parties that payment to the Contractor for performance shall be dependent upon the availability of appropriations by the City Council for the purposes of this Agreement. No legal liability on the part of the City for any payment may arise under this Agreement until funds are made available and until the Contractor has received funding availability, which will be confirmed in writing. If funding for any fiscal year is reduced or deleted, or if the City loses funding for any reason, the City, in its sole discretion, shall have the option to either (a) cause this Agreement to be canceled or terminated pursuant to applicable provisions of the Agreement; or (b) offer to amend the Agreement to reflect the reduced funding for this Agreement.

11.4 Seller, in addition to all other rights and remedies under this order or at law, shall have the right to cancel and terminate Buyer's order for breach by Buyer including, but not limited to, if Buyer fails to make payment as due or if Buyer is adjudicated bankrupt, files a petition in bankruptcy, makes an assignment for the benefit of creditors or if action under any law for the relief of debtors is taken. In the event of cancellation and termination of this order for breach of the provisions hereof by Buyer, Seller shall have no further liability to Buyer and Seller shall not be liable for any costs of cancellation, special, incidental or consequential damages (including punitive or exemplary damages) for any cause or of any nature whatsoever and such cancellation and termination. All cancellations or terminations by Seller for Buyer's breach shall be subject to the following cancellation or termination charges:

- 30 % of order amount after order entry by Seller.
- Additional 15 % of order amount after outline drawing completion / submission.
- If manufacturing has begun, charges will be based upon commitments for materials and percent completion in addition to the 45% for engineering and order entry.

In the event Buyer cancels its order, Buyer shall be responsible to Seller for cancellation charges in the amounts set forth in the Cancellation & Termination paragraph above, which Buyer shall pay Seller upon such cancelation.

12. Non-Assignability. The Contractor shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Contractor shall be solely responsible for reimbursing subcontractors.

13. Indemnity and Hold Harmless. To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify City of Stockton and its officers, officials, employees, [agents], and volunteers from and against liability, damage, arising out of or in connection with Contractor's performance of work hereunder or its failure to comply with any of its obligations contained in the Agreement, except such damage which was caused by the sole negligence or willful misconduct of the City of Stockton. This obligation is independent of, and shall not in any way be limited by, the minimum Insurance obligations contained in this Agreement. These obligations shall survive the completion or termination of this Agreement. Seller's liability under this Clause shall be only to the proportionate extent of Seller's fault, negligence, or responsibility and not for any portion of any claim under this Clause that is the fault, negligence or responsibility of other parties including the Indemnified Parties.

14. Insurance. During the term of this Agreement, Contractor shall maintain in full force and effect at its own cost and expense the insurance coverage as set forth in the attached Exhibit B to this Agreement and shall otherwise comply with the other provisions of Exhibit B to this Agreement.

15. Notices. All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed in Exhibit A to this Agreement.

16. Conformance to Applicable Laws. Contractor shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Contractor shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

17. Licenses, Certifications and Permits. Prior to the City's execution of this Agreement and prior to the Contractor's engaging in any operation or activity set forth in this Agreement, Contractor shall obtain a City of Stockton business license, which must be kept in effect during the term of this Agreement. Contractor covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement. Such licenses, certificates and permits shall be

maintained in full force and effect during the term of this Agreement.

18. Records and Audits. Contractor shall maintain all records regarding this Agreement and the services performed for a period of three (3) years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit. To the extent Contractor renders services on a time and materials basis, Contractor shall maintain complete and accurate accounting records, in a form prescribed by City or, if not prescribed by City, in accordance with generally accepted accounting principles, such records to include, but not be limited to, payroll records, attendance cards, time sheets, and job summaries.

19. Confidentiality. Contractor shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

20. Conflicts of Interest. Contractor covenants that other than this Agreement, Contractor has no financial interest with any official, employee or other representative of the City. Contractor and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Contractor's services under this Agreement. If such an interest arises, Contractor shall immediately notify the City.

