



# Public Service Commission State of North Dakota

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## COMMISSIONERS

Julie Fedorchak  
Randy Christmann  
Vacant

600 East Boulevard Avenue Dept. 408  
Bismarck, ND 58505-0480  
Web: [www.psc.nd.gov](http://www.psc.nd.gov)  
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January 26, 2022

Todd Hartleben, Project Manager  
Carlson McCain, Inc.  
3831 Lockport St. Suite C  
Bismarck, ND 58503

Re: Case No. PU-14-852  
Basin Electric Power Cooperative  
Lonesome Creek Station Phase III Project  
Siting Application

Dear Mr. Hartleben:

Attached please find the signed contract amendment for Carlson McCain, Inc. to provide construction inspection services for the above captioned case.

Best Regards,

A handwritten signature in blue ink, appearing to read "Patrick Fahn".

Patrick Fahn, Director  
Public Utilities Division

Enclosure

**NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**CONTRACT AMENDMENT**

**Purchase of Service Contract  
Amendment #: 1**

**CONTRACT NUMBER PU-839-20-EE**

**Case No. PU-14-852**

This is made to amend contract # PU-839-20-EE (Contract) between the State of North Dakota, acting through its North Dakota Public Service Commission, Public Utilities Division (STATE) and E3 Environmental, LLC (CONTRACTOR).

The parties agree to the following terms and conditions and expressly agree that if any of the following terms and conditions conflict with any of the terms and conditions of the Contract, then, notwithstanding any term in the Contract, the following terms and conditions govern and control the rights and obligations of the parties.

The parties agree to amend the Contract as follows:

Extension: Contract Section 3, Term of Contract. The Contract commenced on August 31, 2020 to expire on December 31, 2022 with an option to extend the contract up to three times, not to exceed 12 months per extension.

The parties agree to extend the Contract for an additional twelve months, therefore, the Contract is amended to change the expiration date to December 31, 2023. The Contract may be extended two additional times, not to exceed 12 months per extension.

Contractor Name: E3 Environmental, LLC was acquired by Carlson McCain, Inc. Therefore this amendment changes the CONTRACTOR to Carlson McCain, Inc.

The project manager is changed to:

Todd Hartleben, Project Manager  
Carlson McCain, Inc.  
3831 Lockport St, Suite C  
Bismarck, ND 58503

All other terms of the Contract remain in effect.

This Contract Amendment is not effective until fully executed by all parties.

Contract Amendment


Page 1 of 2


CONTRACTOR NAME:

STATE OF NORTH DAKOTA

Carlson McCain, Inc.

Acting through its North Dakota Public  
Service Commission

By: 

By: 

Title: TODD HARTLEBEN, VICE PRESIDENT

Title: Steve Kahl, Executive Director

Date: 1/17/22

Date: 1/25/22



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January 26, 2022

Todd Hartleben, Project Manager  
Carlson McCain, Inc.  
3831 Lockport Suite C  
Bismarck, ND 58503

Re: Case No. PU-14-853  
Targa Badlands LLC  
Little Missouri Gas Plant Expansion – McKenzie  
Siting Application

Dear Mr. Hartleben:

Enclosed please find a signed contract with Carlson McCain, Inc. to provide construction inspection services in the above captioned case.


Best Regards,


A handwritten signature in blue ink that reads "Patrick Fahn".

Patrick Fahn, Director  
Public Utilities Division

Enclosure

**CONTRACT NUMBER PU-861-22-EE**

<b>Administrator:</b>	State of North Dakota Public Service Commission State Capitol - 12th Floor Bismarck, ND 58505-0480 (701) 328-2400
<b>Date:</b> <u>1/25/22</u>	<b>Case No.</b> PU-14-853
 <b>Steve Kahl</b> Executive Director	

<b>Contractor</b>		
Carlson McCain, Inc.		
<b>Name</b>		
3831 Lockport St. Suite C	Bismarck, ND 58503	701-255-1475
<b>Address</b>	<b>City/State/Zip</b>	<b>Phone</b>
Todd Hartleben		<i>VICE PRESIDENT</i>
<b>Typed Name</b>	<b>Title</b>	
	<i>1/20/22</i>	
<b>Signature</b>	<b>Date</b>	

<b>Agreement Information</b>	
Contract No.:	<u>PU-861-22-EE</u>
Start Date:	<u>Upon Execution</u>
End Date:	<u>12/31/2022</u>
Case No.	<u>PU-14-853</u>
<b>Type of Contract:</b>	<input checked="" type="checkbox"/> Fixed Price <input type="checkbox"/> Cost Reimb. <input type="checkbox"/> Unit Price <input type="checkbox"/> Other

<b>Budget Information</b>	
Cost Center:	<u>7800</u>
Services:	<u>Construction Inspection Services</u>
Expenses:	<u>\$6,750.00</u>
<b>Type of Contractor:</b>	<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Public Agency <input type="checkbox"/> Nonprofit Organization <input type="checkbox"/> Other

This Contract is entered into between the State of North Dakota acting through the Public Service Commission (STATE) and Carlson McCain, Inc. (CONTRACTOR). This contract consists of this sheet, general provisions and specific provisions.

