



Working Together for a
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GENERATION STUDY - ENGINEERING SERVICES

REQUEST FOR PROPOSAL

C130275

Proposals due

Thursday, April 29, 2021 @ 4:00 p.m. (local time)
City of Grand Island, City Hall
100 East 1st Street, P.O. Box 1968
Grand Island, NE 68802-1968

Contact Information

City of Grand Island Utilities Department
Lynn Mayhew, Assistant Utilities Director
Platte Generating Station
Grand Island, NE 68801
O: 308-385-5496

Issued: April 2, 2021

PROPOSAL

**ADVERTISEMENT FOR PROPOSALS
GENERATION STUDY – ENGINEERING SERVICES
FOR
CITY OF GRAND ISLAND, NEBRASKA**

Proposals will be received at the office of the City Clerk, 100 E. First Street, P.O. Box 1968, Grand Island, Nebraska 68802, until Thursday, April 29, 2021 at 4:00 p.m. local time for the above Proposal, FOB the City of Grand Island. Site inspections can be arranged by contacting Lynn Mayhew (308) 385-5494 for an appointment.

Proposals received after the specified time will be returned unopened to sender. Proposals shall include the following on the outside of the envelope: **“Proposal for Generation Study - Engineering Services”**. All proposals must be signed and dated in order to be accepted. Proposals shall be addressed to the attention of Lynn Mayhew, Assistant Utilities Director. **Four complete copies with the original** proposal shall be submitted for evaluation purposes if submitting by mail. Proposal package and any Addendas is also available on-line at <http://www.grand-island.com/business/bids-and-request-for-proposals/bid-calendar> under the bid opening date and “Click here for bid document link” through QuestCDN. Submitting through QuestCDN requires one original document of the bid to be uploaded.

Proposals will be evaluated by the Purchaser based on Contractor’s response to the proposal, experience of the company and project personnel, commercial terms, and pricing to perform the project required. All Proposals shall be valid for at least 30 days after the Proposal deadline for evaluation purposes.

The Purchaser reserves the right to reject any or all proposals, to waive irregularities therein, and to accept whichever proposal that may be in the best interest of the City, at its sole discretion.

RaNae Edwards, City Clerk

Advertised

INSTRUCTIONS TO BIDDERS - PROPOSAL

1. GENERAL INFORMATION.

The following instructions outline the procedure for preparing and submitting Bids. Bidders must fulfill all requirements as specified in these Documents.

2. TYPE OF BID.

Bidders shall be required to submit prices for all items listed in the Detailed Specifications.

3. PREPARATION/SUBMISSION OF PROPOSAL.

All Proposals must be submitted intact not later than the time prescribed, at the place, and in the manner set forth in the ADVERTISEMENT FOR BIDS. Proposals must be made on the Company's official letterhead, and must be signed and dated to be accepted. Each Proposal must be submitted intact in a sealed envelope, so marked as to indicate its contents without being opened, and delivered in person or addressed and mailed in conformance with the instructions in the ADVERTISEMENT FOR BIDS.

Proposal package and any Addenda is also available on-line at <http://www.grand-island.com/business/bids-and-request-for-proposals/bid-calendar> under the bid opening date and "Click here for bid document link" through QuestCDN. Submitting through QuestCDN requires one original document of the bid to be uploaded (no zip files). Any Proposal received after the specified date will not be considered. No verbal Proposal will be considered.

The Bidder shall acknowledge receipt of all addenda. Proposals received without acknowledgement or without the Addendum enclosed will be considered informal.

If exceptions and/or clarifications are noted to the proposal, those exceptions must be fully explained on a separate sheet, clearly marked, and included with the Proposal. Any changes that are found made to the original specification, other than Owner generated Addendums, could result in your bid not being considered.

The City reserves the right to reject any or all proposals and to select the proposal, which is deemed to be in the City's best interest, at its sole discretion.

All Proposals shall be valid for at least thirty (30) working days after the Proposal deadline for evaluation purposes.

4. BASIS OF AWARD

The award will be made by the OWNER on the basis of the Proposal from the lowest responsive, responsible Bidder which, in the OWNER's sole and absolute judgment will best serve the interest of the OWNER.

All Proposals will be considered on the following basis:

1. Proposal Responsiveness (x 1)
2. Company Experience (x 2)
3. Personnel Experience (x 2)

4. Commercial Terms (x 1)
5. Engineering Fees (x 1)

The OWNER reserves the right to reject all Proposals, or any Proposal not in conformance with the intent of the Bid Documents, and to waive any informalities and irregularities in said Proposal.

5. EXECUTION OF CONTRACT.

The successful Bidder shall, within fifteen (15) days after receiving notice of award, sign and deliver to the OWNER the Contract hereto attached, if required, together with the acceptable bonds as required in these Bid Documents. Within fifteen (15) days after receiving the signed Contract with acceptable bond(s) from the successful Bidder, the OWNER's authorized agent will sign the Contract. Signature by both parties constitutes execution of the Contract.

6. TIME OF COMPLETION.

The time of completion of the Work to be performed under this Contract is the essence of the Contract.

8. GRATUITIES AND KICKBACKS

City Code states that it is unethical for any person to offer, give, or agree to give any City employee or former City employee, or for any City employee or former City employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

9. FISCAL YEAR

The City of Grand Island, Nebraska operates on a fiscal year beginning October 1st and ending on the following September 30th. It is understood and agreed that any portion of this agreement which will be performed in a future fiscal year is contingent upon the City Council adopting budget statements and appropriations sufficient to fund such performance.

ENGINEERING SERVICES - CONTRACT AGREEMENT

THIS AGREEMENT made and entered into by and between **[SUCCESSFUL BIDDER]**, hereinafter called the Engineer, and the **CITY OF GRAND ISLAND, NEBRASKA**, hereinafter called the City.

WITNESSETH:

THAT, WHEREAS, in accordance with law, the City has caused contract documents to be prepared and an advertisement calling for proposals to be published for *Generation Study-Engineering Services*; and

WHEREAS, the City, in the manner prescribed by law, has evaluated the proposals submitted, and has determined the aforesaid Engineer to be the responsible proposer, and has duly awarded to the said Engineer a contract therefore, for the sum or sums named in the Engineer's proposal, portions thereof being attached to and made a part of this contract.

NOW, THEREFORE, in consideration of the compensation to be paid to the Engineer and of the mutual agreements herein contained, the parties have agreed and hereby agree, the City for itself and its successors, and the Engineer for itself, him/herself, or themselves, and its, his, or their successors, as follows:

ARTICLE I. That the following documents shall comprise the Contract, and shall together be referred to as the "Agreement" or the "Contract Documents";

1. This Contract Agreement.
2. Agreement for Engineering Services between the City of Grand Island and [Engineering Company]
3. City of Grand Island's Request for Proposals.
4. [Engineering Company's] Proposal dated [date].
5. City Council Resolution [resolution number] dated [date].

In the event of any conflict between the terms of the Contract Documents, the provisions of the document first listed shall prevail.

ARTICLE II. That the Engineer shall provide the services set forth in this agreement and the attachments thereto in accordance with the normal degree of care and skill of other reputable professionals providing similar services on similar projects of like size and nature for this area;

ARTICLE III. That the City shall pay to the Engineer for the performance of the work embraced in this contract and the Engineer will accept as full compensation therefore the sum (subject to adjustment as provided by the contract) of **[DOLLAR AMOUNT] (\$00.00)** for all services and work covered by and included in the contract award and designated in the foregoing Article II; payments thereof to be made in cash or its equivalent in the manner provided in the General Specifications.

The total cost of the Contract includes:

Base Bid: \$.00

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ARTICLE IV. The Engineer hereby agrees to act as agent for the City. The invoice for Engineer's services will be paid after approval at the next regularly scheduled City Council meeting and occurring after departmental approval of invoice. The City Council typically meets the second and fourth Tuesday of each month. Invoices must be received well in advance of Council date to allow evaluation and processing time.

ARTICLE V. The Engineer agrees to comply with all applicable State fair labor standards in the execution of this contract as required by Section 73-102, R.R.S. 1943. The Engineer further agrees to comply with the provisions of Section 48-657, R.R.S. 1943, pertaining to contributions to the Unemployment Compensation Fund of the State of Nebraska. During the performance of this contract, the Engineer and all sub-Engineers agree not to discriminate in hiring or any other employment practice on the basis, of race, color, religion, sex, national origin, age or disability. The Engineer agrees to comply with all applicable Local, State and Federal rules and regulations. The Engineer agrees to maintain a drug-free workplace policy and will provide a copy of the policy to the City upon request. Every public Engineer and his, her or its sub-Engineers who are awarded a contract by the City for the physical performance of services within the State of Nebraska shall register with and use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska.

GRATUITIES AND KICKBACKS

City Code states that it is unethical for any person to offer, give, or agree to give any City employee or former City employee, or for any City employee or former City employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection

with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

[SUCCESSFUL PROPOSAL COMPANY]

By _____ Date _____

Title _____

CITY OF GRAND ISLAND, NEBRASKA

By _____ Date _____

Mayor

Attest: _____

City Clerk

DRAFT

The contract is in due form according to law and hereby approved.

_____ Date _____

Attorney for the City



*Working Together for a{PRIVATE }
Better Tomorrow, Today.*

REQUEST FOR PROPOSALS

GENERAL SPECIFICATIONS

The Proposal shall be in accordance with the following and with the attached DETAILED SPECIFICATIONS.

All prices are to be F.O.B. Grand Island, Nebraska. **All prices shall be firm, and shall include all sales and use taxes as lawfully assessed under laws and regulations of the State of Nebraska.**

Proposals shall include the following on the **outside** of the mailing envelope: "**Proposal for Generation Study-Engineering Services**". All proposals must be signed and dated to be accepted. Proposals shall be addressed to the attention of Lynn Mayhew, Assistant Utilities Director. All proposals submitted by mail must include **four (4) complete copies**. The specification is also available at <http://www.grand-island.com/business/bids-and-request-for-proposals/bid-calendar> under the specified opening date and "Click here for bid document link" through QuestCDN. If submitting through QuestCDN, **one** original document of the proposal and supporting materials is required to be uploaded. All proposals shall be submitted for evaluation purposes no later than **Thursday, April 29, 2021 at 4:00 p.m.** to the following:

Mailing Address: RaNae Edwards, City Clerk
City Hall
P. O. Box 1968
Grand Island, NE 68802-1968

Street Address: RaNae Edwards, City Clerk
City Hall
100 E. First Street
Grand Island, NE 68801

Any Proposal received after the specified date will not be considered. No verbal Proposal will be considered.

Proposals will be evaluated by the Purchaser based on Contractor's response to the proposal, experience of the company and project personnel, commercial terms, and pricing to perform the project required.

The successful contractor will be required to comply with fair labor standards as required by Nebraska R.R.S.73-102 and comply with Nebraska R.R.S. 48-657 pertaining to contributions to the Unemployment Compensation Fund of the State of Nebraska. Contractor shall maintain a drug free workplace policy. Every public contractor and his, her or its subcontractors who are awarded a contract by the City for the physical performance of services within the State of Nebraska shall register with and use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska.

The invoice for Contractor's services will be paid after approval at the next regularly scheduled City Council meeting and occurring after departmental approval of invoice; the City Council typically meets the second and

fourth Tuesday of each month. Invoices must be received well in advance of City Council date to allow evaluation and processing time.

The City reserves the right to reject any or all proposals and to select the proposal, which is deemed to be in the City's best interest, at its sole discretion.

All Proposals shall be valid for at least thirty (30) working days after the Proposal deadline for evaluation purposes.

All Proposals must be signed and dated to be accepted. If exceptions and/or clarifications are noted to the bid, those exceptions must be fully explained on a separate sheet, clearly marked, and included with the Proposal. Any changes that are found made to the original specifications, other than Owner generated Addendums, would result in your bid not being considered. Please contact Lynn Mayhew at 308-385-5494, for questions concerning this specification.

GENERATION STUDY ENGINEERING SERVICES

DETAILED SPECIFICATIONS

SCOPE The Grand Island Utilities Department is soliciting proposals for engineering services for the study of six (6) possible scenarios for generation.

DESCRIPTION Grand Island Utilities has 238MW of generation capacity along with 30.8MW of wind generation. The generation mix includes coal, dual fuel gas turbines, and hydro, with an asset age of 10 to 53 years. This study is to assist Grand Island Utilities evaluating six scenarios to help answer questions proposed in this specification.

PROJECT

Grand Island Current Generating Sources

Platte Generating Station (PGS)

100MW Coal fired CE boiler with GE steam turbine commissioned 1982

Burdick Station

34MW Summer 40MW Winter GE Frame 6 Combustion Turbines- Dual Fuel (GT2 & GT3)
commissioned 2003

13MW Summer 14MW Winter GE Frame 5 Combustion Turbine – Dual Fuel (GT1)
commissioned 1968

Nebraska City 2

34 MW with 33MW of transmission commissioned 2006

Whelan Energy Center 2

15MW with 15 MW of transmission commissioned 2011

Prairie Breeze Wind Farm

35.8 MW total with 9MW sold to other utilities netting 26.8 MW to GIUD No transmission

NPPD Wind Shares

4MW with 2MW of transmission

WAPA

5 MW Winter 9MW Summer Acts as a net decrease off City Peak load

Solar

1 MW act as a net decrease off city peak load

Prairie Hills

Future PPA of 50MW of wind generation

Background

Grand Island has several sources of generation listed above, and is meeting the capacity requirements of SPP with a total generating capacity of 238 MW, with a peak City load of 170 MW. Internal discussions have brought forward questions on our future generation mix. During the recent 2021 Polar Vortex, we found some weaknesses in operating our Combustion Turbines on diesel fuel during the cold weather, but were glad we had those assets to support us.

Prior to the Pandemic, Grand Island Utilities was in the process of preparing to demo the decommissioned Burdick Steam unit building and planned to install a 10MW RICE reciprocating internal combustion engine on the same site. This unit was intended to replace the aging 14MW GT1 combustion turbine. The project was temporarily halted due to the unknown economic impact of the Pandemic. Grand Island Utilities is now at a point to review our original plans and determine the most optimal solution to meet our future generation.

The following is a list of items to investigate.

Are we fully utilizing our current generation resources? Only two gas turbines were able to be operated during the Polar Vortex due to fuel oil pumping issues. Upgrades to the diesel fuel oil system will require a way to preheat the fuel oil to keep the tank above 23F and to redesign the supply to GT1, as the system was designed for only GT2 and GT3 to be at full load. The diesel fuel upgrades are being investigated by Sargent & Lundy, the original engineering design company. Other questions need to be answered in regard to an emergency fuel supply. Is there an ideal amount to spend on an emergency generator and what are best practices? How much emergency fuel should be on hand? Are there other emergency fuels to consider?

The GT1 combustion turbine was commissioned in 1968 and there is concern with not being able to get parts, should something fail. It performed very well during the Polar vortex and is considered our black start unit for the City of Grand Island. With five interconnections, we have never had to use the unit as a black start since it was commissioned.

- Do we continue to hold onto this asset, and if it is time to replace, what type of unit replaces it?
- If we keep the GE Frame 5, are there resources for parts?
- Do we replace it with a rapid start unit and put this replacement into the market to capture ancillary services?
- If we replace it, should the new unit(s) be dual fuel?
- Is hydrogen a source of fuel that would be available as backup? How is Hydrogen stored? How long can Hydrogen be stored? What is the cost of storage?
- Are future regulations going to make us shut down Platte Generating Station?
- With the amount of wind penetration in the SPP footprint there are more times that Platte Generating Station is more economical to have off than running. With the large cost in labor and continual maintenance, at what point is it more economical to go to another source of generation? Is natural gas pricing stable enough to move to generation that can take advantage of market pricing?

Project Description

Analyze the existing and future generation capabilities of Grand Island Utilities based on six possible scenarios listed below. The analysis shall consist of developing a production cost model of the generation resources that are local to Grand Island, along with potential future upgrades. All assumptions are to be stated in the report. The production cost NPV shall be divided in the following categories:

- Generator Fuel Cost
- Fixed operation and maintenance cost
- Variable O&M cost
- Generator Startup cost
- Purchased Energy
- Transmission Cost
- Cost of SPP Membership
- Major / Capital Expenses
- Generation Sales-include ancillary services
- Spot Energy Balance (Energy bought / sold through SPP)
- Generator construction
- Generator construction debt
- Retirement cost

| Scenario | Description |
|--|---|
| #1 Baseline Utilize Existing Generation Assets | <ul style="list-style-type: none"> • Assume continued operation of all units through 2040 • All necessary Capital Investments and O&M spending that would be needed for continued operation are included • Upgrade diesel FO system for Emergency |
| #2 Replacement of GT1 with 10MW RICE in 2023 | <ul style="list-style-type: none"> • Install and operate a 10MW RICE– emergency only – dual fuel • Retire GT1 2030 |
| #3 Replacement of GT1 with 10MW RICE in 2023 and a second in 2030 | <ul style="list-style-type: none"> • Install and operate a 10MW RICE – dual fuel • Retire GT1 add a second 10 MW RICE in 2030 |
| #4 Replacement of GT1 replace with 20MW RICE market in SPP | <ul style="list-style-type: none"> • Install and operate a 20MW RICE plant at Burdick market rapid start and ancillary services – dual fuel • Retire GT1 2035 |
| #5 Convert GT2 &3 to a combined cycle unit | <ul style="list-style-type: none"> • Install a HRSG and turbine to run GT2 & 3 as a combined cycle unit. |
| #6 Retire Platte Generating Station and replace with an ideal sized plant in 2030 | <ul style="list-style-type: none"> • Replace Platte Generating Station with new generation that will meet environmental, reliability, and be most economical for our customers • A new gas line off Tallgrass line to PGS would be needed for Natural Gas • Retire GT1 2030 • Retire PGS 2030 |

Scenario #1 Utilize Existing Generation Assets

This scenario would be giving a baseline to compare all other scenarios. Assuming we continue to operate our current generation resources the same way we currently have the last two years, and that no new regulations would limit running. This base line will be evaluated through 2040. This would assume some capital investment to make changes to the diesel fuel system to allow all three combustion turbines the ability to run simultaneously at full load in an emergency.

Scenario #2 Replacement of GT1 with 10MW RICE unit

In this scenario, GT1 is 53 years old and by 2030 it will require significant investment to maintain the unit, or the ability to get parts will no longer be available. Grand Island Utilities would purchase, build, and operate a 10MW RICE unit at Burdick Station in the location of the existing steam unit building starting in 2023. The RICE unit would be dual fuel for operation during emergency periods when natural gas is not available or cost prohibitive. We would still maintain the Platte Generating Station and the two GE Frame 6 combustion turbines and operate them in the SPP market.

Scenario #3 Replacement of GT1 with 10MW RICE unit and a second 10MW RICE unit in 2030

This scenario is the same as scenario #2 with the addition of adding a second 10MW RICE unit in 2030. This would allow for spreading out capital cost. This would need to be weighed against scenario #4 and just doing the larger project all at once. This is assuming that operation of the first RICE unit has proven economically beneficial for Grand Island.

Scenario #4 Replace GT1 with 20MW RICE plant

This scenario would replace GT1 with a two-unit 20MW RICE plant that would operate in the SPP market selling ancillary services. There is a 10MW limit on new generation in SPP on whether a transmission study is needed. With GT1 being only 14MW, would we be able to consider 20MW replacement without a transmission study?

Scenario #5 Convert GT 2 and GT3 to a combined Cycle Unit

This scenario would install a HRSG and steam turbine and change the simple cycle gas turbines to a combined cycle plant. This scenario would need to include a look at increased maintenance and cycle times, startup times, etc.

Scenario #6 Retire Platte Generating Station and replace with ideal sized plant in 2030

This scenario would retire Platte Generating Station (PGS) in 2030 for the following reasons: New regulations would require it by 2035, and/or due to economics of running a coal unit have it running shorter times and fixed cost of the unit is exceeding the cost of new generation. With increased wind

penetration in the SPP market, the shoulder months are seeing pricing at, or significantly below the cost to run PGS, even off-peak hours during normally strong months are below the cost to run PGS. To keep from cycling PGS excessively, and causing more maintenance, the unit is self-committed in the market. There are times when this causes economic losses vs. buying the power off the market. This scenario would analyze the cost of building or changing from using coal as a fuel to a generation type that is more cost effective. The most economic type of generation would need to be selected, along with sizing, based on potential demand. The unit would need to be dual fuel to allow for a two-week severe cold period, similar to the 2021 February Polar vortex. If natural gas is the best fuel, a new 4.6 mile natural gas line would need to be installed from the existing tallgrass pipeline just north of the Highway 34 Platte River bridge to the Platte Generating Station. This would also retire GT1 in 2030. Adjustments in the labor force from operating PGS to a new plant are to be detailed in the report. A high level analysis would include as a secondary location, Burdick Station for location of the new generation. The different location would also require an additional fault current study, and time should be figured into completing the study.

For all scenarios, reductions in labor need to be considered as Operations and Maintenance staff also provide labor to our City Water System. Power plant operators are overseeing the operation of the pumping stations and wellfield for the City Water System, and Maintenance staff perform routine maintenance on our pumping stations and wells. Labor is a significant cost to maintain these facilities. A timeline shall also be provided in the report for the changes needed to accomplish each scenario.

PROPOSAL EVALUATION. The proposals will be evaluated on the following criteria. Also indicated are the weighting factors which will be used in tabulating the evaluation scores.

1. Proposal Responsiveness (x 1)
2. Company Experience (x 2)
3. Personnel Experience (x 2)
4. Commercial Terms (x 1)
5. Engineering Fees (x 1)

SITE INSPECTION. Site inspections can be arranged by contacting Lynn Mayhew, 308-385-5494, for an appointment.

PROPOSAL QUALIFICATIONS. The Contractor shall be a consulting engineering firm with experience in the SPP market, and generation mix evaluation. Must be able to put together high-level costing information. Must provide background data and calculations to support a decision matrix. All work is to be performed by or under the direct supervision of experienced engineers registered in the State of Nebraska.

PROPOSAL INFORMATION The Proposal shall provide hourly fees by personnel classification, fee multiplier, a schedule of applicable expenses, and proposed contract. The proposal shall be based on a not to exceed cost, with actual time and materials invoiced. A list of projects of similar scope to those indicated in these specifications along with an example report, and client contacts of similar types of studies shall be provided for references. Proposed primary personnel with their qualifications and anticipated involvement in the project shall be included with the Proposal. Include in your proposal the

types of analysis used to help in the decision making process. Provide examples of new generation projects that could be proposed that have been designed or built by the engineering firm.

PAYMENT Payment for the engineering services will be determined by hours worked plus miscellaneous expenses, up to a predetermined "not to exceed" amount on a project basis. Time estimates for various portions of projects, man-hours by classification, and miscellaneous expense details may be requested.

PRICING The Contractor shall provide in the Proposal a not-to-exceed price for the specified work, including standard rates for services and expenses and all other terms and policies to be in effect during this project.

INSURANCE The Contractor shall comply with the attached INSURANCE REQUIREMENTS.

GRATUITIES AND KICKBACKS City Code states that it is unethical for any person to offer, give, or agree to give any City employee or former City employee, or for any City employee or former City employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

FISCAL YEAR The City of Grand Island, Nebraska operates on a fiscal year beginning October 1st and ending on the following September 30th. It is understood and agreed that any portion of this agreement which will be performed in a future fiscal year is contingent upon the City Council adopting budget statements and appropriations sufficient to fund such performance.

MINIMUM INSURANCE REQUIREMENTS
CITY OF GRAND ISLAND, NEBRASKA

The successful bidder shall obtain insurance from companies authorized to do business in Nebraska of such types and in such amounts as may be necessary to protect the Bidder and the interests of the City against hazards or risks of loss as hereinafter specified. This insurance shall cover all aspects of the Bidder's operations and completed operations. Failure to maintain adequate coverage shall not relieve Bidder of any contractual responsibility or obligation. Minimum insurance coverage shall be the amounts stated herein or the amounts required by applicable law, whichever are greater.

1. WORKERS COMPENSATION AND EMPLOYER'S LIABILITY

This insurance shall protect the Bidder against all claims under applicable State workers compensation laws. This insurance shall provide coverage in every state in which work for this project might be conducted. The liability limits shall not be less than the following:

| | |
|----------------------|-------------------------|
| Workers Compensation | Statutory Limits |
| Employers Liability | \$100,000 each accident |
| | \$100,000 each employee |
| | \$500,000 policy limit |

2. BUSINESS AUTOMOBILE LIABILITY

This insurance shall be written in comprehensive form and shall protect the Bidder, Bidder's employees, or subcontractors from claims due to the ownership, maintenance, or use of a motor vehicle. The liability limits shall not be less than the following:

| | |
|---------------------------------|----------------------------------|
| Bodily Injury & Property Damage | \$ 500,000 Combined Single Limit |
|---------------------------------|----------------------------------|

3. COMPREHENSIVE GENERAL LIABILITY

The comprehensive general liability coverage shall contain no exclusion relative to explosion, collapse, or underground property. The liability limits shall not be less than the following:

| | |
|---------------------------------|----------------------------|
| Bodily Injury & Property Damage | \$ 500,000 each occurrence |
| | \$1,000,000 aggregate |

4. UMBRELLA LIABILITY INSURANCE

This insurance shall protect the Bidder against claims in excess of the limits provided under employer's liability, comprehensive automobile liability, and commercial general liability policies. The umbrella policy shall follow the form of the primary insurance, including the application of the primary limits. The liability limits shall not be less than the following:

| | |
|---------------------------------|-------------------------------|
| Bodily Injury & Property Damage | \$1,000,000 each occurrence |
| | \$1,000,000 general aggregate |

5. ADDITIONAL REQUIREMENTS

The City may require insurance covering a Bidder or subcontractor more or less than the standard requirements set forth herein depending upon the character and extent of the work to be performed by such Bidder or subcontractor.

Insurance as herein required shall be maintained in force until the City releases the Bidder of all obligations under the Contract.

The Bidder shall provide and carry any additional insurance as may be required by special provisions of these specifications.

6. CERTIFICATE OF INSURANCE

Satisfactory certificates of insurance shall be filed with the City prior to starting any work on this Contract. **The certificates shall show the City as an additional insured on all coverage except Workers Compensation. The certificate shall state that thirty (30) days written notice shall be given to the City before any policy is cancelled (strike the "endeavor to" wording often shown on certificate forms). If the Bidder cannot have the "endeavor to" language stricken, the Bidder may elect to provide a new certificate of insurance every thirty (30) days during the contract. Bidder shall immediately notify the City if there is any reduction of coverage because of revised limits or claims paid which affect the aggregate of any policy.**