21. Waiver. In the event either City or Contractor at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation. No payment, partial payment, acceptance, or partial acceptance by City shall operate as a waiver on the part of City of any of its rights under this Agreement.

22. Governing Law. California law shall govern any legal action pursuant to this Agreement with venue for all claims in the Superior Court of the County of San Joaquin, Stockton Branch or, where applicable, in the Federal District Court of California, Eastern District, Sacramento Division.

23. No Personal Liability. Neither party shall be liable to the other for any incidental, indirect, special, punitive, or consequential damages regardless of whether liability would arise under contract or tort (including negligence and strict liability), warranty, indemnity, or otherwise. Neither party's liability on any claim for loss or damage arising out of this contract or from the performance or breach thereof shall exceed the price of the item giving rise to the claims for loss or damage in the event more than one item is included in this contract/order with distinct pricing being allocated to each item in arriving at the total contract/order price.

24. Severability. If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction

or if it is found in contravention of any federal, state or city statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

25. Non-Discrimination. During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state, or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age, political affiliation, gender identity, gender expression, sex or sexual orientation, family and medical care leave, pregnancy leave, or disability leave. Contractor and its officers, employees, agents, representative or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the City's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12990 (et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulation or Code of Federal Regulations. Title VI of the Civil Rights Act of 1964 requires that "no person in the United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial

assistance." (42 USC Section 2000d).

<http://www.dol.gov/oasam/regs/statutes/titlevi.htm>. The City requires compliance with the requirements of Title VI in all of its programs and activities regardless of funding source.

26. Force Majeure. Neither party shall be responsible for delays or failures in performance resulting from acts of God, acts of civil or military authority, terrorism, fire, flood, strikes, war, epidemics, pandemics, shortage of power or other acts or causes reasonably beyond the control of that party. The party experiencing the force majeure event agrees to give the other party notice promptly following the occurrence of a force majeure event, and to use diligent efforts to re-commence performance as promptly as commercially practicable.

27. Taxes and Charges. Contractor shall be responsible for payment of all taxes, fees, contributions or charges applicable to the conduct of the Contractor's business.

28. Cumulative Rights. Any specific right or remedy provided in this Agreement will not be exclusive but will be cumulative of all other rights and remedies to which

may be legally entitled.

29. Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

30. Heading Not Controlling. Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

31. Entire Agreement, Integration, and Modification.

31.1 This Agreement represents the entire integrated agreement between Contractor and the City; supersedes all prior negotiations, representations, or agreements, either written or oral between the parties and may be amended only by a written Amendment signed by the Contractor and City Manager.

31.2 All Exhibits to this Agreement and this Agreement are intended to be construed as a single document.

32. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

33. Authority. The individual(s) executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

34. Storage. In the event goods are placed in storage at the request of the Purchaser, it is agreed that title will pass to the Purchaser upon placement into storage. Irrespective of anything herein to the contrary, Purchaser will be invoiced for the balance of the purchase price of the goods when they are placed in storage and payment will be due net 30 days. Risk of loss shall pass to Purchaser who shall be responsible for insuring the goods and Seller shall have no liability for loss or damage when the goods remain in its possession in storage. Purchaser further agrees that for any goods placed in storage, Seller will be provided a minimum of three weeks advance notice before requested delivery out of storage and delivery will then be made subject to availability of carrier and transportation services. Storage and crantage fees will be applied and be payable prior to shipment.

EXHIBIT D**GOODS AND SERVICES TERMS AND CONDITIONS**

1. Definitions. The following words and phrases have the following meanings for purposes of this Agreement:

1.1 "Services" means, collectively, the services, duties and responsibilities described in Exhibit A of this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.

1.2 "Deliverable" means quantifiable goods or services that will be provided upon completion of a project. A deliverable is any tangible material, work or thing delivered by one party to the other, including associated technical documentation. A deliverable can be tangible or intangible parts of the development process, and often are specified functions or characteristics of the project.