PURCHASE OF SERVICE CONTRACT

The parties to this contract are the State of North Dakota, acting through its North Dakota Public Service Commission, Public Utilities Division (STATE) and Carlson McCain, Inc., 3831 Lockport St. Suite C, Bismarck, ND 58503 (CONTRACTOR).

**1. SCOPE OF WORK**

CONTRACTOR, in exchange for the compensation paid by STATE under this Contract, agrees to provide the services enumerated below. CONTRACTOR shall be registered with the North Dakota Secretary of State and the North Dakota State Procurement Office prior to Contract execution.

**Background Information**

The North Dakota Energy Conversion and Transmission Facilities Act (North Dakota Century Code chapter 49-22.1) authorizes the STATE to determine that the location, construction, and operation of jurisdictional energy conversion and transmission facilities will produce minimal adverse effects on the environment and the welfare of the citizens of North Dakota. STATE construction inspections ensure that projects are constructed in compliance with the siting laws (North Dakota Century Code chapter 49-22.1), siting rules (North Dakota Administrative Code article 69-06), and applicable Commission Orders. The STATE is currently contracting for construction inspection services concerning the following case:

Case No. PU-14-853  
Targa Badlands LLC  
Little Missouri Gas Plant Expansion - McKenzie  
Siting Application

**Scope of Work**

CONTRACTOR agrees to perform construction inspections applying engineering and science principles for the purpose of ensuring that energy conversion and transmission facilities authorized by the STATE are constructed in compliance with the siting laws, siting rules, and applicable Commission Orders. CONTRACTOR'S Project Manager assigned to the project shall be capable of reading and interpreting relevant laws, rules, Orders, and Commission precedent for proper execution of the project.

Upon execution of Contract, CONTRACTOR shall participate in all preconstruction conferences for energy conversion and transmission facilities listed within the Contract and held after the effective date of the Contract. If construction is already underway or complete upon Contract execution, CONTRACTOR shall immediately begin providing construction inspection services.

CONTRACTOR shall perform and document an AS-BUILT CONSTRUCTION AND RECLAMATION INSPECTION one full growing season after completion of replacement of topsoil and grading, fertilization and seeding of the entire project area.

### **Specific, Results-Oriented Tasks**

CONTRACTOR shall immediately report to the STATE any suspected non-compliance conditions regarding topsoil and subsoil removal and segregation. CONTRACTOR shall immediately report to the STATE a probable violation of the siting laws, siting rules, or applicable Commission Orders. The STATE may direct that CONTRACTOR stop Project construction activities. Project construction activities may not resume until authorized by the STATE.

CONTRACTOR shall provide to the STATE within 15 days after the As-Built Construction and Reclamation Inspection, a written AS-BUILT CONSTRUCTION AND RECLAMATION INSPECTION REPORT. This Report must contain:

- 1) location-referenced color photographs of construction activities;
- 2) a map identifying locations where photographs were taken and locations where compliance checks were performed;
- 3) an executive summary of the Inspection findings concerning issues requiring resolution, areas of concern, and recommendations for resolution of issues;
- 4) a determination whether the transmission facility has been constructed in compliance with the siting laws, siting rules, and applicable Commission Orders; and
- 5) a determination whether the area affected by construction activities has been restored as near as practicable to the condition as it existed prior to the beginning of construction, including the reestablishment of desired plant species where applicable.

All Reports must be approved and signed by the following lead Project Manager responsible for this project:

Todd Hartleben  
Carlson McCain, Inc.  
3831 Lockport St, Suite C  
Bismarck, ND 58503

The written negotiated proposal provided by CONTRACTOR is attached to and incorporated into this agreement.

## **2. COMPENSATION**

### **Contractual Amount**

STATE shall pay for the accepted services provided by CONTRACTOR under this Contract an amount not to exceed \$6,750.

The Contractual Amount is firm for the duration of the Contract and constitutes the entire compensation due CONTRACTOR for performance of its obligations under this Contract, unless amended, regardless of this difficulty, materials or equipment required, including fees, licenses, overhead, profit and all other direct and indirect costs incurred by CONTRACTOR, except as provided by an amendment to this Contract.

CONTRACTOR agrees to invoice STATE for amounts not to exceed the contract amount in total, upon submission of the AS-BUILT CONSTRUCTION AND RECLAMATION INSPECTION REPORT.

