Jefferson County
Board of Commissioners
Agenda Request

To: Board of Commissioners
Mark McCauley, County Administrator

From: Monte Reinders, Public Works Director MR

Agenda Date: February 12, 2024

Subject: Change Order No. 1, Road Departure Reduction Project, Federal Aid Project No. HSIP-000S(627), County Project No. 18020980

Statement of Issue: Change Order No. 1 with KT Contracting Company, Inc. for the Road Departure Reduction Project, County Project No. 18020980.

Analysis/Strategic Goals/Pro's & Con's: WSDOT requires the new Build America/Buy America special provision be change ordered into contracts awarded after August 16, 2023. The revised Build America/Buy America special provision allows minor amounts (5% of the material cost) of foreign materials to be incorporated into projects. This modification to the Build America/Buy America requirement adds flexibility in materials supplied for projects as not all materials are manufactured domestically.

Fiscal Impact/Cost Benefit Analysis: This change order will not change the cost of this project.

Recommendation: Public Works recommends that the Board execute all three originals of Change Order No. 1 with KT Contracting Company, Inc and return two (2) originals to Public Works for further processing.

Department Contact: Bruce Patterson, P.E., Project Manager, 385-9160.

Reviewed By:

Mark McCauley
Mark McCauley, County Administrator

2/7/24
Date

Sheet 1 of 1 Date: 4/30/2013	**JEFFERSON COUNTY** **DEPARTMENT OF PUBLIC WORKS** **CHANGE ORDER**	Change Order No. 1

[X] Section 1 - 04. 4 of the Standard Specifications (Ordered by County Engineer under terms of)

[ ] Change proposed by Contractor

Endorsed by: KT Contracing Company, Inc.
Contractor Firm Name

1/29/2024
Signature *Date*

Project Admin
Title

Consent given by Surety: (when required)

By: ______________________
Attorney-in-fact *Date*

Contract No. **18020980**

To:

KT Contracting Company, Inc.
3637 Chemawa Rd. NE
Salem, OR 97305

Project Title
Road Departure Reduction Project

You are ordered to perform the following described work upon receipt of an approved copy of this change order:

The Contract specifications are hereby modified as follows:

The Build America/Buy America special provision dated June 6, 2023 is deleted and replaced with the attached Build America/Buy America special provision dated December 20, 2023.

All work materials and measurement to be in accordance with the provisions of the standard specifications and special provisions for the type of construction involved.

ORIGINAL CONTRACT AMOUNT	CURRENT CONTRACT AMOUNT	ESTIMATED NET CHANGE THIS ORDER	ESTIMATED CONTRACT TOTAL AFTER CHANGE
$702,965.00	$702,965.00	$0.00	$702,965.00
ORIGINAL CONTRACT TIME (days)	CURRENT CONTRACT TIME (days)	CONTRACT TIME CHANGE (Add/Del)	NEW CONTRACT TIME (days)
60	60	0	60

APPROVAL RECOMMENDED
[X] Bryan Patterson 1/25/2024
Project Manager *Date*

APPROVAL RECOMMENDED
[✓] 1-26-24
County Engineer *Date*

APPROVAL RECOMMENDED
[X] 1/25/2024
Engineering Services Manager *Date*

APPROVED
[ ]
Chair, Jefferson County Commissioners *Date*

(December 20, 2023)

General Requirements

In accordance with Buy America Preferences for Infrastructure Projects requirements contained in 2 CFR 184 and Division G, Title IX - Build America, Buy America Act (BABA), of Public Law 117-58 (Infrastructure Investment and Jobs Act), the following materials must be American-made:

1. All steel and iron used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

2. All manufactured products used in the project are produced in the United States. This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.

3. All construction materials are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.

An article, material, or supply will be classified in one of three categories: 1) Steel and Iron, 2) Manufactured Product or 3) Construction Material. Only a single category will apply to an item and be subject to the requirements of the BABA requirements of that category. Some contract items are composed of multiple parts that may fall into different categories. Individual components will be categorized as a construction material, manufactured product, or steel and iron based on their composition when they arrive at the staging area or work site. When steel or iron are a component of a manufactured product or construction material, the steel and iron components will be subject to "Steel and Iron Requirements" of this Specification.

Definitions

1. Construction Material: Defined as any article, material, or supply brought to the construction site for incorporation into the final product. Construction materials include an article, material, or supply that is or consists primarily of:

   a. Non-ferrous metals including all manufacturing processes, from initial smelting or melting through final shaping, coating, and assembly;

   b. Plastic and polymer-based products including all manufacturing processes, from initial combination of constituent plastic or polymer-based inputs, or, where applicable, constituent composite materials, until the item is in its final form);

   c. Glass including all manufacturing processes, from initial batching and melting of raw materials through annealing, cooling, and cutting);

   d. Fiber optic cable (includes drop cable) including all manufacturing processes, from initial ribboning (if applicable), through buffering, fiber stranding and jacketing, (fiber optic cable also includes the standards for glass and optical fiber);

e. Optical fiber including all manufacturing processes, from the initial preform fabrication stage, though the completion of the draw;

f. Lumber including all manufacturing processes, from initial debarking through treatment and planing;

g. Drywall including all manufacturing processes, from initial blending of mined or synthetic gypsum plaster and additives through cutting and drying of sandwiched panels; or

h. Engineered wood including all manufacturing processes from the initial combination of constituent materials until the wood product is in its final form.

Construction Materials do not include items of primarily iron or steel; manufactured products; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives.

If a Construction Material is not manufactured in the United States it shall be considered a Foreign Construction Material.

2. Manufactured Product: A Manufactured product includes any item produced as a result of the manufacturing process. Items that consist of two or more of the listed construction materials that have been combined together through a manufacturing process, and items that include at least one of the listed materials combined with a material that is not listed through a manufacturing process, should be treated as manufactured products, rather than as construction materials.

3. Manufactured in the United States: A construction material will be considered as manufactured in the United States if all manufacturing processes have occurred in the United States.

4. Structural Steel: Defined as all structural steel products included in the project.

5. United States: To further define the coverage, a domestic product is a manufactured steel construction material that was produced in one of the 50 states, the District of Columbia, Puerto Rico, or in the territories and possessions of the United States.

Steel and Iron Requirements

Major quantities of steel and iron construction materials that are permanently incorporated into the project shall consist of American-made materials only. BABA requirements do not apply to temporary steel or iron items, e.g., temporary sheet piling, temporary bridges, steel scaffolding and falsework.

Minor amounts of foreign steel and iron may be utilized in this project provided the cost of the foreign material used does not exceed one-tenth of one percent of the total contract cost or $2,500.00, whichever is greater.

American-made material is defined as material having all manufacturing processes occurring domestically.

If domestically produced steel billets or iron ingots are exported outside of the area of coverage, as defined above, for any manufacturing process then the resulting product does not conform to the BABA requirements. Additionally, products manufactured domestically from foreign source steel billets or iron ingots do not conform to the BABA requirements because the initial melting and mixing of alloys to create the material occurred in a foreign country.

Manufacturing begins with the initial melting and mixing and continues through the coating stage. Any process which modifies the chemical content, the physical size or shape, or the final finish is considered a manufacturing process. The processes include rolling, extruding, machining, bending, grinding, drilling, welding, and coating. The action of applying a coating to steel or iron is deemed a manufacturing process. Coating includes epoxy coating, galvanizing, aluminizing, painting, and any other coating that protects or enhances the value of steel or iron. Any process from the original reduction from ore to the finished product constitutes a manufacturing process for iron.

Due to a nationwide waiver, BABA requirements do not apply to raw materials (iron ore and alloys), scrap (recycled steel or iron), and pig iron ore processed, pelletized, and reduced iron ore.

The following are considered to be steel manufacturing processes:

1. Production of steel by any of the following processes:

    a. Open hearth furnace.

    b. Basic oxygen.

    c. Electric furnace.

    d. Direct reduction.

2. Rolling, heat treating, and any other similar processing.

3. Fabrication of the products:

    a. Spinning wire into cable or strand.

    b. Corrugating and rolling into culverts.

    c. Shop fabrication.

A certification of materials origin will be required for all items comprised of, or containing, steel or iron construction materials prior to such items being incorporated into the permanent work. The Contractor will not receive payment until the certification is received by the Engineer. The certification shall be on WSDOT Form 350-109 provided by the Engineer, or such other form the Contractor chooses, provided it contains the same information as WSDOT Form 350-109.

Manufactured Products

Due to a nationwide waiver, BABA requirements do not apply to manufactured products. Manufactured products that contain steel and iron, regardless of a nationwide waiver, will follow "Steel and Iron Requirements" of this Specification.

Construction Material Requirements

A Contractor provided certification of materials origin will be required before each progress estimate or payment. The Contractor will not receive payment until the certification is received by the Engineer. The Contractor shall certify that all construction materials installed during the current progress estimate period meets the Build America, Buy America Act. The certification shall be on WSDOT Form 350-111 provided by the Engineer, or such other form the Contractor chooses, provided it contains the same information as WSDOT Form 350-111.

Waiver for De Minimis Costs

Minor amounts of Foreign Construction Materials may be utilized in this project, provided that the total cost of the Foreign Construction Materials does not exceed $1,000,000 and does not exceed 5 percent of the total applicable material costs calculated as follows:

$$\frac{Total\ cost\ of\ Foreign\ Construction\ Materials}{Total\ applicable\ material\ costs} < 0.05$$

The total applicable material costs shall be the sum of the costs all Construction Materials, all Steel and Iron, and all Manufactured Products. Total applicable material costs does not include the cost of cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives.

Steel and iron materials shall follow the "Steel and Iron Requirements" of this Specification.

orig. PW 10-23-23

Copy of original contract

open

CONTRACT
JEFFERSON COUNTY, WASHINGTON

THIS AGREEMENT, made and entered into this 23rd day of October, 2023, between the COUNTY OF JEFFERSON, acting through the Jefferson County Commissioners and the Director of Public Works under and by virtue of Title 36, R.C.W, as amended and KT Contracting Company, Inc. of Salem, Oregon hereinafter called the Contractor.

KT Contracting

WITNESSETH:

That in consideration of the terms and conditions contained herein and attached and made a part of this agreement, the parties hereto covenant and agree as follows:

1. The Contractor agrees to furnish all labor and equipment and do certain work, to-wit: That the Contractor herein will undertake and complete the following described work:
   Construction of the Road Departure Reduction project, County Project No. 18020980, consisting of replacing approximately 600 traffic signs, installing guardrail reflectors and flexible guidepost, traffic control, and other work on selected roads all in accordance with the Contract Plans & Provisions, and the Standard Specifications

   for the total sum of Seven hundred two thousand, nine hundred sixty five dollars ($ 702,965.00) in accordance with and as described in the attached plans and specifications and the Standard Specifications of the Washington Department of Transportation which are by this reference incorporated herein and made a part hereof. The Contractor shall perform any alteration in or addition to the work provided in this contract and every part thereof.

   The Contractor shall complete the described work as follows:
   Field works shall start on or before April 15, 2024. Physical Completion shall be sixty working days after the start of field work.

   The Contractor shall provide and bear the expense of all equipment, work and labor of any sort whatsoever that may be required for the transfer of materials and for constructing and completing the work provided for in this contract and every part thereof.

2. The County of Jefferson hereby promises and agrees with the Contractor to employ, and does employ the Contractor to furnish the goods and equipment described and to furnish the same according to the attached specifications and the terms and conditions herein contained, and hereby contracts to pay for the same according to the attached specifications and the schedule of unit or itemized prices hereto attached, at the time and in the manner and upon the condition provided for in this contract. The County further agrees to employ the Contractor to perform any alterations in or additions to the work provided for in this contract that may be ordered and to pay for the same under the terms of this contract and the attached specifications at the time and in the manner and upon the conditions provided for in this contract.

3. The Contractor for himself, and for his heirs, executor, administrators, successors, and assigns, does hereby agree to the full performance of all the covenants herein contained upon the part of the Contractor.

4. Prior to commencing work, the Contractor shall obtain at its own cost and expense the following insurance from companies licensed in the State with a Best's rating of no less than A: VII. The Contractor shall provide to the County Risk Manager certificates of insurance with original endorsements affecting insurance required by this clause prior to the commencement of work to be performed.

   The insurance policies required shall provide that thirty (30) days prior to cancellation, suspension, reduction or material change in the policy, notice of same shall be given to the County Risk Manager by registered mail, return receipt requested, for all of the following stated insurance policies.

   If any of the insurance requirements are not complied with at the renewal date of the insurance policy, payments to the Contractor shall be withheld until all such requirements have been met, or at the option of the County, the County may pay the renewal premium and withhold such payments from the moneys due the Contractor.

   All notices shall name the Contractor and identify the agreement by contract number or some other form of identification necessary to inform the County of the particular contract affected.

   A. Workers Compensation and Employers Liability Insurance. The Contractor shall procure and maintain for the life of the contract, Workers Compensation Insurance, including Employers Liability Coverage, in accordance with the laws of the State of Washington.

   B. General Liability (1) - with a minimum limit per occurrence of one million dollars ($1,000,000) and an aggregate of not less than two million dollars ($2,000,000) for bodily injury, death and property damage unless otherwise specified in the contract specifications. This insurance coverage shall contain no limitations on the scope of the protection provided and indicate on the certificate of insurance the following coverage:

      1. Broad Form Property Damage with no employee exclusion;
      2. Personal Injury Liability, including extended bodily injury;
      3. Broad Form Contractual/Commercial Liability including completed operations (contractors only);
      4. Premises - Operations Liability (M&C);
      5. Independent Contractors and Subcontractors; and
      6. Blanket Contractual Liability.

         (1) Note: The County shall be named as an additional insured party under this policy.

   C. Automobile (2) - with a minimum limit per occurrence of $1,000,000 for bodily injury, death and property damage unless otherwise specified in the contract specifications. This insurance shall indicate on the certificate of insurance the following coverage:

      1. Owned automobiles;
      2. Hired automobiles; and,
      3. Non-owned automobiles.

         (2) Note: The County shall be named as an additional insured party under this policy.

   Any deductibles or self-insured retention shall be declared to and approved by the County prior to the approval of the contract by the County. At the option of the County, the insurer shall reduce or eliminate deductibles or self-insured retention or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

   The Contractor shall include all subcontractors as insured under its insurance policies or shall furnish separate certificates and endorsements for each subcontractor. All insurance provisions for subcontractors shall be subject to all of the requirements stated herein.

Failure of the Contractor to take out and/or maintain any required insurance shall not relieve the Contractor from any liability under the Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations concerning indemnification.

It is agreed by the parties that insurers shall have no right of recovery or subrogation against the County (including its employees and other agents and agencies), it being the intention of the parties that the insurance policies so affected shall protect both parties and be primary coverage for any and all losses covered by the above described insurance. It is further agreed by the parties that insurance companies issuing the policy or policies shall have no recourse against the County (including its employees and other agents and agencies) for payment of any premiums or for assessments under any form of policy. It is further agreed by the parties that any and all deductibles in the above described insurance policies shall be assumed by and be at the sole risk of the Contractor.

It is agreed by the parties that judgments for which the County may be liable, in excess of insured amounts provided herein, or any portion thereof, may be withheld from payment due, or to become due, to the Contractor until such time as the Contractor shall furnish additional security covering such judgment as may be determined by the County.

The County reserves the right to request additional insurance on an individual basis for extra hazardous contracts and specific service agreements.

Any coverage for third party liability claims provided to the County by a "Risk Pool" created pursuant to Ch. 48.62 RCW shall be non-contributory with respect to any policy of insurance the Contractor must provide in order to comply with this Agreement.

If the proof of insurance or certificate of coverage indicating the County is an "additional insured" to a policy obtained by the Contractor refers to an endorsement (by number or name) but does not provide the full text of that endorsement, then it shall be the obligation of the Contractor to obtain the full text of that endorsement and forward that full text to the County within 30 days of the execution of this Agreement.

The County may, upon the Contractor's failure to comply with all provisions of this contract relating to insurance, withhold payment or compensation that would otherwise be due to the Contractor.

5. The Contractor shall comply with all Federal, State, and local laws and ordinances applicable to the work to be done under this Agreement. This Agreement shall be interpreted and construed in accord with the laws of the State of Washington and venue shall be in Jefferson County, WA.

   The Contractor shall defend, indemnify and hold the County, its officers, officials, employees, agents and volunteers (and their marital communities) harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Contractor in performance of this Agreement, except for injuries and damages caused by the sole negligence of the County. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the County, its officers, officials, employees, agents and volunteers (and their marital communities) the Contractor's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Contractor's negligence.

   Claims against the County shall include, but not be limited to assertions that the use and transfer of any software, book, document, report, film, tape, or sound reproduction of material of any kind, delivered hereunder, constitutes an infringement of any copyright, patent, trademark, trade name, or otherwise results in an unfair trade practice or an unlawful restraint of competition.

The Contractor specifically assumes potential liability for actions brought against the County by the Contractor's employees, including all other persons engaged in the performance of any work or service required of the Contractor under this Agreement and, solely for the purpose of this indemnification and defense, the Contractor specifically waives any immunity under the state industrial insurance law, Title 51 R.C.W. The Contractor recognizes that this waiver was specifically entered into pursuant to provisions of R.C.W. 4.24.115 and was subject of mutual negotiation.

The provisions of this section shall survive the expiration or termination of this Agreement.

6. The Contractor's relation to the County shall be at all times as an independent Contractor, and nothing herein contained shall be construed to create a relationship of employer-employee or master-servant, and any and all employees of the Contractor or other persons engaged in the performance of any work or service required of the Contractor under this Agreement shall be considered employees of the Contractor only and any claims that may arise on behalf of or against said employees shall be the sole obligation and responsibility of the Contractor.

7. The Contractor shall not sublet or assign any of the services covered by this contract without the express written consent of the County or its authorized representative. Assignment does not include printing or other customary reimbursable expenses that may be provided in an agreement.

8. Nothing in the foregoing clause shall prevent the County, at its option, from additionally requesting that the Contractor deliver to the County an executed bond as security for the faithful performance of this contract and for payment of all obligations of the Contractor.

   For contracts of $150,000 or less, the County and the Contractor may agree that in-lieu of the Contract Bond; the County will withhold 10% of the Contract amount in accordance with R.C.W 39.08.010. If applicable, the Contractor will indicate this option on **Exhibit D**.

9. The Contractor will declare a management option of the statutory retained percentage on **Exhibit E**, if applicable.

☐ **Limited Small Works Project per RCW 39.04.155(3):** Performance Bond and Retainage Waived

INDEX OF EXHIBITS

☒ **Exhibit A:** Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion

☒ **Exhibit B:** Certification of Compliance with Wage Payment Statues

☒ **Exhibit C:** Contract Bond, Jefferson County, Washington

☐ **Exhibit D:** Contractor's Declaration of Option for Contracts for Less Than $150,000

☒ **Exhibit E:** Contractor's Declaration of Option for Management of Statutory Retained Percentage

IN WITNESS WHEREOF, the Contractor has executed this instrument on the day and year first below written, and the Board of County Commissioners has caused this instrument to be executed by and in the name of said County of Jefferson the day and year first above written.

Executed by the Contractor 12th Oct., 2023

Contractor:

KT Contracting Company, Inc.

(Please print)

By: Kim Thatcher

(Please print)

, President

(Signature)

KTCONCI000DP

State of Washington, Contractor Registration Number

COUNTY OF JEFFERSON
BOARD OF COMMISSIONERS

Kate Dean, District 1

Heidi Eisenhour, District 2

Greg Brotherton, District 3

Approved as to form only:

PRE-APPROVED CONTRACT FORM
Philip C. Hunsucker Date
Chief Civil Deputy Prosecutor

10/16/23

Monte Reinders, P.E. Date
Public Works Director/County Engineer

EXHIBIT A

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION

The Contractor certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(2) Have not within a 3-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

(4) Have not within a 3-year period preceding this contract had one or more public transactions (Federal, State, or local) terminated for cause or default.

Where the Contractor is unable to certify to any of the statements in this certification, such Contractor shall attach an explanation.

KT Contracting Company, Inc.

Name of Contractor (*Please print*)

Kim Thatcher - President

Name and Title of Authorized Representative (*Please print*)

Kim Thatcher, President

Signature of Authorize Representative

☐ I am unable to certify to the above statement. An explanation is attached.

EXHIBIT B

CERTIFICATION OF COMPLIANCE WITH WAGE PAYMENT STATUTES

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

The undersigned bidder hereby certifies that, within the three-year period immediately preceding the bid solicitation date 7/5/23, the bidder is not a "willful" violator, as defined in RCW 49.48.082, or any of the provisions of chapters 49.46, 49.48, or 49.52 RCW as determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction.

KT Contracting Company, Inc.
Bidder's Business Name

[signature], President
Signature of Authorized Official*

Kim Thatcher
Printed Name

President
Title

10/12/2023 — Date   Salem — City   OR — State

Check One:

Sole Proprietorship ☐   Partnership ☐   Joint Venture ☐   Corporation ☒

State of Incorporation, or if not a corporation, State where business entity was formed: OR

If a co-partnership, give firm name under which business is transacted:

** If a corporation, proposal must be executed in the corporate name by the president or vice-president (or any other corporate officer accompanied by evidence of authority to sign). If a co-partnership, proposal must be executed by a partner.*

Bond No. 100028079

EXHIBIT C

CONTRACT BOND
JEFFERSON COUNTY, WASHINGTON

KNOW ALL MEN BY THESE PRESENTS:

That KT Contracting Company, Inc., of Salem, Oregon, as Principal, and Merchants Bonding Company (Mutual), as Surety, are jointly and severally held and bound unto the COUNTY OF JEFFERSON, the penal sum of Dollars ($ 702,965.00), for the payment of which we jointly and severally bind ourselves, or heirs, executors, administrators, and assigns, and successors and assigns, firmly by these presents.

The condition of this bond is such that WHEREAS, on the 12th day of Oct., A.D., 2023, the said KT Contracting Company, Inc., Principal herein, executed a certain contract with the County of Jefferson, by the terms, conditions and provisions of which contract the said KT Contracting Company, Inc, Principal herewith, agrees to furnish all materials and do certain work, to-wit: That the said Principal herein will undertake and complete the following described work:
Construction of the Road Departure Reduction project, County Project No. 18020980, consisting of replacing approximately 600 traffic signs, installing guardrail reflectors and flexible guidepost, traffic control, and other work on selected roads all in accordance with the Contract Plans & Provisions, and the Standard Specifications

in Jefferson County, Washington, as per maps, plans and specifications made a part of said contract, which contract as so executed, is hereunto attached, and is now referred to and by this reference is incorporated herein and made a part hereof as full for all purposes as if here set forth at length.

NOW THEREFORE, if the Principal herein shall faithfully and truly observe and comply with the terms, conditions and provisions of said contract, in all respects and shall well and truly and fully do and perform all matters and things by the said Principal undertaken to be performed under said contract, upon the terms proposed therein, and within the time prescribed therein, and until the same is accepted, and shall pay all laborers, mechanics, subcontractors and materialmen, and all persons who shall supply such contractor or subcontractor with provisions and supplies for the carrying on of such work, and shall in all respects faithfully perform said contract according to law, then this obligation to be void, otherwise to remain in full force and effect.

WITNESS our hands this 6th day of October, 20 23.

KT Contracting Company, Inc.
PRINCIPAL

By: [signature], President

Merchants Bonding Company (Mutual)
SURETY COMPANY

By: Carly Schneidenbach

By: Carly Schneidenbach
Attorney-in-fact

Address of local office and agent of surety company:
Marsh & McLennan Agency LLC
1105 East Main
Bozeman MT 59715

MERCHANTS BONDING COMPANY™

POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa, d/b/a Merchants National Indemnity Company (in California only) (herein collectively called the "Companies") do hereby make, constitute and appoint, individually,

Carly Schneidenbach

their true and lawful Attorney(s)-in-Fact, to sign its name as surety(ies) and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

Surety Bond #: Bond 100028079
Principal: KT Contracting Company, Inc.
Obligee: Jefferson County

This Power-of-Attorney is granted and is signed and sealed by facsimile under and by authority of the following By-Laws adopted by the Board of Directors of Merchants Bonding Company (Mutual) on April 23, 2011 and amended August 14, 2015 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 16, 2015.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner-Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.
In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 6th day of October , 2023 .

MERCHANTS NATIONAL BONDING, INCORPORATED -o- 2003 ☆

MERCHANTS BONDING COMPANY (MUTUAL) INCORPORATED -o- 1933 ☆

MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.
d/b/a MERCHANTS NATIONAL INDEMNITY COMPANY

By Larry Taylor
President

STATE OF IOWA
COUNTY OF DALLAS ss.
On this 6th day of October , 2023 , before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument are the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.

NOTARIAL SEAL IOWA
Kim Lee
Commission Number 702737
My Commission Expires
April 14, 2024

Kim Lee
Notary Public

(Expiration of notary's commission does not invalidate this instrument)

I, William Warner, Jr., Secretary of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 6th day of October , 2023 .

MERCHANTS NATIONAL BONDING, INCORPORATED -o- 2003 ☆

MERCHANTS BONDING COMPANY (MUTUAL) INCORPORATED -o- 1933 ☆

William Warner Jr.
Secretary

EXHIBIT E

CONTRACTOR'S DECLARATION OF OPTION FOR MANAGEMENT OF STATUTORY RETAINED PERCENTAGE

A. I hereby elect to have the retained percentage of this contract held in a fund by the Owner until (30) days following final acceptance of the work.

Date 10/12/2023 Signed [signature] President

B. I hereby elect to have the Owner deposit the retained percentage of this contract in an interest bearing account, not subject to withdrawal until after final acceptance of the work.

Date ______________ Signed ______________________________

C. I hereby elect to have the Owner invest the retained percentage of this contract from time to time as such retained percentage accrues.

I hereby designate ______________________________ as the repository for the escrow of said funds.

I hereby further agree to be fully responsible for payment of all costs or fees incurred as a result of placing said retained percentage in escrow and investing it as authorized by statute. The Owner shall not be liable in any way for any costs or fees in connection therewith.

Date ______________ Signed ______________________________

D. I hereby elect to provide a Retainage Bond in accordance with R.C.W 60.28.011.

Date ______________ Signed ______________________________

Jefferson County
Board of Commissioners
Agenda Request

To: Board of Commissioners
Mark McCauley, County Administrator

From: Monte Reinders, P.E., Public Works Director/County Engineer MR

Agenda Date: October 23, 2023

Subject: Execution of Contract with KT Contracting Company, Inc. for Construction of Jefferson County Road Departure Reduction Project
County Project No. 18020980, County-wide Roads

Statement of Issue: Execution of contract with KT Contracting Company, Inc. for construction of the Jefferson County Road Departure Reduction Project.

Analysis/Strategic Goals/Pro's & Con's: This project is for the replacing existing traffic signs and installation of new traffic signs, reflective guidepost and guardrail reflectors on several county roads. Four bids were received. The contract was awarded to the lowest responsive contractor, KT Contracting Company, Inc. for their bid amount of $702,965.00.

Fiscal Impact/Cost Benefit Analysis: The Road Departure Reduction Project is funded at 100% by a FHWA HSIP (Highway Safety Improvement Program) Funds if the project timelines are met.

Recommendation: Public Works recommends that the Board execute all three (3) originals of the Contract with KT Contracting Company, Inc. and return two (2) originals to Public Works for further processing.

Department Contact: Bruce D. Patterson, P.E., Project Manager, 385-9169.

Reviewed By:

Mark McCauley

Mark McCauley, County Administrator

10/17/23
Date

CONTRACT REVIEW FORM

(INSTRUCTIONS ARE ON THE NEXT PAGE)

Clear Form

CONTRACT WITH: To Be Determined Contract No: PW2023-060

Contract For: Road Departure Reduction Project Term: To Be Determined

COUNTY DEPARTMENT:	Public Works	
Contact Person:	Chris Spall	Bruce Patterson
Contact Phone:	360-385-9160	360-385-9169
Contact email:	cspall@co.jefferson.wa.us	bpatterson@co.jefferson.wa.us

AMOUNT: To Be Determined

Revenue: 18033320-333131-20980

Expenditure: 180-Roads

Matching Funds Required: None if deadlines are met

Sources(s) of Matching Funds: County Road (if required)

Fund #: 180-Roads

Munis Org/Obj:

PROCESS:

- [ ] **Exempt from Bid Process**
- [ ] **Cooperative Purchase**
- [x] **Competitive Sealed Bid**
- [ ] **Small Works Roster**
- [ ] **Vendor List Bid**
- [ ] **RFP or RFQ**
- [ ] **Other:**

APPROVAL STEPS:

STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.

CERTIFIED: ■ **N/A:** ☐ [signature] 5/8/23

Signature Date

STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.

CERTIFIED: ■ **N/A:** ☐ [signature] 5/8/23

Signature Date

STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

✓ Electronically approved by Risk Management on 5/22/2023.

STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

✓ Electronically approved as to form by PAO on 5/16/2023.
Pre-approved contract form.

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY(IF REQUIRED).

STEP 6: CONTRACTOR SIGNS

STEP 7: SUBMIT TO BOCC FOR APPROVAL