2. General. The following terms and conditions are applicable for the purchase of goods and services only. The special conditions shall be read in conjunction with the Standard Agreement, General Terms and Conditions ("GTC") Exhibit C, and all other Exhibits identified in the Standard Agreement.

2.1 Where any portion of the GTC is in conflict to or at variance with any provisions of the Special Conditions of the Agreement, then unless a different intention stated, the provision(s) of the Special Conditions of the Agreement shall be deemed to override the provision(s) of GTC only to the extent that such conflict or variations in the Special Conditions of the Agreement are not possible of being reconciled with the provisions of the GTC.

2.2 In the case of modification of a part or provision of the GTC, the unaltered part or provision, or both shall remain in effect. The Special Conditions shall relate to a particular project and be peculiar to that project but shall not weaken the character or intent of the GTC.

3. Time for Performance.

3.1 Contractor shall perform the services according to the schedule contained in Exhibit F.

3.2 Timeliness of Performance i) Contractor shall provide the Services, and Deliverables within the term and within the time limits required under this Agreement, pursuant to the provisions of Exhibit A and Exhibit F. ii) Neither Contractor nor Contractor's agents, employees nor subcontractors are entitled to any damages from the City, nor is any party entitled to be reimbursed by the City, for damages, charges or other

losses or expenses incurred by Contractor by reason of delays or hindrances in the performance of the Services, whether or not caused by the City.

4. Standard of Performance

In addition to Exhibit C, Section 4 and 17, Contractor agrees as follows:

4.1 Contractor's Services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of Contractor's profession currently practicing under similar conditions. Contractor shall comply with the profession's standard of performance, applicable laws, regulations, and industry standards. By delivery of completed work, Contractor certifies that the work conforms to the requirements of this Agreement and all applicable federal, state, and local laws. If Contractor is retained to perform services requiring a license, certification, registration or other similar requirement under California law, Contractor shall maintain that license, certification, registration, or other similar requirement throughout the term of this Agreement.

4.2 Contractor acknowledges that it is entrusted with or has access to valuable and confidential information and records of the City and with respect to that information, Contractor agrees to be held to the standard of care of a fiduciary. Contractor shall assure that all services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. Contractor must provide copies of any such licenses. Contractor remains responsible for the professional and technical accuracy of all Services or Deliverables furnished, whether by Contractor or its subcontractors or others on its behalf. All Deliverables must be prepared in a form and content satisfactory to the Using Agency and delivered in a timely manner consistent with the requirements of this Agreement.

4.3 If Contractor fails to comply with the foregoing standards, Contractor must perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure. Any review, approval, acceptance, or payment for any of the Services by the City does not relieve Contractor of its responsibility for the professional skill and care and technical accuracy of its Services and Deliverables. This provision in no way limits the City's rights against Contractor either under this Agreement, at law or in equity.

5. Compensation

5.1 In addition to Section 3 Compensation in Exhibit C – GTC, the Contractor shall be compensated for the services provided under this Agreement as follows:

5.1.1 Contractor shall be compensated for services rendered and accepted under this Agreement and shall be paid monthly, in arrears on a not to exceed

basis, based upon the rates set forth in Exhibit E attached hereto and made a part of this Agreement. Contractor may vary the compensation for each task in Exhibit E provided that the total project compensation listed in Exhibit E and the Standard Agreement is not exceeded.

6. Reports and Information

Contractor shall at such times and in such forms as the City may require furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters are covered by this Agreement as specified in Exhibit A and Exhibit E.

7. Findings Confidential

All the reports, information, data, et cetera, prepared or assembled by the Contractor under this Agreement are confidential and the Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the City. Contractor shall not be required under the provisions of this paragraph to keep confidential any data or information which is or becomes publicly available, is required by applicable law or by proper legal or governmental authority, is already rightfully in the Contractor's possession without obligation of confidentiality, is independently developed by Contractor outside the scope of this Agreement or is rightfully obtained from third parties. Contractor shall give City prompt notice of any such legal or governmental demand and reasonably cooperate with City in any effort to seek a protective order or otherwise to contest such required disclosure.

8. Right of Inspection

All Deliverables furnished by Contractor must be as specified in Exhibit A and will be subject to inspection and approval of City after delivery. City reserves the right to reject and return, at the risk and expense of Contractor, the portion of any Deliverable which may be defective or fail to comply with specifications in Exhibit A without invalidating the remainder of the Deliverables. If rejected, Deliverable will be held for disposition at the expense and risk of Contractor. Payment for Deliverable prior to inspection shall not constitute acceptance of the Deliverable.

9. Warranty

(A) For the period set forth below in this paragraph, Seller warrants that each newly manufactured item sold hereunder, and such portion of a repaired/refurbished item as has been repaired or replaced by Seller under this warranty, shall be free from defects in material, workmanship, or title at the time of shipment and shall perform during the warranty period in accordance with the specifications incorporated herein. Should any

failure to conform to these warranties (excluding any defects in title) be discovered and brought to Seller's attention during the warranty period and be substantiated by examination at Seller's factory or by authorized field personnel, then (i) Seller shall correct such failure, at Seller's exclusive option, repair or replacement of the nonconforming item or portion thereof with Buyer promptly making product available to be worked by Seller's personnel or agents without interference with no additional cost to the Seller; or (ii) Buyer making available product F.O.B. Seller's plant with Seller's written return authorization, at Seller's exclusive option, for repair or replacement of the nonconforming item or portion thereof. Buyer agrees that this remedy shall be its sole and exclusive remedy against Seller and that no other remedy shall be available or pursued by Buyer against Seller. In no event shall the Seller be liable for any costs or expenses in excess of those described in this paragraph and expressly excluding any liability or damages for special, incidental, or consequential damages.

The warranty period for newly manufactured items shall extend 60 months from the date of first energization or 60 months from the date of shipment whichever occurs first or unless a different warranty period is agreed to by Seller. The warranty period for repaired/refurbished articles shall extend for the unexpired warranty period of the item repaired or replaced or for 90 days, whichever is longer. This warranty shall be voided and not extend to any item that upon examination by Seller is found to have been subject to:

- a) mishandling, misuse, negligence, or accident.
- b) storage, installation, operation, testing, or maintenance that either was not in accordance with Seller's specifications, instructions, manuals, or otherwise improper, or contrary to industry standards.
- c) tampering as evidenced for example by broken seals, damaged packaging containers, etc.
- d) testing of equipment above normally accepted field tests.
- e) repair or alteration by anyone other than Seller without Seller's express advance written approval.
- f) payment(s) not received per terms of sale.

Failure to promptly notify Seller in writing upon discovery of any non-conforming items during the warranty period shall void the warranty as to such items. Buyer shall describe any such non-conformity in detail, expressing its position as to return of any article under the remedy provided herein. No returns shall be accepted without prior approval by Seller. No back charges shall be accepted without the prior written consent of Seller's authorized representative. Where a failure cannot be corrected by Seller's reasonable efforts, the parties shall mutually agree upon an equitable adjustment in price. The preceding sets forth the exclusive remedies for claims (except as to title) based on defect whether in

contract or tort (including negligence or strict liability) and however instituted. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ANY OTHER WARRANTIES, EITHER EXPRESSED OR IMPLIED INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND SELLER DISCLAIMS IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

(B) SELLER'S INSTALLATION WARRANTY: Seller warrants that all work hereunder shall be performed in accordance with the standards employed by Seller in performing the same or similar services for itself. Seller disclaims any and all other representations or warranties expressed or implied including without limitation any representation or warranty that a) any unauthorized entry, burglary, theft, embezzlement, or any other crimes will be prevented by the equipment and/or installation thereof or that b) any particular purpose or standard of care intended or desired or any particular results to be achieved by Buyer through the installation and operation of the items to be delivered hereunder. Seller's installation services and installation warranty does not include or imply any assistance for system field troubleshooting and no back charges for such services shall be accepted without the prior written consent of Seller's authorized representative.

(C) EXTENDED WARRANTY PERIOD OPTION FOR CORE AND COIL: When purchased, the warranty period may be extended by the period specified in such purchase covering core and coils only against failure occurring with respect to normal operation and within the parameters for which the transformer was designed. For extended Warranty period, to ensure validity of Extended Warranty period coverage, Virginia Transformer requires Dissolved Gas Analysis (DGA) reports of the supplied unit to be provided every year for the period of extended warranty period coverage. The annual DGAs should be emailed to: FieldService@vatransformer.com. Failure to conduct annual DGAs and provide the reports to Seller may void the purchased extended warranty. Except for the extended time period all other provisions, terms, conditions, and limitations set forth above shall apply to the extended warranty period. In case of any disturbance in the system that causes the transformer to trip off-line, following information shall be forwarded to Virginia Transformer Corp within 48 hours: Event summary with relevant data, Protection system data, Overvoltage conditions (If any), Fault data (if any) and offset timing with peak current value, Loading, Environmental and atmospheric conditions. Failure to timely provide this information may void the warranty.

(D) EXTENDED BUMPER TO BUMPER WARRANTY PERIOD OPTION: When purchased, the warranty for the extended period specified will cover the entire Transformer including core and coils and all associated transformer accessories against failure occurring with respect to normal operation and within the parameters for which the transformer was designed. Bumper to Bumper Warranty does not cover normal wear and tear including paint and gaskets beyond five years. For extended Warranty period, to ensure validity of Extended Warranty period coverage, Virginia Transformer requires Dissolved Gas Analysis (DGA) reports of the supplied unit to be provided every year for

the period of extended warranty coverage, and the additional data as stated in Section 15(A) The annual DGA's should be emailed to: FieldService@vatransformer.com. Failure to conduct annual DGAs and provide the reports to Seller may void the purchased extended warranty. Except for the extended time period all other provisions, terms, conditions, and limitations set forth above shall apply to the extended warranty period.

IN/OUT COVERAGE OPTION: When purchased, Seller will cover only the expenses to transport the transformer to a repair facility and back to site for warranty failures occurring within the period defined. Buyer will make transformer ready for shipment in the condition it was originally received per the Outline Drawing with clear and free access by Carrier. Craning, civil work, disconnection, and reconnection of the transformer, etc. is the responsibility of the Buyer.

10. Ownership

Contractor shall have title to and bear the risk of any loss or damage to the Deliverable until the Deliverable is delivered and accepted by City in conformity with this Agreement. Upon delivery and acceptance, Deliverable delivered by Contractor shall become the exclusive property of City. The ownership rights described herein shall include, but not be limited to, the right to copy, publish, display, transfer, or otherwise use the Deliverable. All artwork, patterns, dies, models, samples, materials, drawings, specifications, technical material, advertising material and any other personal property furnished by City to Contractor, or specifically paid for by City for use in performance of the Agreement, shall be and remain the property of City and said property shall be used only for Deliverables benefiting City. Contractor shall return to City or shall dispose of this property only according to City's instruction.

11. Applicable Laws

Under guidelines specified in 29 CFR 1910.1200 (f) and (g) City requests that Contractor label applicable Deliverables accordingly and provide associated Safety Data Sheets ("SDS") to City.

Deliverables must conform with all applicable federal, state, and local laws. Such conformity includes compliance with federal sanctions, and Contractor certifies that it has not and will not engage in prohibited transactions with sanctioned persons or entities.

12. Prevailing Wage

It shall be the responsibility of the Contractor to comply, when applicable, with the prevailing wage rates in accordance with the State of California Department of Industrial Relations. It shall further be the responsibility of the Contractor to monitor the prevailing wage rates as established by the California Department of Industrial Relations for any increase in rates during the term of this Agreement and adjust wage rates accordingly.

CONTRACTOR REGISTRATION REQUIREMENTS- Pursuant to Labor Code Section 1771.1(a): A Contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. It is not a violation of this section for an unregistered Contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the Contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.

No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. Department of Industrial Relations- Contractor Registration information and web link: <https://www.dir.ca.gov/public-works/publicworks.html>. In compliance with Senate Bill 854 and the California Labor Code, all Bidders shall include with their Bid proof of registration from the Department of Industrial Relations (DIR) that includes the contractor's Legal Name, Registration Number, License Type/Number, Registration Date and Expiration Date, for every contractor and subcontractor, regardless of tier.

This project may be subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contractors must submit their certified payroll records directly to the Division of Labor Standards Enforcement Compliance Monitoring Unit, as well as the City of Stockton.

13. Shipping Terms

City shipment terms are F.O.B. Destination, Freight Prepaid and Added unless otherwise specified in the Agreement. Contractor shall observe shipping instructions and, unless otherwise stated in the instructions, shall ship Deliverables in the safest and most economical manner necessary to meet the delivery date specified in the Agreement. Contractor shall provide an itemized packing list showing the Agreement number with the shipment. Contractor shall include the Agreement number on all packages, boxes, invoices, and shipping documents. Contractor shall label all individual boxes with stock number and quantity and items with different stock numbers shall be boxed separately. City reserves the right to refuse, at Contractor's expense, any shipments not containing the Agreement number or stock numbers as required under this section.

14. Deliveries

TIME IS OF MATERIAL IMPORTANCE IN THE PERFORMANCE OF ANY ORDER. If Deliverable is not provided or performed within the times specified in the Agreement, City may cancel the Agreement and hold Contractor liable for liquidated damages incurred due to the untimely delivery including, the additional costs resultant from City procuring substitute Deliverables elsewhere.

15. Price and Quantities

Prices and quantities set forth in this Agreement may not be altered by Contractor without the prior written authorization of City, with the exception that quantities of custom paper or printed Deliverables, chemicals, or fuel may deviate from those in the Agreement by the lesser of standard industry practices.

16. Liquidated Damages

Liquidated damages in the amount of one thousand dollars (\$1,000) per day will be assessed per each working day over the contract time allotted for this project. Liquidated Damages shall be limited to a CAP of 5% of the contract value of the offending unit.

17. Surcharge

In the event any components such as, electricity, freight, labor, core steel, mineral oil etc. are subject to abnormal price increases, and VTC/GTC is not able to otherwise mitigate these increases, during the period between the proposal date and the shipment date, VTC/GTC may pass along those specific incremental cost increases

18. Grant of License by VTC

Upon receipt of full payment for the Transformer and conditioned upon Customer not defaulting on its obligations under this Agreement, VTC hereby grants to Customer a perpetual, royalty-free license to use the Intellectual Property Rights of VTC which are incorporated in the Transformer. Such license is limited solely to the use of the Transformer by Customer for the purposes and at the location described in your Proposal. Customer may only transfer this license to a third party upon first providing VTC with a written acknowledgment by such transferee of VTC's ownership of its Intellectual Property Rights contained in the Transformer.

19. Purchase Orders

If any purchase order submitted by the owner/purchaser contains or invokes terms or conditions other than this Contract or the Terms and Conditions agreed to between VTC and the purchaser, then Seller/VTC may, without penalty reject said terms and conditions on the purchase order by striking them out.

EXHIBIT E

COMPENSATION SCHEDULE

The Contractor shall be compensated for the services identified in Exhibit A, Exhibit C, and Exhibit D to this Agreement as follows:

1. Project Price

1.1 The maximum the Contractor shall be paid on this Agreement is \$1,110,000 (hereafter the “not to exceed” amount). The “not to exceed” amount includes all payments to be made pursuant to this Agreement, including City approved reimbursable expenses, if any, with the exception of any additional freight charges. Nothing in this Agreement requires the City to pay for work that does not meet the Standard of Performance identified in Exhibit D section 4 or other requirements of this Agreement.

1.2 Standard Reimbursable Items: Only the reimbursable items identified in Exhibit A, C, and D (Compensation), shall be compensated to the Contractor. Reimbursable expenses will be reimbursed without markup. Fees plus reimbursable expenses shall not exceed the amount set forth in section 1.1 of this Exhibit and a copy of the original invoice for the items listed in i, ii or iii below shall be attached to the invoice submitted to the City for reimbursement. Payments shall be based upon work documents submitted by the Contractor to the City and accepted by the City as being satisfactory to City’s needs. The City shall not pay a markup on any of the items listed in i, ii or iii. Additionally, items such a telephone, fax, postage or freight are already included in the billable hourly rate. Contractor shall be reimbursed the direct expenses, which are the actual cost of the following items that are reasonable, necessary and actually incurred, by the Contractor in connection with the services:

- i. Expenses, fees or charges for printing, reproduction or binding of documents at actual costs with no markup added to the actual cost.
- ii. Any filing fees, permit fees, or other fees paid or advanced by the Contractor at actual costs with no markup added to the actual cost.
- iii. Travel expenses shall be reimbursed in accordance with the City’s travel policy, which is incorporated herein by reference. Reimbursement shall be made at actual costs with no markup added to the actual cost.

1.3 The Contractor shall be entitled to receive payments for its work performed pursuant to the Agreement. The City will pay Contractor based on invoices for acceptable work performed and approved until the “not to exceed” amount is reached. Thereafter, Contractor must complete services based on the Agreement without additional compensation unless there is a material change to the Statement of Work and Scope by a written Amendment.

1.4 If work is completed before the “not to exceed” amount is reached, the Contractor’s compensation will be based on the Contractor’s invoices previously submitted for acceptable work performed and approved.

1.5 Subcontractor Costs: Compensation for subcontractors shall be limited to the same restrictions imposed on the Contractor. Maximum markup Contractor may apply to subcontractor fees, minus reimbursable expenses, shall not exceed N/A%.

1.6 Payment shall be made to the Contractor as follows:

30% shall be due at Purchase Order

30% shall be due at Drawing Submission

40% shall be due at Shipment or placement into Storage.

2. Task Price. Below is the price for the services and reimbursable expenses as described in Exhibit A of this Agreement.

Task	Description	Task Price
1	10,000 / 11,200 / 13,333 / 14,933 / 16,667 / 18,667 kVA 60 - 12.47 kV	\$1,065,000
2	Estimated Freight to Stockton, CA	\$45,000
TOTAL PRICE		\$1,110,000

3. Hourly Rates. The following is a list of hourly billable rates that Contractor shall apply for additional services requested of the Contractor. Contractor shall be compensated based on the hourly rates set forth below, on a time and material basis for those services that are within the general scope of services of this Agreement, but beyond the description of services required under Exhibit A, and all services are reasonably necessary to complete the standards of performance required by this Agreement. Any changes and related fees shall be mutually agreed upon between the parties by a written amendment to this Agreement.

Hourly Billable Rate Schedule

Title	Role on Project	Hourly Billable Rates
N/A	N/A	N/A

4. Additional Fees. Should an amendment to the Agreement be issued for additional services that require the following items, the unit prices are as follows:

Title	Unit Price
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N/A	N/A
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5. Invoice to Address. Each invoice submitted shall identify the specific task(s) listed in Exhibit A and this Exhibit, and the completed work product/deliverable for the agreed upon price listed in this Exhibit. Invoices shall be submitted to the below address:

City of Stockton, Department of Municipal Utilities
Attention: Kelly Ju
kelly.ju@stocktonca.gov
2500 Navy Drive
Stockton, CA 95206

EXHIBIT F

TIMELINE

1. Contractor shall complete the requested services identified in Exhibit A as follows:

1.1 **TIMELINE FOR COMPLETION OF WORK**

Unit Shipment By: 62-64 Weeks from Order Acknowledgement date.