

June 11, 2010

#### VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY

Washington Utilities and Transportation Commission 1300 S. Evergreen Park Drive S.W. P.O. Box 47250 Olympia, WA 98504-7250

Attention:

David W. Danner

**Executive Director and Secretary** 

RE: Redacted Affiliated Interest Filing for PacifiCorp

Dear Mr. Danner:

Pursuant to the provisions of RCW 80.16.020 and WAC 480-100-245, PacifiCorp, d.b.a. Pacific Power ("PacifiCorp" or "Company"), files an original and one redacted copy along with an original plus 12 confidential copies of a Relocation Services Contract, by and between HomeServices Relocation ("HomeServices") and PacifiCorp. PacifiCorp is a wholly-owned subsidiary of MidAmerican Energy Holdings Company ("MEHC"). HomeServices is a limited liability company and privately held company, which is a wholly-owned subsidiary of HomeServices of America, Inc. In turn, HomeServices of America, Inc., is a wholly-owned subsidiary of MEHC. Therefore, HomeServices is an affiliate of PacifiCorp pursuant to RCW 80.16.010. A copy of the Agreement is included as Attachment A. Appendix A to the agreement contains confidential pricing information and is submitted as confidential Attachment B in accordance with WAC 480-07-160.

PacifiCorp previously entered into a contract with HomeServices for relocation services on January 4, 2007. The Company filed the previous contract, which became Docket UE-070662.

For the current Relocation Services Contract ("Contract"), MEHC selected HomeServices through a Request for Proposal ("RFP") process designed to elicit the most comprehensive relocation services package at a reasonable cost. MEHC subsidiaries have the option to sign onto the Contract and receive the same terms and conditions as MEHC. After determining the terms and conditions to be reasonable, PacifiCorp has opted to sign onto the Contract. Under the terms of the Contract, HomeServices will manage comprehensive relocation services for PacifiCorp's transferring employees and new hires and will directly bill PacifiCorp for expenses incurred. The terms and conditions, and pricing structure essentially remains the same as under the previous contract.

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As part of its management service, HomeServices assigns a personal relocation consultant to each relocating employee or new hire to coordinate departure and destination services. Departure services include personalized needs assessment; for homeowners, home marketing plan design, evaluation and negotiation of offers, and closing and settlement assistance; household goods survey; thirty-day notice to landlords for renters; and car and hotel reservations. Destination services include providing real estate agent information, housing and community information, area tours, cost of living analyses, and school reports; home buying search, negotiation and closing assistance; for renters, rental property search; temporary living; rental car coordination; partner/spouse career assistance and counseling; household goods moving and storage; and overlapping mortgage payment assistance. HomeServices will provide these services through its network of preferred vendors and service providers.

HomeServices will charge PacifiCorp a modest, flat fee per relocation for its services, plus the actual costs of services procured from its vendors and service providers. The fee HomeServices charges for its services is comparable to or lower than fees charged by other companies that offer relocation management services. PacifiCorp expects to pay HomeServices \$400 per relocation managed. The base fee per transaction is \$1,600, which will be discounted by \$600 if HomeServices receives a fee from the real estate selling agent, and discounted by another \$600 if HomeServices receives a fee from the real estate buying agent. For this fee, HomeServices negotiates discounted rates for many of the services it provides through third-party vendors, such as household goods shipping and storage. HomeServices will bill PacifiCorp for the cost of the third-party services without markup.

To meet staffing needs, PacifiCorp occasionally relocates existing employees and new hires. PacifiCorp offers relocation services to its eligible employees and new hires as part of total employee compensation to offset the expense of relocating and to ensure a smooth transition to the new position. The Contract allows PacifiCorp to purchase these services at a discount. For these reasons, the Contract is reasonable and meets the public interest.

Also included with this filing is a notarized verification from Natalie Hocken, Vice President and General Counsel, Pacific Power, regarding the Agreement.