### **Payment**

1. Payment made in accordance with this Compensation section constitutes payment in full for the services and work performed and the deliverables and work(s) provided under this Contract and CONTRACTOR will not receive any additional compensation hereunder.
2. STATE will make every attempt to make payment under this Contract within thirty (30) calendar days after receipt of an approved invoice.
3. Payment of an invoice by STATE will not prejudice STATE's right to object to or question that or any other invoice or matter in relation to this contract. CONTRACTOR's invoice will be subject to reduction for amounts included in any invoice or payment made which are determined by STATE, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute allowable costs. At STATE's sole discretion, all payments shall be subject to reduction for amounts equal to prior overpayments to CONTRACTOR.
4. For any amounts that are or will become due and payable to STATE by CONTRACTOR, STATE reserves the right to deduct the amount owed from the payments that are or will become due and payable to CONTRACTOR under this Contract.

### **Travel**

CONTRACTOR acknowledges travel costs are included in the Contractual Amount and may not invoice STATE for travel costs.

### **Prepayment**

STATE will not make any advance payments before full performance by CONTRACTOR under this Contract.

### **Payment of Taxes by STATE**

STATE is not responsible for and will not pay local, state, or federal taxes. STATE sales tax exemption number is E-2001, and certificates will be furnished upon request by the purchasing agency.

### **Taxpayer ID**

CONTRACTOR shall provide STATE with its federal employer ID number and North Dakota tax ID number upon request.

### **Purchasing Card**

STATE may make a payment using a government credit card. CONTRACTOR will accept a government credit card without passing the processing fees for the government credit card back to STATE.

### **3. TERM OF CONTRACT**

This Contract begins on the date the last party has fully executed the Contract, and ends on December 31, 2022.

#### **No Automatic Renewal**

This Contract will not automatically renew.

#### **Extension Option**

STATE reserves the right to extend the Contract up to three times for an additional period of time not to exceed 12 months per extension.

#### **Renewal Option**

STATE may renew this Contract upon satisfactory completion of the initial Contract term. STATE reserves the right to execute up to three options to renew this Contract under the same terms and conditions for a period of twelve months each.

### **4. TIME IS OF THE ESSENCE**

CONTRACTOR hereby acknowledges that time is of the essence for performance under this Contract unless otherwise agreed to in writing by the parties.

### **5. TERMINATION OF CONTRACT**

#### **Termination by Mutual Agreement**

This Contract may be terminated by mutual consent of both parties, executed in writing.

#### **Termination without Cause**

STATE may terminate this Contract in whole or in part when it has determined that continuing the Contract is no longer necessary or would not produce beneficial results commensurate with the further expenditure of public funds.

#### **Termination for Lack of Funding or Authority**

STATE by written notice to CONTRACTOR, may terminate the whole or any part of this Contract under any of the following conditions:

- 1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.
- 2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this Contract or are no longer eligible for the funding proposed for payments authorized by this Contract.
- 3) If any license, permit, or certificate required by law or rule, or by the terms of this Contract, is for any reason denied, revoked, suspended, or not renewed.

Termination of this Contract under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.

#### **Termination for Cause**

STATE may terminate this Contract effective upon delivery of written notice to CONTRACTOR, or any later date stated in the notice:

- 1) If CONTRACTOR fails to provide services required by this Contract within the time specified or any extension agreed to by STATE; or
- 2) If CONTRACTOR fails to perform any of the other provisions of this Contract, or so fails to pursue the work as to endanger performance of this Contract in accordance with its terms.

The rights and remedies of STATE provided in this subsection are not exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### **6. FORCE MAJEURE**

Neither party shall be held responsible for delay or default caused by fire, flood, riot, acts of God or war if the event is beyond the party's reasonable control and the affected party gives notice to the other party immediately upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.

#### **7. INDEMNITY**

CONTRACTOR agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (STATE), from and against claims based on the vicarious liability of the STATE or its agents, but not against claims based on the STATE's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. The legal defense provided by CONTRACTOR to the STATE under this provision shall be free of any conflicts of interest, even if retention of separate legal counsel for the STATE is necessary. An attorney appointed to represent the STATE shall first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under North Dakota Century Code section 54-12-08. CONTRACTOR also agrees to defend, indemnify, and hold the STATE harmless for all costs, expenses, and attorneys' fees incurred if the STATE prevails in an action against CONTRACTOR in establishing and litigating the indemnification coverage provided herein. This obligation continues after the termination of this agreement.

#### **8. INSURANCE**

CONTRACTOR shall secure and keep in force during the term of this agreement and CONTRACTOR shall require from all subcontractors, prior to commencement of an agreement between Contractor and the subcontractor, to secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:

- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 3) Workers compensation coverage meeting all statutory requirements. The policy must provide coverage for all states of operation that apply to the performance of this Contract.
- 4) Employer's liability or "stop gap" insurance of not less than \$1,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
- 5) Professional errors and omissions with minimum limits of \$1,000,000 per claim and in the aggregate, Contractor shall continuously maintain such coverage during the contract period and for three years thereafter. In the event of a change of cancellation of coverage, Contractor shall purchase an extended reporting period to meet the time periods required in this section.

The insurance coverages listed above must meet the following additional requirements:

- 1) Any deductible or self-insured retention amount or other similar obligation under the policies is the sole responsibility of CONTRACTOR. The amount of any deductible or self-retention is subject to approval by the STATE.
- 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the STATE. The policies must be in form and terms approved by the STATE.
- 3) The duty to defend, indemnify, and hold harmless the STATE under this agreement is not limited by the insurance required in this agreement.
- 4) The State of North Dakota and its agencies, officers, and employees (STATE) shall be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insured. The STATE shall have all the benefits, rights and coverages of an additional insured under these policies that may not be limited to the minimum limits of insurance required by this agreement or by the Contractual indemnity obligations of CONTRACTOR.
- 5) The insurance required in this agreement, through a policy or endorsement, must include:

- a) "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the STATE;
  - b) a provision that CONTRACTOR'S insurance coverage is primary (i.e. pay first) as respects any insurance, self-insurance or self-retention maintained by the STATE and that any insurance, self-insurance or self-retention maintained by the STATE is in excess of the CONTRACTOR'S insurance and does not contribute with it;
  - c) cross liability/severability of interest for all policies and endorsements;
  - d) The legal defense provided to the STATE under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for the STATE is necessary;
  - e) The insolvency or bankruptcy of the insured CONTRACTOR does not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured CONTRACTOR from meeting the retention limit under the policy.
- 6) CONTRACTOR shall furnish a certificate of insurance to the undersigned STATE representative prior to commencement of this agreement. All endorsements must be provided as soon as practicable.
- 7) Failure to provide insurance as required in this agreement is a material breach of Contract entitling the STATE to terminate this agreement immediately.
- 8) CONTRACTOR shall provide at least 30 day notice of any cancellation or material change to these policies or endorsements. Contractor shall provide on an ongoing basis, current certificates of insurance during the term of the contract. A renewal certificate will be provided 10 days prior to coverage expiration. An updated, current certificate of insurance shall be provided in the event of any change to a policy.

## **9. WORKS FOR HIRE**

CONTRACTOR acknowledges that all work(s) under this Contract is "work(s) for hire" within the meaning of the United States Copyright Act (Title 17 United States Code) and hereby assigns to STATE all rights and interests CONTRACTOR may have in the work(s) it prepares under this Contract, including any right to derivative use of the work(s). All software and related materials developed by CONTRACTOR in performance of this Contract for STATE is the sole property of STATE, and CONTRACTOR hereby assigns and transfers all its right, title, and interest therein to STATE. CONTRACTOR shall execute all necessary documents to enable STATE to protect STATE's intellectual property rights under this section.

## **10. WORK PRODUCT**

All work product, equipment or materials created or purchased under this Contract belong to STATE and must be delivered to STATE at STATE'S request upon termination of this Contract.

## **11. NOTICE**

All notices or other communications required under this Contract must be given by registered or certified mail and are complete on the date mailed when addressed to the parties at the following addresses:

Todd Hartleben  
Carlson McCain, Inc.  
3831 Lockport St, Suite C  
Bismarck, ND 58503

Steve Kahl, Executive Director  
North Dakota Public Service Commission  
600 E Boulevard Ave., Dept. 408  
Bismarck, ND 58505-0480

Notice provided under this provision does not meet the notice requirements for monetary claims against the STATE found at North Dakota Century Code section 32-12.2-04.

## **12. CONFIDENTIALITY**

CONTRACTOR shall not use or disclose any information it receives from STATE under this Contract that STATE has previously identified as confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this Contract or as authorized in advance by STATE. STATE shall not disclose any information it receives from CONTRACTOR that CONTRACTOR has previously identified as confidential and that STATE determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota open records law, North Dakota Century Code chapter 44-04. The duty of STATE and CONTRACTOR to maintain confidentiality of information under this section continues beyond the term of this Contract.

## **13. COMPLIANCE WITH PUBLIC RECORDS LAW**

CONTRACTOR understands that, in accordance with this Contract's Confidentiality clause, STATE must disclose to the public upon request any records it receives from CONTRACTOR. CONTRACTOR further understands that any records obtained or generated by CONTRACTOR under this Contract may, under certain circumstances, be open to the public upon request under the North Dakota public records law. CONTRACTOR agrees to contact STATE promptly upon receiving a request for information under the public records law and to comply with STATE's instructions on how to respond to the request.

## **14. INDEPENDENT ENTITY**

CONTRACTOR is an independent entity under this Contract and is not a STATE employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota