

PROCUREMENT CONTRACT

This Procurement Contract ("**Contract**") is by and between the Grand Rapids Public Utilities Commission, located at 500 SE 4th St, Grand Rapids, MN 55744 ("**GRPUC**"), and Lake States Construction, LLC, located at 25172 Commercial Drive, Grand Rapids, MN, 55744 ("**Contractor**"). GRPUC and Contractor may be referred to jointly as the "**Parties**" or individually as a "**Party**."

1. **Term.** The effective date of this Contract is May 15, 2025. The Contractor must not begin work under this Contract until Contractor has been notified by GRPUC's Authorized Representative to begin the work. This Contract will terminate upon the first of the following to occur:

- 1.1 December 31, 2026 or upon the completion of a project if started in December 2026.
- 1.2 All of Contractor's obligations have been satisfactorily fulfilled
- 1.3 GRPUC may cancel this Contract at any time, with or without cause, upon ten (10) days' written notice to the Contractor.
- 1.4 GRPUC may terminate this Contract immediately in the event of a breach by Contractor.
- 1.5 The Parties may terminate this Contract at any time by mutual written agreement.
- 1.6 If the Contractor is not available to perform the necessary work within three weeks of request by the GRPU then the GRPU can contract with another contractor to perform necessary work without any financial obligations to Contractor listed above.

Upon receipt of any notice of termination, Contractor shall immediately stop performance to the extent specified in such notice. In no event shall GRPUC be liable for any loss of revenue or profit incurred by Contractor as a result of any termination. Upon GRPUC's request, Contractor shall deliver to GRPUC all items requested by GRPUC containing any confidential information or work product information or make such other disposition thereof as GRPUC may direct in writing.

2. Contractor's Duties

2.1 The Contractor shall provide the following goods or services ("**Goods and Services**"):

The Contractor shall furnish services and products based on the agreed project written specifications as provided by the Electric Department Manager or their authorized representative.

These services and products may vary depending on the project specifications during the contract period.

This contract is based on time and materials which have been competitively quoted and awarded to the lowest responsible bidder, above identified Contractor.

Materials and equipment to be supplied by GRPUC include cable, cabinets, transformer and switch basements, duct, splices, and ground rods.

Attachment Exhibit A is the Contractor quoted and accepted services and product pricing through the contract term.

GRPUC may make changes to the general scope of Goods and Services by written or oral notice to Contractor.

2.2 Contractor agrees that all Goods and Services shall comply with all applicable laws and legal requirements without extra expense to GRPUC.

2.3 Contractor warrants and represents that the Goods and Services will be provided in a manner that is consistent with the level of care and skill exercised by members of Contractor's profession currently working under similar conditions.

2.4 Contractor shall be responsible for all its employees, agents, subcontractors, and invitees and their health and safety and shall ensure that all persons who perform the Services are professionally competent and properly qualified.

2.5 Contractor shall erect, mark and maintain suitable barricades to protect and maintain public safety. Barricades, warning signs and other safety devices shall meet the requirements of OSHA, Minnesota Department of Highways and Public Transportation and City of Grand Rapids requirements. No work will commence until the Contractor has secured approval for the agency responsible for the right-of-way in which construction is proposed.

2.6 Contractor shall proceed with caution in the excavation and preparation of the trench, boring, plowing, etc. so that the exact location of underground structure may be determined. Prior to proceeding with trench, boring, plowing excavation, the Contractor shall contact Gopher State One-Call and all utility companies in the area to aid in locating underground services.

2.7 Damage done to existing utility lines, services, poles and other structure shall be replaced or repaired by the Contractor at Contractor expense. The approximate position of certain underground lines is shown on the plans is for information only. Existing small lines may not be shown. The Contractor shall locate these and other possible underground utility lines and shall excavate and expose all existing underground lines in advance of trenching operations.

2.8 No valve, circuit breaker, or other control device on the existing systems will be operated by the Contractor without permission from the Department Manager or their authorized representative.

2.9 Contractor shall upon completion of the project remove all debris, rubbish, etc. and leave the premises in a neat and orderly condition.

2.10 Contractor shall comply with all pertinent provisions of the Occupational Safety and Health Act and alone be responsible for the safety, efficiency, and adequacy of the Contractor employees, plant, equipment, vehicles, etc. and methods and be responsible for any damage which may result from Contractor failure or improper construction, maintenance, or operations.

2.11 During the progress of installation, apparatus or work or materials will be subject to the inspection by GRPU Department Manager or their authorized representative. Any apparatus, work, or materials which does not pass inspection will be immediately removed and replaced in a satisfactory manner at the expense of the Contractor, unless mutually agreed to in writing by both parties.

2.12 Contractor warrants that: (A) Contractor has good title to the Goods, free and clear of any encumbrance, and (B) the Goods are in good condition and are adequate for the uses to which they are being put. Contractor shall take any further actions that are necessary to transfer title in the Goods to

GRPUC, free and clear of any encumbrances. Contractor has all risk of loss until GRPUC accepts the Goods.

2.13 Section or subsection monuments are encountered, the engineer shall be notified before such monuments are removed. The contractor shall protect and carefully preserve all property marks and monuments until the owner and authorized surveyor, or agent has witnessed or otherwise referenced their location.

2.14 Contractor shall supply a trash container on site for construction debris/trash. Absolutely no trash to be discarded in excavations. Contractor shall ensure trash is collected from work activities and discarded in appropriate trash containers daily.

3. Consideration and Payment

3.1 Consideration. Contractor will be paid on a time and material pricing using the attached Exhibit A per written project specifications.

3.2 Payment. GRPUC will pay the Contractor within thirty (30) days following receipt and acceptance of Goods or Services and receipt of an undisputed invoice.

3.3 This time and material priced contract does not guarantee the Contractor a minimum amount of work or revenue.

4. Authorized Representative

GRPUC's Authorized Representative is Chad Troumbly, Electric Department Manager at the following business address: 500 SE 4th Street, Grand Rapids, MN, 55744 and the following telephone number: 218.326.7182 or his/her successor or delegate, and has the responsibility to monitor the Contractor's performance. Delegates: Jason Blanchard, Project Coordinator/Planner, M: 218-259-9992 Rodney Ruder, Line Crew Foreman, M: 218-244-3756.

Contractor's Authorized Representative is Scott Larson, General Manager at the following business address: 25172 Commercial Drive, Grand Rapids, MN 55744, and the following telephone number: 218-327-7202, or his/her successor.

5. Indemnification. Contractor will indemnify, defend, and hold harmless GRPUC, its agents, and employees; in relation to any expenses, damages, claims or causes of action, including reasonable attorney's fees, to the extent caused by any negligent or wrongful act, error or omission, breach of contract, or infringement of any intellectual property right by Contractor, any third party that Contractor has a business relationship with, or any of Contractor's agents or employees.

6. **Ownership.** Contractor agrees that all legal right, title, and interest to intellectual property, data, documents, photographs, drawings, analyses, graphs, reports, physical property or other subject matter prepared, delivered, procured, or produced in relation to Contractor's obligations under this Contract shall vest in GRPUC.

7. **Insurance.** Contractor shall maintain with reputable insurance companies all insurance required by law and insurance against loss or damage of the kinds customarily insured against by members of Contractor's profession, of such types and in such amounts as are customarily carried under similar circumstances by members of Contractor's profession. Contractor's insurance companies waive the right to assert the immunity of GRPUC as a defense to any claims made under said insurance. Minimum insurance coverage requirements: Commercial General Liability Insurance \$1,500,000 per occurrence and \$1,500,000 annual aggregate; Commercial Automobile Liability Insurance \$1,500,000 per occurrence combined single limit for bodily injury and property damage and include owned, hired, and non-owned automobile; and Workers' Compensation Insurance as required under State of Minnesota laws. Contractor can use umbrella coverage to get to the minimum limit amount of \$1,500,000.

8. **Miscellaneous.** No provision of this Contract may be modified or waived except as agreed to in writing by the Parties. This Contract shall be governed by the internal laws of Minnesota. Contractor may not assign or subcontract Contractor's rights or obligations hereunder without the prior written consent of GRPUC. This Contract may be executed in counterparts. An electronic signature and counterpart shall be treated the same as an original. When Contractor's employees are working on the premises of GRPUC, wherever located, they shall observe all of GRPUC's policies and procedures, including, its respectful workplace policy. The Parties must comply with the Minnesota Government Data Practices Act in relation to this Contract. Contractor certifies that neither it nor its principals are presently debarred or suspended by any federal, state, or local government or agency or political subdivision thereof. Contractor shall not use or disclose any confidential information it receives from GRPUC except as is necessary to perform under this Contract. Any notice or other communication to any Party in connection with this Contract shall be in writing and shall be sent by hand-delivery, overnight courier, or United States mail (postage prepaid) addressed to the address set forth in the preamble.

9. **Exhibits**

Exhibit A – Time and materials services and product pricing.

Exhibit B – GRPU underground electric distribution system construction specifications.

IN WITNESS WHEREOF, the Parties hereto by their duly authorized representatives have executed this Contract effective as of the effective date set forth above.

Lake States Construction, LLC

By: Scott Larson

Print Name: Scott Larson

Title: President

Date: 5/7/25

Grand Rapids Public Utilities Commission

By: _____

Print Name: Julie A. Kennedy

Title: General Manager

Date: _____

EXHIBIT A

TIME AND MATERIAL

SERVICES AND PRODUCT PRICING

Item	Description	Unit cost	Units
1	Install eight foot by 5/8 inch ground rod	22.70	per each
2	Set secondary cabinet - two feet by two feet, one foot excavation	345.00	per each
3	Set single phase transformer basement or cabinet - four feet by five feet, one foot excavation	496.00	per each
4	Set three phase primary fiberglass cabinet - four feet by six feet, one foot excavation	550.00	per each
5	Set three phase primary fiberglass cabinet - four feet by ten feet, one foot excavation	820.00	per each
6	Set switch basement - eight feet by eight feet, two foot excavation	1522.00	per each
7	Electric cable splice pit 6 feet wide, 15 feet long, 4 feet deep	799.00	per each
8	Trenching - two foot wide trench, four feet deep	13.00	per foot
9	Plow 4/0 triplex secondary underground cable	4.42	per foot
10	Plow single 1/0 primary cable direct bury	4.27	per foot
11	Plow three 1/0 primary cable direct bury	5.50	per foot
12	Plow three 4/0 primary cable direct bury	5.90	per foot
13	Plow three 350 MCM primary cable direct bury	7.00	per foot

14	Plow three 500 MCM primary cable direct bury	8.10	per foot
15	Bore 4/0 triplex secondary cable direct bury	19.50	per foot
16	Bore single 1/0 primary cable direct bury	19.50	per foot
17	Bore three 1/0 primary cable direct bury	21.25	per foot
18	Bore three 4/0 primary cable direct bury	21.25	per foot
19	Bore three 350 MCM primary cable direct bury	25.00	per foot
20	Bore three 500 MCM primary cable direct bury	29.50	per foot
21	Bore single 4/0 triplex secondary installed in single 2" duct	20.00	per foot
22	Bore single 1/0 primary cable installed in single 2" duct	21.00	per foot
23	Bore three 1/0 primary cable installed in three 2" ducts	21.50	per foot
24	Bore three 4/0 primary cable installed in three 2" ducts	21.50	per foot
25	Bore three 350 MCM primary cable installed in three 2" ducts	30.00	per foot
26	Bore three 500 MCM primary cable installed in three 3" ducts	33.00	per foot
27	Removal - Sawcut asphalt and concrete	59.00	per linear foot
28	Removal - asphalt and concrete	44.00	per square foot
29	Restoration - concrete	76.00	per cubic yard
30	Restoration - asphalt	78.00	per cubic yard
31	Restoration - gravel	91.00	per cubic yard
32	Restoration - grass	82.00	per cubic yard
33	Skid steer with operator - ASV 50 or similar	162.00	per hour
34	Pickup truck 3/4 or 1 ton with laborer	119.00	per hour

35	Mini excavator or rubber tired backhoe 18 to 24 inch bucket with operator	141.00	per hour
36	Mobilization	160.00	per job
	Cold Shrink	27.00	
	Pipe Stub	27.00	
	Job Permit	50.00	

EXHIBIT B

GRPU UNDERGROUND ELECTRICAL DISTRIBUTION SYSTEM CONSTRUCTION SPECIFICATIONS

GENERAL

A. WORK INCLUDED

- i. These specifications provide for the construction of underground distribution power facilities for the following:
 - a. Direct burial of cables and conduit duct, using either plowing, trenching, or boring methods, as specified by the Utility
 - a. All innerduct shall be placed at a minimum of 42" deep.
 - b. Innerduct splicing can be performed by fusing or with couplings supplied by GRPU.
 - b. Installation of transformer ground sleeves, switch box pads, electrical primary cabinets, secondary cabinets, and other below-grade enclosures and equipment including grounding rods as specified by the Utility
 - a. Cabinets shall be installed with 18" of exposure from grade to locking mechanism.
 - c. Removal and restoration of asphalt, concrete, gravel surfaces, and grass surfaces disturbed during construction of underground facilities

B. DEFINITIONS

ii. The word "Utility", where used throughout this specification, is defined as Grand Rapids Public Utilities Commission, 500 SE Fourth Street, Grand Rapids, MN, 55744.

The word "Contractor", where used throughout this specification, shall mean the corporation, company, partnership, firm or individual, named and designated in the Contract Agreement who has entered into this Contract for the performance of the work covered thereby, and its, his/hers, or their duly authorized representatives.

The word "Subcontractor" shall mean and refer only to a corporation, partnership or individual having a direct contract with and for the Contractor for performing work covered by these Contract Documents.

C. REFERENCE STANDARDS The equipment furnished under this Specification shall comply fully with all applicable requirements of the latest issue of standards and requirements of the Institute of Electrical and Electronic Engineers, American National Standards Institute, National Electric Manufacturers Association, and Edison Electric Institute.

- a. The equipment shall also comply with all the statutes and ordinances of local government bodies having jurisdiction, as well as the laws of the State of Minnesota.

- iii. All work shall comply with the latest edition of the National Electric Safety Code, except where local regulations are more stringent, in which case local regulations shall govern.

D. STORAGE AND HANDLING

- i. All material and equipment to be used in construction shall be stored so as to be protected from deteriorating effects of the elements. If outdoor storage cannot be avoided, the material and equipment shall be stacked on supports well above the ground line and protected from the elements and with due regard to public safety.
- ii. The contractor may use GRPU as a staging area. Coordinate with GRPU for access.

E. INSPECTION AND INVENTORY

- i. Before any backfilling operations begin, the Contractor and Utility's representative shall jointly inspect all trenches, cable placement, risers, pedestal stakes, and other construction not accessible after backfilling, and an inventory of units shall be taken. If corrections are required, a second inspection shall be made after completion of the changes.
- ii. All construction work shall be done in a thorough and workmanlike manner in accordance with the Plans and Specifications, and Construction Drawings.
- iii. Contractor shall supply accurate as-built drawings of the project to GRPU. Drawings shall indicate location and setback of conduit, cabinets and switch basements within the project limits, measured from a reliable location.
- i. All construction work shall be done in a thorough and workmanlike manner in accordance with the Plans and Specifications, and Construction Drawings.

PRODUCTS

A. GENERAL

- i. This section provides for furnishing of underground distribution power facilities materials and equipment and surface restoration.
- ii. Berms and residential yards shall be restored to grade except as specified by the Utility.
- iii. Potholes shall be restored to city specifications. Potholes in concrete surfaces may require replacing whole panel. Potholes in asphalt may require saw cutting, removal, and replacement of a larger section of asphalt.

B. ASPHALT PAVEMENT

- i. Asphalt pavement shall conform to the following items:
 - a. Base: Compacted backfill or gravel surfacing. Compact to 100% standard proctor.
 - b. Asphalt Surface: Thickness to match existing pavement, or 4" minimum, hot-mix; place and compact in layers not more than 2" thick. Asphalt binder shall be PG 58-28 and aggregate shall be gradation B per Minnesota State Highway Department specifications.
 - c. Asphalt binder content shall be determined by mix design performed by an approved testing laboratory. Asphalt cement content shall be between 5 and 7 percent.

C. CONCRETE PAVEMENT

- i. Concrete pavement shall conform to the following items:
 - a. Base: The concrete pavement shall be placed directly on compacted subgrade. The only exception shall be the use of a thin leveling course of sand or gravel.
 - b. Pavement shall be the greater of: the existing depth or 8" for streets, 6" for alleys or driveways, and 4" for sidewalks.
 - c. Joint to match existing pavement
 - d. Finish: Match existing pavement
 - e. Concrete: 3900 psi air-entrained concrete, slump range without water reducer 1" to 3"

- f. Joint Seal: Hot-applied bituminous material in accordance with AASHTO M173.
- g. Allow pavement to cure 7 days before opening to traffic.

D. GRAVEL RESURFACING

- i. Gravel resurfacing shall conform to the following items:
 - a. Base: The gravel shall be placed directly over a compacted backfill.
 - b. Gravel Surface: Aggregate shall be applicable Minnesota State Highway Department Class 5.

E. GRASS SEED OR SOD SURFACE

- iv. Areas disturbed by construction shall be restored with grass seed or sod and shall conform to the following:
 - a. Base: The topsoil shall be placed directly over a compacted backfill.
 - b. Topsoil Surface: Shall be fertile, friable, natural loam, containing at least two percent of decayed organic matter (humus) free of subsoil, weeds, sod, stiff clay, stones larger than 1 inch in diameter, stumps, roots, trash, acid, alkali, toxic substances or any other materials harmful to plant growth. If needed to insure re-vegetation, weed-free straw or hay shall be used for mulching and erosion control.
 - c. Grass Seed: Native species plants should be used, whenever possible, to re-vegetate disturbed non-grass areas. Grass areas shall meet U.S.D.A. Standards. In the event that a suitable grass cover is not developed and sustained, the Contractor shall be required to reseed. Maintenance of the finished seedbed shall remain a responsibility of the Contractor until the job has been accepted by GRPUC. In non-native species areas the mixture of seed shall be as follows:

Type of Grass % by Weight Minimum % of Pure Live Seed

Kentucky Bluegrass 75 70

Perennial Rye Grass 17 70

Red Fescue 8 70

Seeding rate shall be 120 lbs. per acre.

4. Sod: Shall be cultured or nursery grown in natural well-drained areas of quality loam soil, composed of at least 2/3 Kentucky Bluegrass strongly rooted, and free of pernicious weeds. Sod shall be of uniform thickness with 1" or 1-1/2" of soil and shall have been mowed at least twice prior to cutting.

F. VEGETATION

- a. The contractor shall take special care not to damage any trees or bushes. Any roots exposed or removed by excavation shall immediately be sawcut and sealed to prevent further damage to the tree. Roots shall not be left exposed without soil cover for more than 24 hours.

G. CABLE ENDS

- i. All cable ends shall be sealed. Tape, heat or cold shrink end sealing caps shall be used to seal the ends of all conductors.
- i. Tape shall be 3M Type 88. Duct tape shall not be used.
- ii. All cable tails shall be as follows:
 - a. Transformers 15' of primary and 10' of secondary.
 - b. Cabinets and switches 20' of primary.
 - c. Secondary peds and meter bases 15' of secondary.
 - d. Risers 50' of primary and 30' of secondary.