Please direct any informal inquiries to Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,

andrea L. Kelly / car

Vice President, Regulation

Pacific Power

**Enclosures** 

### ATTACHMENT A

RELOCATION SERVICES CONTRACT

#### RELOCATION SERVICES CONTRACT

7	THIS CONT	TRACT is	made and e	ntered into	<u>Febr</u>	uary 16th		_, 20_10_,	, by and
			<b>ENERGY</b>						
			oal office i				IomeSe	rvices Rel	location
("Contra	actor"), a	Limited	Liability		·		co	rporation,	with its
principa	l office at								
6800	France	Ave	South,	Suite	355	Minnea	polis,	MN	55435
									,

#### WITNESSETH

WHEREAS, Company requires relocation services from time to time, and

WHEREAS, Contractor is willing to provide such services upon the terms and conditions hereinafter set forth,

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

PG-1. <u>CONTRACT DOCUMENTS</u>. The Contract Documents include the Purchase or Work Order, Proposal, Scope/Statement of Work, Participation Letter or other documents applicable to the services or work.

The intent of these documents is to include all supervision, labor, equipment, materials (except as specified), and services of every kind necessary for the proper execution of the work, and the terms and conditions of payment therefor.

The documents are to be considered as one, and whatever is called for by any one of the documents shall be as binding as if called for by all.

- PG-2. <u>MISCELLANEOUS SERVICES TO BE PERFORMED BY THE CONTRACTOR</u>. The specific services to be provided pursuant to this Contract are outlined in the Contract Documents.
- PG-3. <u>INDEPENDENT CONTRACTOR</u>. Contractor shall undertake the services provided for in the Contract as an independent contractor, at Contractor's sole risk, and shall employ all persons performing services under the Contract, such persons to be Contractor's sole employees and subject to Contractor's direction and control and not the employees of Company or subject to Company's direction and control. Contractor is to determine the manner and method in which the services shall be performed by it to attain the results required by the Contract, and Company's general right of supervision of the services shall not make the Contractor or its agents and employees the agents or employees of the Company.
- PG-4. <u>EQUIPMENT</u>, <u>MATERIALS</u>, <u>EMPLOYEES</u>. Except as otherwise specifically provided for in the Contract, Contractor shall provide and pay for all materials, labor, tools, and other items necessary to complete the services provided.
- PG-5. NONDISCLOSURE OF PROPRIETARY INFORMATION. Contractor shall consider MEHC 1 08-13-2009
  Relocation Services 8.2009

all information on the Company's premises and documents resulting from the Contractor's performance of the services to be proprietary unless such information is available from public sources.

Contractor shall not publish or disclose proprietary information for any purpose other than the performance of the service without the prior written authorization of Company. Should Contractor determine it is legally required to reveal such information, it shall immediately and before disclosure, notify Company.

Contractor shall not make any written or verbal statement to any press or news media, or other party concerning the services without the written authorization of Company.

PG-6. <u>COMPENSATION</u>. The Contractor shall be entitled to the compensation stated in the Contract Documents. The Contractor shall submit to Company monthly a detailed invoice for payment, including any necessary documentation for reimbursable expenses. Applicable taxes shall be itemized. Company shall pay to the Contractor the invoiced amount within thirty (30) days from receipt of the invoice.

The price(s) stated in the Contract Documents shall include all costs and should be itemized as a separate item, all state and local sales or use taxes, royalties, customs duties, federal taxes, license fees and assessments which may be lawfully assessed against the Company or the Contractor. Applicable sales, use and other taxes, fees or assessments for the Work or portions thereof shall be paid by the Contractor and listed separately, itemized and easily identifiable on the Contractor's invoice. Company shall pay to the Contractor the invoiced amount within thirty (30) days from receipt of an approved invoice.

In order to meet requirements of regulatory bodies, it is essential that the total of all payments made under this contract be itemized to permit distribution of costs to designated accounts and to meet requirements with respect to accounting for property units. Company has the right to withhold payment should the invoice rendered by Contractor not contain a reasonable detail of the charges.

PG-7. <u>GUARANTEES AND WARRANTY</u>. The Contractor warrants to the Company that materials and equipment furnished under the Contract will be of the highest quality and new unless otherwise required or permitted by the Contract Documents. The Contractor warrants and guarantees it shall exercise the same degree of care, skill and diligence in the performance of the services as is ordinarily provided by a professional under similar circumstances. Contractor further guarantees and warrants that such services shall be performed and completed in a workmanlike manner satisfactory and acceptable to Company. Contractor shall, at no cost to Company, re-perform services which, in sole judgment of the Company, fail to attain the results required by the Contract.

The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. The Company shall have the unilateral right to notify the Contractor of any person on the Services who is the Company's opinion unsatisfactory. The Contractor shall immediately remove such persons from the Services and shall not re-employ them on the Services.

PG-8. <u>COMPLIANCE WITH LAWS AND INCIDENT REPORTING</u>. The Contractor shall comply with all laws including federal, state, local laws, rules, orders, codes, standards and regulations. Contractor shall be responsible for procuring permits, certificates and licenses

required for the services.

Contractor shall report within 24 hours any accidents and/or occupational injuries or vehicle accidents that occur to any of Contractor's employees while engaged in projects specific to the Company. Such reporting shall be to the local Company safety and training coordinator.

#### PG-9. LIABILITY AND INDEMNIFICATION.

<u>Patent or Copyright Infringement</u>. Contractor agrees to defend all suits or claims for infringement of any copyright or patent arising out of the Services provided, and shall hold harmless the Company from loss or damage resulting there from.

<u>Protection of Property and Persons</u>. Contractor agrees to defend, indemnify and hold Company harmless from and against all damages, claims, loss or liability on account of damage to property, bodily injury or death, or personal injury of any person(s) caused by an occurrence arising out of Contractor's presence or performance of the Services.

Additionally, any injury or death or property damage sustained on the premises of Company by Contractor or by an employee or representative of Contractor, or by his subcontractor, or by any employee or representative of his subcontractor, or by any other person whose presence or the presence of whose property on Company's premises is due to Contractor's or his subcontractor's invitation, license or procurement shall be deemed conclusively to have arisen out of Contractor's performance of the Services, and Contractor shall be obligated to defend and indemnify Company against liability, except that the foregoing indemnification provision shall not cover the sole negligence of the Company, its agents, representatives and employees.

Contractor shall at all times during the performance of the Services exercise due diligence to protect the property of the Company, from damage and to prevent interference with or interruption of operations, by the Company. The Contractor shall reimburse the Company for all damages, either immediate or consequential, sustained by the Company or by any of the Company's property at the site of the Services being performed under the Contract, or in any manner affected by the prosecution of the Services, caused by any act or omission (whether tortious or not) of the Contractor, of any subcontractor, or of any of their agents, representatives or employees. Any property so damaged shall be repaired or replaced at the Contractor's expense in a condition equal to that existing immediately prior to the damage and to Company's satisfaction.

In Claims, legal action or suit against any person or entity indemnified under this Section 9 INDEMNIFICATION by an employee, agent or representative of the Contractor, a Subcontractor, their employees, agents, representatives or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the Contractor indemnification obligations under this Section 9 INDEMNIFICATION shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

#### PG-10. INSURANCE.

Prior to the start of the Services, and at all times during the term of the Services and this Contract, the Contractor shall purchase, at its own expense, and maintain with insurance companies in good standing and acceptable to the Company, such insurance as will protect the Contractor from liability and claims for injuries and damages which may arise out of or result

from the Contractor's operations under the Contract and for which the Contractor may be legally liable, whether such operations are by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

The Company intends that this Contract shall also be one of indemnity, and that such indemnification shall be covered by insurance. For the further protection of the Contractor and the Company, but without restricting or waiving any obligations of the Contractor herein contained, the Contractor shall insure the risks associated with the Services and this Contract with minimum coverages and limits as set forth below:

1. Worker's Compensation Insurance and Occupational Disease Insurance in accordance with statutory requirements of the state and/or Federal Regulations (FELA, USL&H, Jones Act) and Employers' Liability Insurance with limits of not less than:

Bodily Injury by Accident
Bodily Injury by Disease
Bodily Injury by Accident
Soo,000 Each Accident
\$500,000 Policy Limit
\$500,000 Each Employee

covering location of all work places involved in this Contract.

2. The most recently approved ISO Commercial General Liability Insurance policy, or its equivalent, written on an Occurrence Basis, with limits not less than \$1,000,000 per occurrence / \$2,000,000 general aggregate (on a per location and/or per job basis) Bodily Injury and Property Damage, including the following coverages.

Premises and Operations Coverage
Independent Contractor's Coverage
Contractual Liability
Products and Completed Operations Coverage
Coverage for explosion, collapse, and underground property damage
Broad Form Property Damage Liability
Personal Injury Liability, with the contractual exclusion removed
Sudden and Accidental Pollution Liability, as appropriate

- 3. The most recently approved ISO Business Automobile Liability Insurance policy, or its equivalent, covering owned, hired and non-owned vehicles with limits not less than \$1,000,000 each accident Bodily Injury and Property Damage combined, including Sudden and Accidental Pollution Liability, as appropriate.
- 4. Umbrella Liability Insurance with a minimum limit of \$5,000,000 each occurrence / aggregate where applicable to be excess of the coverages and limits required in subsections 1, 2 and 4 above. Contractor shall notify Company, if at any time their full umbrella limit is not available during the term of this Contract, and will purchase additional limits, if requested by Company.

The Contractor shall, on or prior to the date Services commence, deliver to the Company certificates of insurance evidencing valid coverage in effect as specified in this Contract. All Workers' Compensation policies shall contain provisions that the insurance companies will have no right of recovery or subrogation against the Company, its parent, divisions, affiliates, subsidiary companies, co-lessees, or co-venturers, agents, directors, officers, employees, servants, and insurers, it being the intention of the parties that the insurance as effected shall

protect all parties. All required insurance policies shall be endorsed to provide that the policy is primary and will not contribute with any policy carried by Company.

MidAmerican Energy Company, its parent, divisions, affiliates, subsidiary companies, co-lessees, or co-venturers, agents, directors, officers, employees, and servants shall be named as an additional insured in each of Contractor's insurance policies, except statutory Workers' Compensation. The Commercial General Liability additional insured endorsement will be ISO Form CG2010 or its equivalent.

Any and all deductibles in the above-described insurance policies or inadequacy of limits shall be assumed by, for the account of and at Contractor's sole risk.

All policies providing coverage hereunder shall contain provisions that no cancellation or material changes in the policies shall become effective except on thirty (30) days' written notice thereof to the MidAmerican Energy Company Contract Administrator at the Company's office originating the Contract. Contractor shall not cancel or make any material change in any such policies without the prior written consent of Company. For those insurance coverages whereby Company is required to be named as an additional insured, the Contractor shall at any time requested by the Company prior to or during the term of the Services or this Contract, deliver to the Company certified copies of any and all insurance policies so requested. Further, should a loss arise after final acceptance that may give rise to a claim against the Contractor, and/or the Company as additional insured, the Contractor shall deliver to the Company, or shall cause its insurers or agents to deliver, certified copies of the policies maintained during the term of the Services or this Contract, if so requested by the Company.

Should the Contractor or its Subcontractors fail to provide or maintain any of the insurance coverages referred to in this Contract, the Company shall have the right, but no obligation, to provide or maintain such coverage, or coverage affording equivalent protection, at the Contractor's expense, either by direct charge or set-off.

Company does not represent that the insurance coverages specified herein, whether in scope of coverage or amounts of coverage, are adequate to protect the obligations of the Contractor, and the Contractor shall be solely responsible for any deficiencies thereof. Nothing in this Section shall be deemed to limit the Contractor's liability under this Contract.

#### SUBCONTRACTOR'S INSURANCE

Should the Company permit the Contractor to further sublet or subcontract any portion of the Services, the Contractor shall, before permitting any of its Subcontractors to perform any Services at the site, require each Subcontractor to carry insurance with terms and limits identical to that specified in this Contract, or provide evidence that such Subcontractors are covered as Named Insureds under the Contractor's insurance coverages as required in this Contract. Prior to the commencement of Services by any Subcontractor, the Contractor shall provide to the Company certificates of insurance evidencing that each Subcontractor carries insurance as required by this Contract, or evidencing that such Subcontractors are named insureds under the Contractor's insurance coverages. As with the Contractor's insurance coverage, the Company, its parent, divisions, affiliates, subsidiary companies, co-lessees, or co-venturers, agents, directors, officers, employees and servants shall be named as an additional insured on any Subcontractor insurance required by this section.

#### PERFORMANCE AND PAYMENT BONDS

If requested by the Company, the Contractor shall furnish and deliver prior to the commencement of Services, a Performance and Payment Bond satisfactory to the Company in the minimum amount of one-hundred percent (100%) of the Contract Sum to cover the faithful performance of the Contract, all bills, labor, equipment and materials and the payment of all obligations thereunder. Such bonds shall be written by insurance/surety companies acceptable to the Company and having a rating equivalent to A.M. Best of "A-" or better.

PG-11. <u>TERMINATION OF CONTRACT</u>. Should Contractor neglect to perform the services properly or fail to perform any provision of the Contract, Company, after seven (7) days' written notice to Contractor, may, without prejudice to any other remedy Company may have, make good the deficiencies and may deduct the cost thereof from the payment then or thereafter due Contractor or, at Company's option, may notify Contractor and immediately terminate the Contract and take possession of all materials and documents and finish the services by such means as Company sees fit, and if the unpaid balance of the contract price exceeds the expense of finishing the services, such excess shall be paid to Contractor, but if such expense exceeds the unpaid balance, Contractor shall pay the difference to Company.

Company shall have the right to terminate this Contract for Company's convenience upon written notice to Contractor, and Contractor shall terminate performance of services on a schedule acceptable to Company. In the event of termination for Company's convenience, Company shall pay Contractor for all services performed through date of termination.

Termination of this Contract by the Company for any reason whatsoever shall not affect any obligation with respect to Services performed prior to such termination or the indemnity or insurance provisions contained herein.

PG-12. <u>SEVERABILITY AND GOVERNING LAW</u>. Each of the provisions of this Contract shall be enforceable independently of any other provision of this Contract and independent of any other claim or cause of action. In the event of any dispute arising under this Contract, it is agreed between the parties that the law of the State of Iowa will be given the interpretation, validity and effect of this Contract without regard to the place of execution or place of performance thereof.

PG-13. <u>ASSIGNMENT AND BENEFIT</u>. Neither the Contract nor any interest therein nor any claim arising therefrom shall be assigned by Contractor to any person, firm or corporation without the written consent of Company. Notwithstanding any other terms or provisions to the contrary, no provision of this Contract shall be construed to limit Company's authority or right to assign all of its authority, rights or obligations under this Contract to any corporation or any other business entity which is the result of or the survivor of a merger, consolidation or other business combination to which Company is a party. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than the Company and Contractor.

No provision of this Contract shall be construed as limiting Company's right to permit its parent, divisions, affiliates, subsidiary companies to use or benefit from the Services provided in this Contract. In such situations, use of the term "Company" in this document may include that entity ordering and benefiting from the Services. Each such affiliate shall execute a Participation Letter in the form of Exhibit A to participate in the Services under this Contract.

PG-14. <u>SUCCESSORS</u>. Company and Contractor each binds itself and its partners, successors, executors, administrators, assigns and legal representatives to the other party to this Contract and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, contracts, and obligations of this Contract.

- PG-15. <u>FOREIGN CORPORATIONS</u>. If Contractor is a corporation organized under the laws of any state other than the State of Iowa, it shall furnish Company with a certified copy of its permit to transact business in Iowa prior to commencing Services under the Contract.
- PG-16. <u>WAGE AND LABOR LAWS</u>. Contractor shall comply with all federal, state, and municipal laws and ordinances and all wage and labor laws and regulations thereunder, and shall indemnify and hold harmless Company from any violation thereof by Contractor or any subcontractor, including failure to withhold from wages or salaries of employees under state or federal tax laws, and nonpayment of any contributions or assessments under any unemployment or social security law based on employment in the course of performance of this Contract.

#### PG-17. EQUAL OPPORTUNITY (FAR 52,222-26)

During the performance of this Contract, the Contractor agrees as follows:

- 1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government contracting officer setting forth the provisions of this non-discrimination clause.
- 2. As required by law, the Contractor will in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 3. The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 4. The Contractor will comply with all provisions of Executive Order 11246, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 5. The Contractor will furnish all information and reports required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the contracting agency and the Secretary of Labor, for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- 6. Pursuant to the Vietnam Veterans Readjustment Act of 1972, (41 CFR 60-250), as amended, the Contractor will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified disabled

veterans and veterans of the Vietnam era without discrimination based upon their disability or veterans status in all employment practices such as the following: Employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees that all suitable employment openings of the Contractor which exist at the time of the execution of this Contract and those which occur during the performance of this Contract, including those not generated by this Contract and including those occurring at an establishment of the Contractor other than the one wherein the Contract is being performed but excluding those of independently operated corporate affiliates, shall be listed at an appropriate local office of the State employment service system wherein the opening occurs. The Contractor further agrees to provide such reports to such local office regarding employment openings and hires as may be required. The provisions of 41 CFR 60-250.5(A) are incorporated by reference herein.

- 7. Pursuant to Section 503 of the Rehabilitation Act of 1973, the Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: Employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The provisions of 41 CFR 60-741.5(A) are incorporated by reference herein.
- 8. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further government contracts or sanctioned in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor on Equal Employment Opportunity, or as otherwise provided by law.
- 9. The Contractor will include the provisions of subsections 1 through 9 in every subcontract or Purchase Order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or Purchase Order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the

United States to enter into such litigation to protect the interest of the United States.

#### CERTIFICATION OF NON-SEGREGATED FACILITIES (FAR 52,222-21)

The Contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. It certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time

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clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit direction or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. It further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontractors exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that it will retain such certifications in its files.

#### REVISED REPORTS

If this Contract is in the amount of \$50,000 or more and if the Contractor has fifty (50) or more employees and if not exempted from the requirements contained in subsections 1 and 2 below by any rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, then the Contractor agrees to the provisions contained in both subsections 1 and 2 below.

- 1. Reporting Requirements. The Contractor agrees to file with the appropriate federal agency a complete and accurate report on Standard Form 100 (EEO-1) within thirty (30) days after the acceptance of this Contract (unless such a report has been filed in the last 12 months), and agrees to continue to file such reports annually, on or before March 31. (41 CFR 60-1.7).
- 2. <u>Written Affirmative Action Program</u>. The Contractor agrees to develop and maintain a current written affirmative action compliance program for each of its establishments in accordance with the regulations of the Secretary of Labor promulgated under Executive Order 11246, as amended. (FAR 22.804-1) (41 CFR 60-1.40).

UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS (FAR 52.219-8, 19.708(a))

The Contractor shall comply with Executive Order No. 12432, dated July 14, 1983, as amended, if applicable, which promotes Small Business and Disadvantaged Small Business concerns as follows:

- 1. It is the policy of the United States that small business concerns owned and controlled by socially and economically disadvantaged individuals, as well as service disabled veteran owned small business concerns, veteran owned small business concerns, women owned small business concerns, and HUBzone small business concerns shall have the maximum practicable opportunity to participate in the performance of contracts let by any company that has contracts with any Federal agency.
- 2. The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with the efficient performance of this contract. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.
- 3. As used in this contract, the term "small business concern" shall mean a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. The term "small business concern owned and controlled by socially and

economically disadvantaged individuals" shall mean a small business concern:

- a. Which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and
- b. Whose management and daily business operations are controlled by one or more of such individuals.

Additional definitions may be found at FAR 52.219-8.

- 4. Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.
- 5. The Contractor, unless it is a small business concern, shall include the clause entitled "Utilization of Small Business Concerns and Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals" in all subcontracts exceeding the simplified acquisition threshold which offer further subcontracting opportunities.
- 6. All provisions of this Section shall apply to subcontractors except as noted in Executive Order No. 12432 when subcontracts are less than the simplified acquisition threshold or when the Contractor is a small business concern.
- 7. Where required, the Contractor shall submit to Company Standard Form 294, Subcontracting Report for Individual Contracts, and Standard Form 295, Summary Subcontract Report. (FAR 19.704)

#### NOTICE TO EMPLOYEES

If the value of the goods/services exceeds \$100,000, Contractor agrees to comply with the provisions of 29 CFR Part 470 "Obligations of Federal Contractors and Subcontractors; Notice of Employee Rights Concerning Payment of Union Dues or Fees."

PG-18. CRIMINAL BACKGROUND CHECK, IDENTITY VERIFICATION AND RELATED SCREENING. If requested by the Company, the Contractor shall conduct, at Contractor's cost and expense, criminal background checks for the current and past counties of residence on all employees, agents, subcontractors or independent contractors and the employees, agents or representatives of subcontractors or independent contractors, that have electronic or physical access to Work or Company facilities. At a minimum, a social security number verification and seven-year criminal background check, including felony or misdemeanor convictions involving: (a) violence to persons/property; (b) theft/fraud; (c) drug/alcohol; or (d) traffic/other are required. Employment history, education verification, and professional certifications may also be required by the Company. All background checks will be conducted in accordance with federal, state, provincial, and local laws, and subject to existing collective bargaining unit agreements or other agreements, if any. Contractor shall not allow persons who have not met the Company's criteria to perform Work, unless Contractor has received assent from Company. Contractor shall supply a certification that meets Company's criteria for each Contractor employee, agent or representative and for employees, agents or representatives of any subcontractor or independent contractor employed by Contractor, Contractor shall ensure that employees, agents, subcontractors or independent contractors and the employees of subcontractors or independent contractors sign an appropriate authorization form prior to criminal background checks being conducted, acknowledging the background check is being conducted and authorizing the information obtained to be provided to Company.

Contractor shall have and ensure compliance with a substance abuse/drug and alcohol policy that complies with all applicable federal, state and/or local statutes or regulations.

Contractor shall ensure DOT compliance, including but not limited to valid drivers license, equipment inspections, hours of service and all appropriate documentation.

Contractor warrants that Contractor, its employees, agents, subcontractors or independent contractors and the employees of subcontractors or independent contractors have met the Company's criteria or received assent from the Company and are in compliance with Contractor's substance abuse/drug and alcohol policy.

It is understood and agreed that Company may review Contractor's policies, background checks and related documentation upon request, subject to applicable federal, state and/or local statutes or regulations. Company may also request that Contractor provide an ongoing and updated list of persons that have been denied access to Company Work.

- PG-19. <u>BUSINESS ETHICS</u>. Contractor, its employees, agents, representatives and subcontractors shall at all times maintain the highest ethical standards and avoid conflicts of interest in the conduct of Work for the Company.
- PG-20. <u>ENTIRE CONTRACT</u>. The provisions contained in this Contract constitute the entire agreement between the Contractor and the Company. It is understood and agreed between the parties that during the term this Contract is in effect Company is not bound by any representation, statements, terms, understandings or agreements that are not specifically set forth within this Contract. This Contract shall be effective and binding when executed by a duly authorized representative of both parties.
- PG.21. <u>SURVIVAL</u>. Termination of this contract by either party for any reason whatsoever shall not affect any obligation of the Parties with respect to services or maintenance performed prior to such termination or the indemnity, confidentiality or insurance provisions contained herein.
- PG-22. <u>AUDIT</u>. The Contractor shall keep such full and detailed documentation as may be necessary for substantiation of all charges incurred or compliance with the Contract requirements. The method for maintaining documentation shall be satisfactory to the Company. The Company, or its designee, shall be afforded access to, and allowed to make copies of, all the Contractor's calculations, records, books, correspondence, instructions, drawings, receipts, vouchers, invoices, agreements, memoranda and similar data that, in the Company's judgment, relate to this Contract. This documentation will be available at the Contractor's regular place of business during normal working hours or provided to Company in a reasonable alternative manner as may be requested by Company. The Contractor shall preserve all such documentation for a period of three (3) years after the final payment, or longer where required by law. These requirements shall also apply to all Subcontractors, Sub-subcontractors and to all companies that are wholly or partially owned by or are affiliated with the Contractor. The provisions of this section do not apply to fixed price Contracts; however, they do apply to termination of the Contract, Change Orders or other changes, escalation or amendments to such Contracts.
- PG-23. NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION (NERC) CRITICAL INFRASTRUCTURE PROTECTION (CIP) STANDARDS.

Contractor, Contractor's employees, agents, subcontractors or independent contractors with authorized cyber or authorized unescorted physical access to Company's CIP covered assets and/or protected information ("Personnel"), shall comply with

- (a) all requirements of NERC CIP standards, including and not limited to,
- (b) Company's Personnel Risk Assessment Program, Training Program, Security Awareness Program and Information Protection Program, incorporated herein by this reference, or Contractor's programs for personnel risk assessment, training, security awareness and information protection If Contractor's programs are provided to Company for review and verification.

In conjunction with NERC CIP standards, the Contractor shall ensure NERC CIP compliance and communicate all requirements to Personnel. Contractor shall:

- (a) conduct personnel risk assessments consisting of an identity verification (at a minimum social security verification for U.S. citizens) and seven (7) year criminal background check and provide written certification as specified in PG-21;
- (b) fully inform and train Personnel on requirements of CIP standards prior to accessing CIP covered assets and/or protected information and shall quarterly reinforce security awareness. If Contractor feels any of Company's training or security awareness materials are inappropriate or desires to use Contractor's training or security awareness materials, Contractor shall notify Company, and provide Contractor's training and/or security awareness documents and any improved practice to Company for review and verification;
- (c) furnish Company a list that shows by name of Personnel the completion date of each training course and what materials were utilized;
- (d) furnish Company a list describing the security awareness materials used and dates and how the security materials were distributed;
- (e) provide Company with a list of Personnel authorized to handle Company's protected CIP information that shows Personnel's information sensitivity classification clearance level and assure Personnel adhere to protected information handling procedures;
- (f) report Personnel terminations for cause immediately to Company but not longer than twelve (12) hours from time of termination and report all other Personnel terminations or changes in employment status for those who no longer require access within twelve (12) hours from time of occurrence.
- (g) keep accurate and detailed documentation to confirm compliance with requirements of NERC CIP standards as specified in PG-22.

Contractor and its Personnel shall be required to execute a separate Confidentiality Agreement and Non-Disclosure Statement.

Contractor shall designate one person to be responsible for compliance with the Contract requirements. Reporting relating to this section shall be to the Company's designated representative.

In case of conflict or inconsistency between the Company's programs and requirements of NERC CIP standards, the NERC CIP requirements shall govern.

PG-24. TERM. The initial term of this Contract shall be from January 1, 2010, through December 31, 2013, unless terminated in accordance with other provisions of this Contract; provided, however, pricing for movement of household goods will be effective as of February 16, 2010 at rates provided in Contractor's response to Company's request for proposal submitted October 16, 2009. This Contract shall be renewable at the end of the initial term for two single year extensions at mutually agreed upon pricing. Nonetheless, under no circumstance will Contract renew for more than two single year terms.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first above written.

MIDAMERICAN ENERGY HOLDINGS COMPANY

Printed:

CONTRACTOR

Name

Printed:

## Exhibit A Subsidiary Participation Letter

TO:			
Relocation	Services	Com	pany

This letter confirms the intent of [SUBSIDIARY] to participate in the Relocation Services Contract ("Contract") between MidAmerican Energy Holdings Company and [Relocation Services Company] that became effective [DATE]. We have reviewed the terms and conditions of the Contract in detail and agree to abide by them. It is understood and agreed that each Subsidiary participating in this Contract is solely/severally responsible and liable for its own part of the relocation services and payment to Relocation Services Company for relocation services provided to that Subsidiary. MidAmerican Energy Holdings Company and the other Subsidiary companies shall have no liability for payment or other obligations, contractual or otherwise, incurred by the specific Subsidiary.

Further, we agree and acknowledge that the terms, conditions, and applicable appendices or exhibits set forth in the Contract will apply to Relocation Services Company and (SUBSIDIARY). As a participating majority-owned subsidiary, in return for Relocation Services Company's commitments, it is our intention to purchase relocation services from Relocation Services Company, in accordance with this Contract. It is understood and agreed that relocation services will be provided in accordance with this Contract.

All invoices for relocation services for [SUBSIDIARY] shall be addressed as follows:

Subsidiary Name Attn:	
Address:	
Sincerely, [SUBSIDIARY]	
Ву	
Printed	
Title:	
Date:	-

# REDACTED CONFIDENTIAL ATTACHMENT B APPENDIX A TO RELOCATION SERVICES AGREEMENT CONFIDENTIAL PER WAC 480-07-160

Appendix A - Pricing Sheet

## This entire document is designated as Confidential per WAC 480-07-160

#### WASHINGTON AFFILIATED INTEREST FILING

VERIFICATION

#### **VERIFICATION**

I, Natalie L. Hocken, am an officer of PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Relocation Services Contract, I verify that the Relocation Services Contract is a true and accurate copy of the original.

I declare upon the penalty of perjury, that the foregoing is true and correct.

Natalie Hocken

Vice President & General Counsel

Subscribed and sworn to me on this *M* day of *June*, 2010.

Notary Public for Oregon

My Commission expires:

