



**STATE PROCUREMENT OFFICE
NOTICE OF REQUEST FOR EXEMPTION
FROM HRS CHAPTER 103D**

RECEIVED BY
STATE PROCUREMENT OFFICE
06/18/2015

TO: Chief Procurement Officer

FROM: TRANSPORTATION
Name of Requesting Department

Pursuant to HRS § 103D-102(b)(4) and HAR chapter 3-120, the Department requests a procurement exemption for the following:

1. Describe the goods, services or construction:
Upgrade of the power system relays for the H3 Tunnels switchgear system, by General Electric International, Inc., dba GE Energy, the original equipment manufacturer. The switchgear system is 32 years old with mechanical power system relays that are suffering from corrosion and mechanical deterioration. As such they are prone to failure causing numerous power losses to tunnel systems. The relays control the switching of power from and between the two HECO feeders. The \$2 million cost will upgrade 24 relays, 20 power quality meters, 8 programmable logic controllers (PLC's) to electronic devices which can be monitored and centrally controlled by GE Envisage system software. Electronic relay systems are less prone to corrosion, giving them a longer life than mechanical systems. Also included is an Arc Flash Hazard Study required per OSHA 1910.132, since an upgrade to the system is being made.

| | | |
|--|----------------------|--|
| 2. Vendor/Contractor/Service Provider General Electric International, Inc., dba GE Energy | | 3. Amount of Request: \$ 2,000,000.00 |
| 4. Term of Contract From: 8/1/2015 | To: 7/31/2016 | 5. Prior SPO-007, Procurement Exemption (PE): None. |

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
It is not practicable for the department to procure by competitive means. The system is 32 years old and is original GE equipment. At this time only GE has the original diagrams, proprietary calculations and equipment specifications. While it is theoretically possible for another contractor to do the upgrade work, they would need access to GE proprietary information, which GE is not required to divulge. A non-GE contractor would then have to reverse engineer over two miles of electrical wiring, which staff says might take over a year, akin to designing a whole new system. If the DOT were to completely change the system (approximately \$7 million), competitive means would be viable. However, at this time DOT has determined that only a partial upgrade is needed (we are only upgrading the power system relays and related systems, not the switchgears and other hardware). To go with someone other than GE to do the upgrgade and associated Arc Flash Hazard Study, the costs would be much higher than GE's, and would take longer to design and complete. Then there is the real problem of having to create an interface between the non-GE and the original GE parts. GE's engineering review and upgrade design would only take a several weeks, as they have access to their original drawings and proprietary information. Interface is assured as GE designs their systems to be compatible with each other.

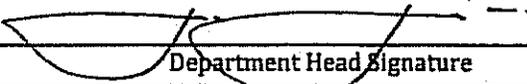
7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
Vendor was selected because they were the H3 Tunnels original switchgear system manufacturers and installers, with intimate and proprietary knowledge of said system.

8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required).

*Point of contact (Place asterisk after name of person to contact for additional information).

| Name | Division/Agency | Phone Number | e-mail address |
|-------------------|-----------------|---------------|---------------------------|
| George G. Abcede* | HWY/HWY-OM | 831-6700 x134 | george.abcede@hawaii.gov |
| Pratt M. Kinimaka | HWY/HWY-O | 831-6700 x126 | pratt.kinimaka@hawaii.gov |
| | | | |

All requirements/approvals and internal controls for this expenditure is the responsibility of the department. I certify that the information provided above is, to the best of my knowledge, true and correct.


6.16.15

 Department Head Signature Date

For Chief Procurement Officer Use Only

6-18-15

Date Notice Posted: _____

Inquiries about this request shall be directed to the contact named in No. 8. Submit written objection to this notice to issue an exempt contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

The department has determined that upgrading only the power system relays and related systems for the H3 Tunnels switchgear system is in the best interest of the State at this time. In order for another company to upgrade the power system relays, GE would have to release proprietary information about its equipment and a different contractor would have to create an interface between the non-GE and original GE parts.

The department is advised that approval is based on the department's determination that it is not advantageous to conduct a competitive procurement and that future GE-specific upgrades to other parts of the system shall not be considered because of the proprietary nature. The department shall consider the long-term impact and plan to conduct a competitive procurement and not get "locked up" in a single source situation.

This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112 shall apply (i.e., vendor is required to provide proof of compliance and may use the Hawaii Compliance Express) and the award is required to be posted on the Awards Reporting System. Proof of compliance and the awards posting are required to be documented in the procurement/contract file.

HAR chapter 3-122, subchapter 15 shall also apply and the Contractor shall provide certified cost and pricing data and the department's cost and price analysis of the data, along with the determination of a fair and reasonable price shall be documented in the contract file.

If there are any questions, please contact Donn Tsuruda-Kashiwabara at 586-0565, or donna.tsuruda-kashiwabara@hawaii.gov.

Approved
 Disapproved
 No Action Required



 Chief Procurement Officer Signature 6/26/15
Date

ATTACHMENT A



General Electric International, Inc.
2120 Diamond Blvd., Suite 100
Concord, CA 94520

April 2, 2015

State of Hawaii-DOT
H-3 Tunnel

Attention: Mr. Clyde Monta

Re: H-3 Tunnel - Power System Relay Upgrade and Overcurrent Protective Device
Coordination & Arc Flash Hazard Study
GE Proposal No. 54249A-EJV-P2

Enclosed is our firm fixed price proposal to provide the Engineering Services as outlined in this scope of work for the H-3 Tunnel. The proposal is based on information received via conversations with the Customer and drawings provided by the Customer.

Thank you for allowing GE the opportunity to participate in this project. If you have any questions, please do not hesitate to contact me.

Sincerely,

Carl Stewart
District Sales Manager
T: (833) 801-3944
F: (888) 399-6704
carl.stewart@ge.com

Cc: David Turner, Guido Tan, John Vandriel, Joe Sustello

CS LCU/ld



To:
**State of Hawaii DOT
H-3 Tunnel**

**H-3 Tunnel - Power System Relay Upgrade and
Overcurrent Protective Device Coordination & Arc Flash
Hazard Study**

GE Proposal No. 542494-EJV-P2

April 2, 2015

This Proposal and Specification is submitted in confidence solely for use in considering the merits of the offering and for no other direct or indirect use by the State of Hawaii DOT H-3 Tunnel and its contents are proprietary to the General Electric International, Inc. In taking receipt of this document State of Hawaii DOT, H-3 Tunnel agrees not to reveal its contents except to those in its own organization who must evaluate it, to use this document and the information it contains exclusively for the above-stated purpose and to avoid disclosure of the information to competitors of General Electric International, Inc. for use on behalf of the State of Hawaii DOT, H-3 Tunnel and to avoid publication or other unrestricted disclosure of this document or the information it contains. Copies of this document may not be made without the prior written consent of General Electric International, Inc. The equipment and services listed in this Proposal are based upon preliminary engineering and are subject to change during final design engineering. This Proposal is to be returned upon written request by General Electric International, Inc.

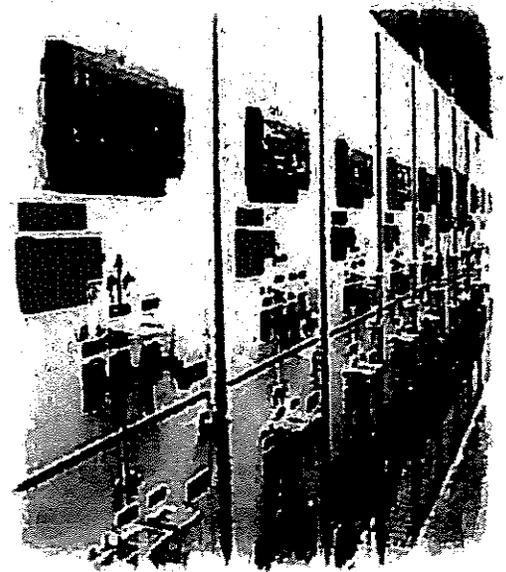




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1 Scope of Work – Overcurrent Protective Device Coordination and Arc Flash Hazard Study

The following work scope is the recommended study for this facility

1.1 Data Collection Responsibility

The GE representative will visit Customer's facility at the beginning of the study to review the elements of the H-3 Tunnel power distribution system and to start collecting the information necessary to construct a composite one-line diagram and any additional information needed to analyze the system. GE will then provide data collection forms for Customer to complete the data collection. The forms and all pertinent information must be returned to GE within 2 weeks after receipt of the data collection package in order for the study to progress in a timely manner. The scope of the study will be based on what is shown on State of Hawaii Department of Transportation Main One Line Diagram, Interstate Route H-3 F.A.I. Proj. No. (HH3-1 (66) Date: Apr 1992, Sheet No. 99. If the data submittal is incomplete or late, additional equipment is included that was not on Customer drawings, and/or changes are needed after the initial submittal which subsequently causes an increase in GE's cost and/or the time required to perform any part of the work under this contract, an equitable adjustment may be made to the price and/or schedule of this contract.

1.2 Composite One-line Diagram

This diagram will identify the components considered in the study, and the ratings of each of the power devices. This includes, but is not limited to, transformers, circuit breakers, relays, current transformers, fuses, buses and cables.

In addition to locating and identifying the elements necessary for ready reference by the facility's owner, the location of fault buses to each protective device will be identified for ready reference from short circuit and coordination studies.

The one-line diagram will be generated and a drawing file in either DWF or AutoCAD format will be made available at the conclusion of the study.

1.3 Short-Circuit Study with Protective Device Evaluation

A short-circuit study shall be performed which provides the first cycle (also called close and latch or momentary) and interrupting duties on each fault bus shown on the one-line diagram. A computer model will be used to sequentially place a bolted (three phase) fault at each of the selected locations and perform accurate calculations of total fault current available at each location as well as the contribution from each adjacent bus. The worst-case utility MVA scenario will be provided.

A short-circuit program will be used which tabulates all transformer, cable, busway and motor impedance elements. The computerized print-out showing the ratings of all elements, size and number of cables, including required impedance information, as well as its location on the one-line diagram, will be provided.

The short-circuit program's evaluation of protective devices within the scope of this study will be analyzed for interrupting ability by comparing their interrupting rating with the maximum interrupting duty as determined from the above calculations. Protective devices will be tabulated, showing their interrupting ratings along-side their interrupting duties for ready evaluation of their capabilities.

The National Electrical Code requires that "Equipment intended to interrupt current at fault levels shall have an interrupting rating not less than the nominal circuit voltage and the current that is available at



the line terminals of the equipment." See NEC 2011, Article 110.9. In essence, this means that breakers and fuses must be capable of clearing, without damage, the fault current that could possibly flow at the location of that fuse or breaker. This part of the analysis will evaluate the ability of your equipment to meet this important safety concern of the National Electrical Code.

1.4 Protective Device Coordination Study

It is important that the protective devices are set and sized to provide required equipment protection in conformity with the National Electrical Code as well as the American National Standards Institute. After these basic determinations are made, additional settings or system changes are prescribed with the goal of achieving a maximum degree of coordination between protective devices such that the device nearest a fault will operate, maximizing system uptime.

Representative time-current coordination curves will be used to illustrate the degree of protection and coordination achieved with the recommended settings of protective devices within the scope of this study. This includes protective devices from the billing point through the secondary 480V feeder breakers for each substation. On any medium voltage systems, the coordination study will start with the medium voltage motors, fuses and proceed upward. An evaluation of motor relay settings, heater selection or fuse sizes is not included. Coordination plots will be provided, as necessary, illustrating coordination of the system protective devices and their recommended settings or sizes.

In addition to the time-current characteristics illustrating damage and interrupting time for the recommended size or settings, these coordination plots will illustrate the following:

1. Appropriate NEC protection points.
2. Appropriate ANSI protection points.
3. Magnetizing in-rush point for transformers.
4. One-line diagram of the system identifying each device plotted.
5. Short circuit current levels used for coordination.
6. Short circuit heating limits for affected cable.

The coordination plots will be accompanied by an explanation of all coordination and protection problems encountered along with recommended solutions. All recommendations generated within the body of the study will then be summarized in a separate "Summary of Recommendations" section for easy reference by Customer.

Recommended size, type and settings for relays, breakers and fuses, within the scope of this study, will be tabulated for easy reference. Settings will be provided to maximize system selectivity using the equipment found in this project. No guarantees for complete system selectivity are made. Reworking the study due to changes in equipment after Customer's data submittal was received will be at extra cost.

An improperly sized or uncoordinated electrical system will, in time, generate enormous costs due to repeated unnecessary downtime and repair or replacement costs of improperly protected equipment. GE's experience in the service engineering business has repeatedly shown that, although system failures are not a daily occurrence, improperly sized and uncoordinated systems will fail. In failing, this will generate costs in the tens of thousands of dollars to repair or replace unprotected machines and circuit components, not to mention the possibility of unscheduled downtime. Overprotected circuits, due again to lack of coordination, will also increase costs by tripping at unnecessary and inappropriate times, thus generating unscheduled downtime.



1.5 Arc-Flash Hazard Study

Results of the facilities above short circuit study and protective device coordination study are required inputs to the Arc-Flash Hazard Study. The specific information needed includes the calculated (three-phase) fault currents at all system buses and all protective devices' trip settings. Opening times can be obtained from the settings and the calculated fault currents.

There are 2 scenarios included in the work scope of the arc-flash hazard study. They include the maximum available short-circuit current from the utility with all facility motors modeled and the minimum available short-circuit current from the utility with no facility motors modeled. Additional scenarios can be quoted on request.

The results of the study will include the calculated incident energy (in cal/cm²) and the calculated arc-flash boundary at key system points within the scope of the short circuit study that have arc-flash hazards. Arc-Flash calculations will be made according to IEEE Std. 1584-2002, IEEE Guide for Performing Arc-Flash Hazard Calculations and its Amendments 1 and 2 (IEEE Std. 1584a-200 and IEEE Std. 1584b-2011).

Equipment below 240V need not be considered unless it involves at least one 125 kVA or larger transformer in its immediate power supply. Both IEEE Std. 1584-2002 and IEEE Std. 1584b-2011 in Clause 4.2 state this. NFPA 70E-2012 defers to IEEE Std. 1584 on this topic in Informational Note No. 5 of Article 130.5.

If any overdutted devices are identified in the short-circuit study's device evaluation, the arc-flash results (including labels) for that entire bus will not be issued. Also, for downstream buses which still cause the upstream device to remain overdutted, the arc-flash hazard equations are invalid as the device's opening time cannot be determined, so no results (or labels) will be provided.

Arc-Flash Hazard Labels

Arc-flash labels quantity TBD by GE. will be provided as part of this study. Each label will show its Bus ID from the short-circuit study, the worst-case calculated incident energy at the specified working distance as calculated in the scenarios studied, the corresponding arc-flash protection boundary, the bus voltage, the shock hazard boundaries, a description of the required combined PPE for both arc-flash hazard and shock hazard (based on NFPA 70E-2012's Table H.3(b)), a comment line indicating label placement, the date of the study, and a unique label number.



▲ DANGER ▲

▲ Arc-Flash and Shock Hazards ▲

41 - 11.7 - Arc-Flash Boundary
16.6 cal/cm² - Incident Energy Arc-Flash Hazard at 36 inches

Appropriate PPE Required for both Arc-Flash and Shock Hazards:
 Arc-rated Long Sleeve Shirt & Arc-rated Long Pants or Arc-rated Coverall & w/
 Arc Flash Suit; Arc-rated Arc Flash Suit Hood; Arc-rated
 Jacket/Pants/Rainwear (AN); Hard Hat; Class G or E WAB Arc-Flash Liner
 (over AN); Safety Glasses or Safety Goggles; Hearing Protection; Rubber
 Insulating Class 2 Voltage Gloves w/ Leather Protectors or Arc-rated Gloves
 (no shock protectors); Rubber Insulating Sleeves (AN); Heavy-duty Leather
 Work Shoes

1200 V_{ac} - Shock Hazard with covers/doors open
E-S - Limited Approach Boundary
R-S - Restricted Approach Boundary
P-S - Prohibited Approach Boundary

Shock Hazard
 Study Date: 03/2012

1800-999-9999 Case # 1 9991
 BUS 2-CIRCULAR BUS TO FEEDER BREAKER FRONT DOOR

GE's detailed arc-flash and shock hazard label

changes to the comment lines, and return the spreadsheet with the approved Customer Authorization Form to GE Industrial Solutions. This assures that each label's comment line has the best description of the label's exact location on equipment. At the end of three weeks, if no approval or changes to the label comment lines have been received, all contractual responsibilities will be considered as having been met. Any delay in approval of the label comment lines which subsequently causes an increase in GE Industrial Solutions' cost and/or the time required to perform any part of the work under this contract, an equitable adjustment may be made to the price and/or schedule of this contract.

All labels will be produced at the same time. Additional charges will occur if it is determined that more than N/A detailed arc-flash and shock hazard labels are needed or if any labels need to be reproduced.

▲ DANGER ▲

▲ Arc-Flash and Shock Hazards ▲

Audit Date: _____ Voltage: _____
 Hazard/Risk Category _____
 Arc-Flash Boundary _____ inches
 at 181 working distance

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Clarion's writable Arc-Flash and Shock Hazard label for audits of downstream equipment

The 4" x 4" labels are self-sticking with black printing from the thermal transfer printer on a white gloss finish with a prominent safety red background. DANGER signal word panel with a black exclamation mark on a safety yellow triangle. Two safety yellow triangle symbols are also provided, one for arc-flash hazard and one for shock hazard. The labels materials are UL recognized. The label has an adhesion product for thermal transfer printing designed for powder-coated surfaces.

Customer will be provided with an Excel spreadsheet of the labels when the study is completed. The last line of each label has a comment line stating a description of the exact location of the equipment to be labeled. This spreadsheet must be reviewed and approved by Customer before the labels can be produced. Once the label spreadsheet is transmitted, Customer will have three (3) weeks to review, make any needed

One other type of arc-flash hazard label is available for those locations electrically downstream of where the arc-flash hazard study stops.

Arc-flash and shock hazard labels are only provided for equipment within the scope of this study. NFPA 70E-2012 Edition requires that all equipment with an incident energy greater than 1.2 cal/cm² be labeled. A cost-effective method of labeling the remaining required equipment is by performing an audit of the equipment using NFPA 70E-2012's Table 130.7(C)(15) using writable arc-flash hazard labels.



The highest Hazard/Risk Category number for any task for the equipment at each location would be written on each label with its corresponding arc-flash boundary, the bus voltage and the date of the audit. GE would be glad to quote assistance for you in performing the audit yourself, quote contracting electricians to complete it for you, or quote an extension to this study's calculated method to provide the required labels for the remaining equipment.

1.6 Documentation

A pdf file of the comprehensive reports will be furnished. The recommendations developed by the study will be prioritized and summarized in a separate "Executive Summary" section for easy reference.

The quoted price does not include any hours for consultation time, to provide clarification and/or guidance after the power system study has been submitted. Site visits or consultation time are available on a change order basis.

Proposal allowance has been made for one (1) revision for first submittal. Any additional changes requested will be handled as a change order. The turnaround time on approval submittals is assumed to be two (2) weeks.

2 Scope of Work - H-3 Tunnel Power System Relay Upgrade

GE will provide Field Engineering Services, tools, consumable materials, relays, meters, mounting hardware, test blocks, UPS's, Multilin software program, and site material for construction to perform the H-3 Tunnel power system relay and PLC upgrade.

2.1 Customer Supplied Information

- State of Hawaii Department of Transportation, Main One Line Diagram, Interstate Route H-3 F A1, Proj. No. I-HH3-1166, Date Apr 1992, Sheet No 99
- Information received via conversations with Customer.



2.3 Documentation

On completion of the H-3 Tunnel Power System Relay Upgrade, Customer will be submitted one (1) copy of the final report. The final report shall contain the following:

- 1) An executive summary which identifies the equipment tested.
- 2) An executive summary which identifies the work performed on each piece of equipment.
- 3) Results and recommendations which will detail any discrepancies found and corrective actions taken.
- 4) Field data inspection sheet for the equipment tested.
- 5) As built Drawings of Switchgear system, Hard copy and Electronic copy in Auto-CAD format.



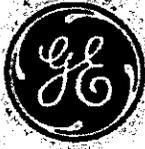
4 Customer Responsibilities

Customer responsibilities shall include, but are not limited to the following:

- Customer will designate an individual authorized to resolve questions and coordinate the Customer responsibilities.
- Customer shall provide contact information (name, phone number, and email) for the utility serving the facility and notify the utility of Customer's authorization for the utility to provide information to GE that is required for the study. Customer shall also provide assistance, when needed, in obtaining the maximum and minimum available fault (MVA and X/R ratios from the utility as well as information for the utility's first upstream protective device. Utility-owned incoming transformer information may also be needed. Customer is responsible to pay any fees that are charged by the utility (or others) for furnishing the necessary information for the study. GE will send data forms to the utility which must be completed and returned to GE in a timely manner so that the study may progress.
- Customer shall provide one (1) copy of existing electrical system one-line diagrams, previous studies, the utility rate schedule (if requested), electrical power consumption data for the past 12 months (if requested), and other information, as requested. If any work scope changes are found due to inaccurate information and this substantially causes an increase in GE's cost and/or the time required to perform any part of the work under this contract, an equitable adjustment may be made to the price and/or schedule of this contract.
- Customer is expected to supply all system information and provide support in data collection for this effort.
- Customer is responsible for making any changes to the electrical system so that it matches the report including its recommendations.
- Primary interface, coordination, compliance with regulations, permits and payment of fees are the responsibility of Customer unless otherwise expressed with particularity herein as the responsibility of GE.
- Customer to provide an experienced electrician or electrical supervisor familiar with the power distribution system to assist GE personnel in identifying and isolating the proper electrical equipment.

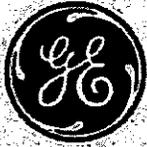


- Customer to provide secured storage area for small tools and material for the duration of the work.
- Customer will provide one (1) copy of existing system schematics, drawings, relay settings, and other equipment/site data and be responsible for the accuracy of same and verbal information concerning existing conditions and wiring.
- Customer to provide/operate/maintain services for drinking water, sanitary facilities, parking, trash containers and lighting.
- Prior to the start of work, Customer shall familiarize GEI personnel with their safety practices, regulations in effect at jobsite, and any chemical and physical hazards, including process safety issues associated with the work environment. GEI shall be under no obligation to commence work unless safety practices are acceptable to GEI. As a safety precaution, prior to the commencement of work, provide access to a nearby telephone with the ability to call outside the facility and telephone numbers for local emergency services.
- It is Customer's responsibility to supply, operate and maintain all standard services to this facility, such as electric power, including lighting, water, air, etc. Backup for these systems is not quoted in this proposal. These services are to be made available to GE, including a suitable source of 60Hz 120/240 volts AC.
- Customer is responsible for the removal and replacement of any obstructions that may interfere with access to or removal of the existing equipment.
- Customer will provide all lift carts, racking tools, etc., provided with the original equipment for use during the course of the services.
- Customer is responsible for the disposal of all wastes generated at the work site.
- Customer to provide Lead Electrician for direction on Lock-out Tag-out (LOTO), isolation and grounding of all sources of electric power associated with the equipment to be serviced.
- Customer will issue switching orders, schedule outages, de-energize, and re-energize the electrical apparatus involved with this project.
- Primary interface, coordination, compliance with regulations, permits and payment of fees is the responsibility of State of Hawaii unless otherwise expressed with particularity herein as the responsibility of GE.
- Provide point person to co-ordinate the GE envisaged System Implementation with the GE project manager. This will require remote design meeting(s)/teleconferences(s) as well as review and approval of submittals. All other meetings shall need to be held via teleconference.
- All commissioning of the electrical and subsystem equipment must be complete.
- Review the installation to assure compliance with applicable codes. It is the intention of GE to comply with the applicable codes; however, by law it is the Customer's responsibility for compliance of the total installation.
- Provide equipment lists, instrument lists, and label schedule for all devices to be connected to the SCADA system.
- Assign and provide IP address for all devices listed under section 3.1 & 3.2 of the proposal.
- Provide a location and power for the host PC.



- All hardware must be located in an environment, which is within the hardware's documented environmental specifications. If the host computer and/or accessories are not rated for industrial use, they must be located in a controlled office environment. If the hardware is exposed to inappropriate environmental conditions, the warranty will be void and extra charges will apply for replacing damaged hardware and/or reinstalling software onto a repaired or replaced computer. All equipment provided within the scope of this proposal is rated standard indoor ambient. No PLC's or I/O or any cabinet shall be located in a Class I, Div. 1 or Div 2 environment.
- To optimize system performance, GE recommends that all communicating devices related to the GE envisage system be continually powered. This includes, but may not be limited to: computers, switches, hubs, Ethernet gateways, media converters, PLCs, meters, relays, concentrators, trip units, and other monitoring devices. In addition, GE recommends that all communicating devices be connected to a UPS or other backup power source in order to maintain communication to and from the devices at all times. Unless specified in this proposal, UPS hardware is the responsibility of others, (not GE).
- Ensure Modbus RS-485 (2-wire) serial or Ethernet, TCP/IP Modbus communication connectivity to all electrical and instrument subsystems.
- Ensure wiring is provided in a manner where eventually only one (1) Ethernet TCP/IP Modbus communication connection is provided to each server hosting GE envisage software.
- Overall system responsibility shall need to be provided by others, GE is being subcontracted and responsible for the GE envisage software integration only and not for the entire system. This proposal and design effort does not include site surveys to determine the extent of any existing systems; nor does it include the development of or surveys for the depiction of any P&ID for air, steam, water, wastewater, or storage arrangements. All P&ID's, block diagrams, or other schematics shall be supplied to GE by the Design/Build team upon request. Failure to do so will result in delay (see attached Excusable Delays clause) of execution, and/or change order requests.
- When requested of the Design/Build team the responsible team members shall provide one (1) copy of existing system schematics, drawings, software and other equipment/site data and be responsible for the accuracy of same and verbal information concerning existing conditions and wiring. Any work scope changes encountered due to inaccurate information will be subject to the attached Excusable Delays clause.
- The Customer to provide access to the equipment for use in the training.
- The Customer / Students to provide personnel safety items such as safety glasses, hard hats, etc.
- Prior to the start of work, the Customer shall familiarize GE personnel with their safety practices, regulations in effect at jobsite, and any chemical and physical hazards, including process safety issues associated with the work environment. GE shall be under no obligation to commence work unless safety practices are acceptable to GE. As a safety precaution, prior to the commencement of work, access to a nearby telephone with the ability to call outside the facility will be provided by the Customer, as well as telephone numbers for local emergency services.

Please be aware that GE can support Customer in some of the above responsibilities. GE can provide input for customer's generation of a Maintenance of Procedure (M.O.P.)



5 Clarifications

The following clarifications apply to this project:

Power System Study and Power System Relay Upgrade

- GE assumes and is relying on the fact that any information furnished by Customer is accurate and complete. To the extent that GE obtains actual knowledge of any conditions at the site additional to or different from those indicated in Customer's furnished information, or that are previously unknown physical conditions at the site, GE shall notify the Customer. If such conditions cause an increase in GE's cost of, or the time required for, performance of any part of the work under this contract, an equitable adjustment shall be made, including without limitation, an adjustment of price and/or schedule.
- In the event of unforeseen work delays beyond the control of GE, standby time will be charged.
- This proposal does include GE personnel gathering system information that is required for the study. Customer is expected to provide support for this effort.
- Short-circuit current contributions must be considered from all sources for accurate protective device evaluations, protective device tripping times, and arc-flash hazard calculations. If the scope of work for this proposal is not for a facility-wide power system study including all sources, e.g. utilities, motors, generators, etc., the results for the power system study may not be accurate.



Estimated delivery for the proposed scope of work is one calendar year after acknowledged receipt award of contract.

All H-3 tunnel power system relay upgrade work will be performed during normal straight time working hours Monday through Friday, exclusive of holidays observed by GE. If the Customer requires work to be performed on an overtime or holiday basis, the price will be adjusted to reflect the applicable differentials in the appropriate published hourly or daily rates in effect at the time such work is performed.

6.1 Working Hours

Working hours are defined as follows:

- Straight-time shall consist of eight (8) hour work days, Monday through Friday, 7 AM to 3 PM exclusive of GEI observed holidays.
- Overtime shall consist of any hours on a daily basis in excess of eight (8) but less than twelve (12) hours worked on Saturdays, excluding Sunday.
- Double time shall consist of hours worked in excess of twelve (12) daily, on Sunday, or GEI observed holidays.

7 Price

For the scope of work as defined within this Fixed Price Proposal, GEIS is pleased to quote a price of.

Prices include Performance Bond

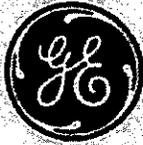
Applicable taxes, permits, and licensing fees are not included in the quoted price.

This offering expires 30 days from the date of issuance unless terminated sooner by notice

7.1 Send Purchase Order Address

To accept this Fixed Price Proposal, please issue a purchase order referencing this document and the terms and conditions herein. Please send your purchase order to:

Mr. Ryan Hennick
General Electric International, Inc.
7373 North Scottsdale Road
Stes. C-250, C-255, C-280
Scottsdale, AZ 85253-5505
Fax: 213-330-0355
Email: ryan.hennick@ge.com
Reference Proposal # 542494-EJV-P2



8 Payment Terms

Payments are due and payable in accordance with the following payment schedule (net due upon receipt).

For the upgrade of relays, 20% upon completion of Preparation Work, 30% upon delivery of all materials and parts to H-3 tunnels, 30% upon completion and testing of upgrades, 10% upon final acceptance.

Invoices remaining unpaid after 30 days from the date of the invoice will be subject to a late payment penalty at the rate of 1 1/4% per month. Disputed portions of an invoice shall not be cause for nonpayment or delay of payment of any undisputed portions of an invoice.

Electronic Funds Transfer is available and encouraged.

9 Terms & Conditions

GEIS does not warrant the accuracy or performance results of any conclusions or recommendations provided, or that any desired objective will result from the service performed.

The sale of any service and products, and the integration thereof, ordered by Customer is expressly conditioned upon the terms and conditions contained in this quotation and Form ES104 (Rev 4) TERMS AND CONDITIONS FOR SALE OF PRODUCTS AND SERVICES. Any additional or different terms and conditions set forth in the purchase order or other communications from Customer are expressly objected to and will not be binding upon GEIS unless specifically agreed to in writing by an authorized GEIS employee.

9.1 Form ES104 (Rev 4) Terms & Conditions

Terms and Conditions for Sale of Products and Services

Form ES 104 (Rev. 4)

NOTICE: Sale of any Products or Services is expressly conditioned on Buyer's assent to these Terms and Conditions. Any acceptance of Seller's offer is expressly limited to acceptance of these Terms and Conditions and Seller expressly objects to any additional or different terms proposed by Buyer. No facility entry form shall modify these Terms and Conditions even if signed by Seller's representative. Any order to perform work and Seller's performance of work shall constitute Buyer's assent to these Terms and Conditions. Unless otherwise specified in the quotation, Seller's quotation shall expire 30 days from its date and may be modified or withdrawn by Seller before receipt of Buyer's conforming acceptance.

1. Definitions

"Buyer" means the entity to which Seller is providing Products or Services under the Contract.

"Contract" means either the contract agreement signed by both parties, or the purchase order signed by Buyer and accepted by Seller in writing, for the sale of Products or Services, together with these Terms and Conditions, Seller's final quotation, the agreed scope(s) of work, and Seller's order acknowledgement. In the event of any conflict, the Terms and Conditions shall take precedence over other documents included in the Contract.

"Contract Price" means the agreed price stated in the Contract for the sale of Products and Services, including adjustments (if any) in accordance with the Contract.

"Hazardous Materials" means any toxic or hazardous substance, hazardous material, dangerous or hazardous waste, dangerous good, radioactive material, petroleum or petroleum-derived products or by-products, or any other chemical, substance, material or emission, that is regulated, listed or controlled pursuant to any national, state, provincial, or local law, statute, ordinance, directive, regulation or other legal requirement of the United States ("U.S.") or the country of the Site.

"Insolvent/Bankrupt" means that a party is insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for it or any of its assets, or files or has filed against it a proceeding under any bankruptcy, insolvency dissolution or liquidation laws.

"Products" means the equipment, parts, materials, supplies, software, and other goods Seller has agreed to supply to Buyer under the Contract.

"Seller" means the entity providing Products or performing Services under the Contract.

"Services" means the services Seller has agreed to perform for Buyer under the Contract.

"Site" means the premises where Products are used or Services are performed, not including Seller's premises from which it performs Services.

"Terms and Conditions" means these "Terms and Conditions for Sale of Products and Services", including any relevant addenda pursuant to Article 18, together with any modifications or additional provisions specifically stated in Seller's final quotation or specifically agreed upon by Seller in writing.

2. Payment

2.1 Buyer shall pay Seller for the Products and Services by paying all invoiced amounts in U.S. dollars, without set-off for any payment from Seller not due under this Contract, within thirty (30) days from the invoice date. If the Contract Price is less than U.S. Two Hundred Fifty Thousand Dollars (\$250,000), Seller shall issue invoices upon shipment of Products and as Services are performed. If the Contract Price is U.S. Two Hundred Fifty Thousand Dollars (\$250,000) or more, progress payments shall be invoiced starting with twenty-five percent (25%) of the Contract Price for Products and Services upon the earlier of Contract signature or issuance of Seller's order acknowledgement and continuing such that ninety percent (90%) of the Contract Price for Products is received before the earliest scheduled Product shipment and Services are invoiced as performed ("Progress Payments"). For each calendar month, or fraction thereof, that payment is late, Buyer shall pay a late payment charge computed at the rate of 1.5% per month on the overdue balance, or the maximum rate permitted by law, whichever is less.

2.2 As and if requested by Seller, Buyer shall at its expense establish and keep in force payment security in the form of an irrevocable, unconditional, sight letter of credit or bank guarantee allowing for pro-rata payments as Products are shipped and Services are performed, plus payment of cancellation and termination charges, and all other amounts due from Buyer under the Contract ("Payment Security"). The Payment Security shall be (a) in a form, and issued or confirmed by a bank acceptable to Seller, (b) payable at the counters of such acceptable bank or negotiating bank, (c) opened at least sixty (60) days prior to both the earliest scheduled shipment of Products and commencement of Services, and (d) remain in effect until the latest of ninety (90) days after the last scheduled Product shipment, completion of all Services and Seller's receipt of the final payment required under the Contract. Buyer shall, at its expense, increase the amount, extend the validity period(s) and make other appropriate modifications to any Payment Security within ten (10) days of Seller's notification that such adjustment is necessary in connection with Buyer's obligations under the Contract.

2.3 Seller is not required to commence or continue its performance unless and until any required Payment Security is received, operative and in effect and all applicable Progress Payments have been received. For each day of delay in receiving Progress Payments or acceptable Payment Security, Seller shall be entitled to a matching extension of the schedule. If at any time Seller reasonably determines that Buyer's financial condition or payment history does not justify continuation of Seller's performance, Seller shall be entitled to require full or partial payment in advance or otherwise restructure payments, request additional forms of Payment Security, suspend its performance or terminate the Contract.

3. Taxes and Duties

Seller shall be responsible for all corporate taxes measured by net income due to performance of or payment for work under this Contract ("Seller Taxes"). Buyer shall be responsible for all taxes, duties, fees, or other charges of any nature (including, but not limited to, consumption, gross receipts, import, property, sales, stamp, turnover, use, or value-added taxes, and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto, imposed by any governmental authority on Buyer or Seller or its subcontractors) in relation to the Contract or the performance of or payment for work under the Contract other than Seller Taxes ("Buyer Taxes"). The Contract Price does not include the amount of any Buyer Taxes. If Buyer deducts or withholds Buyer Taxes, Buyer shall pay additional amounts so that Seller receives the full Contract Price without reduction for Buyer Taxes. Buyer shall provide to Seller, within one month of payment, official receipts from the applicable governmental authority for deducted or withheld taxes.

4. Deliveries; Title Transfer; Risk of Loss; Storage

4.1 For shipments that do not involve export, including shipments from one European Union ("EU") country to another EU country, Seller shall deliver Products to Buyer FCA Seller's facility or warehouse (Incoterms 2010). For export shipments, Seller shall deliver Products to Buyer FCA Port of Export (Incoterms 2010). Buyer shall pay all delivery costs and charges or pay Seller's standard shipping charges plus up to twenty-five (25%) percent. Partial deliveries are permitted. Seller may deliver Products in advance of the delivery schedule. Delivery times are approximate and are dependent upon prompt receipt by Seller of all information necessary to proceed with the work without interruption. If Products delivered do not correspond in quantity, type or price to those itemized in the shipping invoice or documentation, Buyer shall so notify Seller within ten (10) days after receipt.

4.2 For shipments that do not involve export, title to Products shall pass to Buyer upon delivery in accordance with Section 4.1. For export shipments from a Seller facility or warehouse outside the U.S., title shall pass to Buyer upon delivery in accordance with Section 4.1. For shipments from the U.S. to another country, title shall pass to Buyer immediately after each item departs from the territorial land, seas and overlying airspace of the U.S. The 1982 United Nations Convention of the Law of the Sea shall apply to determine the U.S. territorial seas. For all other shipments, title to Products shall pass to Buyer the earlier of (i) the port of export immediately after Products have been cleared for export or (ii) immediately after each item departs from the territorial land, seas and overlying airspace of the sending country. When Buyer arranges the export or intercommunity shipment, Buyer will provide Seller evidence of exportation or intercommunity shipment acceptable to the relevant tax and custom authorities. Notwithstanding the foregoing, Seller grants only a license, and does not pass title, for any software provided by Seller under this Contract, and title to any leased equipment remains with Seller.

4.3 Risk of loss shall pass to Buyer upon delivery pursuant to Section 4.1, except that for export shipments from the U.S., risk of loss shall transfer to Buyer upon title passage.

4.4 If any Products to be delivered under this Contract or if any Buyer equipment repaired at Seller's facilities cannot be shipped to or received by Buyer when ready due to any cause attributable to Buyer or its other contractors, Seller may ship the Products and equipment to a storage facility, including storage at the place of manufacture or repair, or to an agreed freight forwarder. If Seller places Products or equipment into storage, the following apply: (i) title and risk of loss immediately pass to Buyer, if they have not already passed, and delivery shall be deemed to have occurred; (ii) any amounts otherwise payable to Seller upon delivery or shipment shall be due; (iii) all expenses and charges incurred by Seller related to the storage shall be payable by Buyer upon submission of Seller's invoices; and (iv) when conditions permit and upon payment of all amounts due, Seller shall make Products and repaired equipment available to Buyer for delivery.

4.5 If repair Services are to be performed on Buyer's equipment at Seller's facility, Buyer shall be responsible for, and shall retain risk of loss of, such equipment at all times, except that Seller shall be responsible for damage to the equipment while at Seller's facility to the extent such damage is caused by Seller's negligence.

5. Warranty

5.1 Seller warrants that Products shall be delivered free from defects in material, workmanship and title and that the warranty shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications.

5.2 The warranty for Products shall expire one (1) year from first use or eighteen (18) months from delivery, whichever occurs first, except that software is warranted for ninety (90) days from delivery. The warranty for Services shall expire one (1) year after performance of the Service, except that software-related Services are warranted for ninety (90) days.

5.3 If Products or Services do not meet the above warranties, Buyer shall promptly notify Seller in writing prior to expiration of the warranty period. Seller shall (i) at its option, repair or replace defective Products and (ii) re-perform defective Services. If despite Seller's reasonable efforts, a non-conforming Product cannot be repaired or replaced, or non-conforming Services cannot be re-performed, Seller shall refund or credit monies paid by Buyer for such non-conforming Products and Services. Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period. Buyer shall obtain Seller's agreement on the specifications of any tests it plans to conduct to determine whether a non-conformance exists.

5.4 Buyer shall bear the costs of access for Seller's remedial warranty efforts (including removal and replacement of systems, structures or other parts of Buyer's facility), de-installation, decontamination, re-installation and transportation of defective Products to Seller and back to Buyer.

5.5 The warranties and remedies are conditioned upon (a) proper storage, installation, use, operation, and maintenance of Products, (b) Buyer keeping accurate and complete records of operation and maintenance during the warranty period and providing Seller access to those records, and (c) modification or repair of Products or Services only as authorized by Seller in writing. Failure to meet any such conditions renders the warranty null and void. Seller is not responsible for normal wear and tear.

5.6 This Article 5 provides the exclusive remedies for all claims based on failure of or defect in Products or Services, regardless of when the failure or defect arises, and whether a claim, however described, is based on contract, warranty, indemnity, tort/extra-contractual liability (including negligence), strict liability or otherwise. The warranties provided in this Article 5 are exclusive and are in lieu of all other warranties, conditions and guarantees whether written, oral, implied or statutory. NO IMPLIED OR STATUTORY WARRANTY, OR WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE APPLIES.

6. Confidentiality

6.1 Seller and Buyer (as to information disclosed, the "Disclosing Party") may each provide the other party (as to information received, the "Receiving Party") with Confidential Information in connection with this Contract. "Confidential Information" means (a) information that is designated in writing as "confidential" or "proprietary" by Disclosing Party at the time of written disclosure, and (b) information that is orally designated as "confidential" or "proprietary" by Disclosing Party at the time of oral or visual disclosure and is confirmed to be "confidential" or "proprietary" in writing within twenty (20) days after the oral or visual disclosure. In addition, prices for Products and Services shall be considered Seller's Confidential Information.

6.2 Receiving Party agrees: (i) to use the Confidential Information only in connection with the Contract and use of Products and Services, (ii) to take reasonable measures to prevent disclosure of the Confidential Information to third parties, and (iii) not to disclose the Confidential Information to a competitor of Disclosing Party. Notwithstanding these restrictions, (a) Seller may disclose Confidential Information to its affiliates and subcontractors in connection with performance of the Contract, (b) a Receiving Party may disclose Confidential Information to its outsiders, (c) Buyer may disclose Confidential Information to lenders as necessary for Buyer to secure or retain financing needed to perform its obligations under the Contract, and (d) a Receiving Party may disclose Confidential Information to any other third party with the prior written permission of Disclosing Party, and in each case, only so long as the Receiving Party obtains a non-disclosure commitment from any such subcontractors, outsiders, lenders or other permitted third party that prohibits disclosure of the Confidential Information and provided further that the Receiving Party remains responsible for any unauthorized use or disclosure of the Confidential Information. Receiving Party shall upon request return to Disclosing Party or destroy all copies of Confidential Information except to the extent that a specific provision of the Contract entitles Receiving Party to retain an item of Confidential Information. Seller may also retain an archive copy of Buyer's Confidential Information.

6.3 The obligations under this Article 6 shall not apply to any portion of the Confidential Information that (i) is or becomes generally available to the public other than as a result of disclosure by Receiving Party, its representatives or its affiliates; (ii) is or becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party when the source is not, to the best of Receiving Party's knowledge, subject to a confidentiality obligation to Disclosing Party; (iii) is independently developed by Receiving Party, its representatives or affiliates, without reference to the Confidential Information; (iv) is required to be disclosed by law or valid legal process provided that the Receiving Party intending to make disclosure in response to such requirements or process shall promptly notify the Disclosing Party in advance of such disclosure and reasonably cooperate in attempts to maintain the confidentiality of the Confidential Information.

6.4 Each Disclosing Party warrants that it has the right to disclose the information that it discloses. Neither Buyer nor Seller shall make any public announcement about the Contract without prior written approval of the other party. As to any individual item of Confidential Information, the restrictions under this Article 6 shall expire five (5) years after the date of disclosure. Article 6 does not supersede any separate confidentiality or nondisclosure agreement signed by the parties.

7. Intellectual Property

7.1 Seller shall defend and indemnify Buyer against any claim by a non-affiliated third party (a "Claim") alleging that Products or Services furnished under this Contract infringe a patent in effect in the U.S., an EU member state or the country of the Site (provided there is a corresponding patent issued by the U.S., or an EU member state), or any copyright or trademark registered in the country of the Site, provided that Buyer (a) promptly notifies Seller in writing of the Claim, (b) makes no admission of liability and does not take any position adverse to Seller, (c) gives Seller sole authority to control defense and settlement of the Claim, and (d) provides Seller with full disclosure and reasonable assistance as required to defend the Claim.

7.2 Section 7.1 shall not apply and Seller shall have no obligation or liability with respect to any Claim based upon (a) Products or Services that have been modified, or revised, (b) the combination of any Products or Services with other products or services when such combination is a basis of the alleged infringement, (c) failure of Buyer to implement any update provided by Seller that would have prevented the Claim, (d) unauthorized use of Products or Services, or (e) Products or Services made or performed to Buyer's specifications.

7.3 Should any Product or Service, or any portion thereof, become the subject of a Claim, Seller may at its option (a) procure for Buyer the right to continue using the Product or Service, or applicable portion thereof, (b) modify or replace it in whole or in part to make it non-infringing, or (c) failing (a) or (b), take back infringing Products or Services and refund the price received by Seller attributable to the infringing Products or Services.

7.4 Article 7 states Seller's exclusive liability for intellectual property infringement by Products and Services.

7.5 Each party shall retain ownership of all Confidential Information and Intellectual Property it had prior to the Contract. All new Intellectual Property conceived or created by Seller in the performance of this Contract, whether alone or with any contribution from Buyer, shall be owned exclusively by Seller. Buyer agrees to deliver assignment documentation as necessary to achieve that result.

8. Indemnity

Each of Buyer and Seller (as an "indemnifying Party") shall indemnify the other party (as an "Indemnified Party") from and against claims brought by a third party, on account of personal injury or damage to the third party's tangible property, to the extent caused by the negligence of the indemnifying Party in connection with this Contract. In the event the injury or damage is caused by joint or concurrent negligence of Buyer and Seller, the loss or expense shall be borne by each party in proportion to its degree of negligence. For purposes of Seller's indemnity obligation, no part of the Products or Site is considered third party property.

9. Insurance

During the term of the Contract, Seller shall maintain for its protection the following insurance coverage: (i) Worker's Compensation, Employer's Liability and other statutory insurance required by law with respect to work related injuries or diseases of employees of Seller in this form(s) and amount(s) as required by applicable laws; (ii) Automobile Liability Insurance with a combined single limit of \$2,500,000.00; and (iii) Commercial General Liability or Public Liability Insurance for bodily injury and property damage with a combined single limit of \$2,500,000.00. If required in the Contract, Seller shall provide a certificate of insurance reflecting such coverage.

10. Excusable Events

Seller shall not be liable or considered in breach of its obligations under this Contract to the extent that Seller's performance is delayed or prevented, directly or indirectly, by any cause beyond its reasonable control, or by armed conflict, acts or threats of terrorism, epidemics, strikes or other labor disturbances, or acts or omissions of any governmental authority or of the Buyer or Buyer's contractors or suppliers. If an excusable event occurs, the schedule for Seller's performance shall be extended by the amount of time lost by reason of the event plus such additional time as may be needed to overcome the effect of the event. If acts or omissions of the Buyer or its contractors or suppliers cause the delay, Seller shall also be entitled to an equitable price adjustment.

11. Termination and Suspension

11.1 Buyer may terminate the Contract for the portion affected for cause if Seller (i) becomes insolvent/bankrupt, or (ii) commits a material breach of the Contract which does not otherwise have a specified contractual remedy, provided that (a) Buyer shall first provide Seller with detailed written notice of the breach and of Buyer's intention to terminate the Contract, and (b) Seller shall have failed, within 30 days after receipt of the notice, to commence and diligently pursue cure of the breach.

11.2 If Buyer terminates the Contract pursuant to Section 11.1, (i) Seller shall reimburse Buyer the difference between that portion of the Contract Price allocable to the terminated scope and the actual amounts reasonably incurred by Buyer to complete that scope, and (ii) Buyer shall pay to Seller (a) the portion of the Contract Price allocable to Products completed, (b) lease fees incurred, and (c) amounts for Services performed before the effective date of termination. The amount due for Services shall be determined in accordance with the milestone schedule for completed milestones and rates set forth in the Contract for work toward milestones not yet achieved and where there is no milestone schedule, as applicable or, where there are no milestones and/or rates in the Contract, at Seller's then-current standard time and material rates.

11.3 Seller may suspend or terminate the Contract for any affected portion thereof) immediately for cause if Buyer (i) becomes insolvent/bankrupt, or (ii) materially breaches the Contract, including, but not limited to, failure or delay in Buyer providing Payment Security, making any payment when due, or fulfilling any payment conditions.

11.4 If the Contract (or any portion thereof) is terminated for any reason other than Seller's default under Section 11.1, Buyer shall pay Seller for all Products completed, lease fees incurred and Services performed before the effective date of termination, plus expenses reasonably incurred by Seller in connection with the termination. The amount due for Services shall be determined in accordance with the milestone schedule for completed milestones and rates set forth in the Contract for work toward milestones not yet achieved and where there is no milestone schedule, as applicable or, where there are no milestones and/or rates in the Contract, at Seller's then-current standard time and material rates. In addition, Buyer shall pay Seller a cancellation charge equal to 80% of the Contract Price applicable to uncompleted made-to-order Products and 15% of the Contract Price applicable to all other uncompleted Products.

11.5 Either Buyer or Seller may terminate the Contract for the portion affected) upon twenty (20) days advance notice if there is an excusable event (as described in Article 10) lasting longer than one hundred and twenty (120) days. In such case, Buyer shall pay to Seller amounts payable under Section 11.4, excluding the cancellation charge for uncompleted Products.

11.6 Buyer shall pay all reasonable expenses incurred by Seller in connection with a suspension, including, but not limited to, expenses for repositioning, fee collection, demobilization/remobilization, and costs of storage during suspension. The schedule for Seller's obligations shall be extended for a period of time reasonably necessary to overcome the effects of any suspension.

12. Compliance with Laws, Codes and Standards

12.1 Seller shall comply with laws applicable to the manufacture of Products and its performance of Services. Buyer shall comply with laws applicable to the application, operation, use and disposal of the Products and Services.

12.2 Seller's obligations are conditioned upon Buyer's compliance with all U.S. and other applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Products other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller's Invoice.

12.3 Notwithstanding any other provision, Buyer shall timely obtain, effectuate and maintain in force any required permits, license, exemption, filing, registration and other authorization, including, but not limited to, building and environmental permits, import licenses, environmental impact assessments, and foreign exchange authorizations, required for the lawful performance of Services at the Site or fulfillment of Buyer's obligations, except that Seller shall obtain any license or registration necessary for Seller to generally conduct business and visas or work permits, if any, necessary for Seller's personnel. Buyer shall provide reasonable assistance to Seller in obtaining such visas and work permits.

13. Environmental, Health and Safety Matters

13.1 Buyer shall maintain safe working conditions at the Site, including, without limitation, implementing appropriate procedures regarding Hazardous Materials, confined space entry, and energization and de-energization of power systems (electrical, mechanical and hydraulic) using safe and effective lock-out/tag-out ("LOTO") procedures including physical LOTO or a mutually agreed upon alternative method.

13.2 Buyer shall timely advise Seller in writing of all applicable Site-specific health, safety, security and environmental requirements and procedures. Without limiting Buyer's responsibilities under Article 13, Seller has the right but not the obligation to, from time to time, review and inspect applicable health, safety, security and environmental documentation, procedures and conditions at the Site.

13.3 If, in Seller's reasonable opinion, the health, safety, or security of personnel or the Site is, or is apt to be, imperiled by security risks, terrorist acts or threats, the presence of or threat of exposure to Hazardous Materials, or unsafe working conditions, Seller may, in addition to other rights or remedies available to it, evacuate some or all of its personnel from Site, suspend performance of all or any part of the Contract, and/or remotely perform or supervise work. Any such occurrence shall be considered an excusable event. Buyer shall reasonably assist in any such evacuation.

13.4 Operation of Buyer's equipment is the responsibility of Buyer. Buyer shall not require or permit Seller's personnel to operate Buyer's equipment at Site.

13.5 Buyer will make its Site medical facilities and resources available to Seller personnel who need medical attention.

13.6 Seller has no responsibility or liability for the pre-existing condition of Buyer's equipment or the Site. Prior to Seller starting any work at Site, Buyer will provide documentation that identifies the presence and condition of any Hazardous Materials existing in or about Buyer's equipment or the Site that Seller may encounter while performing under this Contract. Buyer shall disclose to Seller industrial hygiene and environmental monitoring data regarding conditions that may affect Seller's work or personnel at the Site. Buyer shall keep Seller informed of changes in any such conditions.

13.7 Seller shall notify Buyer if Seller becomes aware of: (i) conditions at the Site differing materially from those disclosed by Buyer, or (ii) previously unknown physical conditions at Site differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract. If any such conditions cause an increase in Seller's cost of, or the time required for, performance of any part of the work under the Contract, an equitable adjustment in price and schedule shall be made.

13.8 If Seller encounters Hazardous Materials in Buyer's equipment or at the Site that require special handling or disposal, Seller is not obligated to continue work affected by the hazardous conditions. In such an event, Buyer shall eliminate the hazardous conditions in accordance with applicable laws and regulations so that Seller's work under the Contract may safely proceed, and Seller shall be entitled to an equitable adjustment of the price and schedule to compensate for any increase in Seller's cost of, or time required for, performance of any part of the work. Buyer shall properly store, transport and dispose of all Hazardous Materials introduced, produced or generated in the course of Seller's work at the Site.

13.9 Buyer shall indemnify Seller for any and all claims, damages, losses, and expenses arising out of or relating to any Hazardous Materials which are or were (i) present in or about Buyer's equipment or the Site prior to the commencement of Seller's work, (ii) improperly handled or disposed of by Buyer or Buyer's employees, agents, contractors or subcontractors, or (iii) brought, generated, produced or released on Site by parties other than Seller.

14. Changes

14.1 Each party may at any time propose changes in the schedule or scope of Products or Services. Seller is not obligated to proceed with any change until both parties agree upon such change in writing. The written change documentation will describe the changes in scope and schedule, and the resulting changes in price and other provisions, as agreed.

14.2 The scope, Contract Price, schedule, and other provisions will be equitably adjusted to reflect additional costs or obligations incurred by Seller resulting from a change, after Seller's proposal date, in Buyer's Site-specific requirements or procedures, or in industry specifications, codes, standards, applicable laws or regulations. However, no adjustment will be made on account of a general change in Seller's manufacturing or repair facilities resulting from a change in laws or regulations applicable to such facilities. Unless otherwise agreed by the parties, pricing for additional work arising from such changes shall be at Seller's time and material rates.

14.3 It shall be acceptable and not considered a change if Seller delivers a Product that bears a different, superseding or new part or version number compared to the part or version number listed in the Contract.

15. Limitations of Liability

15.1 The total liability of Seller for all claims of any kind arising from or related to the formation, performance or breach of this Contract, or any Products or Services, shall not exceed the (i) Contract Price, or (ii) if Buyer places multiple orders) under the Contract, the price of each particular order for all claims arising from or related to that order and ten thousand US dollars (US \$10,000) for all claims not part of any particular order.

15.2 Seller shall not be liable for loss of profit or revenues, loss of use of equipment or systems, interruption of business, cost of replacement power, cost of capital, downtime costs, increased operating costs, any special, consequential, incidental, indirect, or punitive damages, or claims of Buyer's customers for any of the foregoing types of damages.

15.3 All Seller liability shall end upon expiration of the applicable warranty period, provided that Buyer may continue to enforce a claim for which it has given notice prior to that date by commencing an action or arbitration, as applicable under this Contract, before expiration of any statute of limitations or other legal time limitation but in no event later than one year after expiration of such warranty period.

15.4 Seller shall not be liable for advice or assistance that is not required for the work scope under this Contract.

15.5 If Buyer is supplying Products or Services to a third party, or using Products or Services at a facility owned by a third party, Buyer shall either (i) indemnify and defend Seller from and against any and all claims by, and liability to, any such third party in excess of the limitations set forth in this Article 15, or (ii) require that the third party agree, for the benefit of and enforceable by Seller, to be bound by all the limitations included in this Article 15.

15.6 For purposes of this Article 15, the term "Seller" means Seller, its affiliates, subcontractors and suppliers of any tier, and their respective employees. The limitations in this Article 15 shall apply regardless of whether a claim is based in contract, warranty, indemnity, tort/extra-contractual liability including negligence, strict liability or otherwise, and shall prevail over any conflicting terms, except to the extent that such terms further restrict Seller's liability.

16. Governing Law and Dispute Resolution

16.1 This Contract shall be governed by and construed in accordance with the laws of (i) the State of New York if Buyer's place of business is in the U.S. or (ii) England if the Buyer's place of business is outside the U.S., in either case without giving effect to any choice of law rules that would cause the application of laws of any other jurisdiction (the "Governing Law"). If the Contract includes the sale of Products and the Buyer is outside the Seller's country, the United Nations Convention on Contracts for the International Sale of Goods shall apply.

16.2 All disputes arising in connection with this Contract, including any question regarding its existence or validity, shall be resolved in accordance with this Article 16. If a dispute is not resolved by negotiations, either party may, by giving written notice, refer the dispute to a meeting of appropriate higher management, to be held within twenty (20) business days after the giving of notice. If the dispute is not resolved within thirty (30) business days after the giving of notice, or such later date as may be mutually agreed, either party may commence arbitration or court proceedings, depending upon the location of the Buyer, in accordance with the following:

(a) if the Buyer's pertinent place of business is in the U.S., legal action shall be commenced in federal court with jurisdiction applicable to, or state court located in, either Cobb County, Georgia or the location of Buyer's principal place of business; or (b) if the Buyer's pertinent place of business is outside the U.S., the dispute shall be submitted to and finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce ("ICC"). The number of arbitrators shall be one, selected in accordance with the ICC rules, unless the amount in dispute exceeds the equivalent of U.S. \$5,000,000, in which event it shall be three. When three arbitrators are involved, each party shall appoint one arbitrator, and those two shall appoint the third within thirty (30) days, who shall be the Chairman. The seat, or legal place, of arbitration, shall be London, England. The arbitration shall be conducted in English. In reaching their decision, the arbitrators shall give full force and effect to the intent of the parties as expressed in the Contract, and if a solution is not found in the Contract, shall apply the governing law of the Contract. The decision of the arbitrator(s) shall be final and binding upon both parties, and neither party shall seek recourse to a low court or other authority to appeal for revisions of the decision.

16.3 Notwithstanding the foregoing, each party shall have the right at any time, at its option and where legally available, to immediately commence an action or proceeding in a court of competent jurisdiction, subject to the terms of this Contract, to seek a restraining order, injunction, or similar order to enforce the confidentiality

provisions set forth in Article 6 and/or the nuclear use restrictions set forth in Section 19.1, or to seek interim or conservatory measures. Monetary damages shall only be available in accordance with Section 16.2.

17. Inspection and Factory Tests

Seller will apply its normal quality control procedures in manufacturing Products. Seller shall attempt to accommodate requests by Buyer to witness Seller's factory tests of Products, subject to appropriate access restrictions, if such witnessing can be arranged without delaying the work.

18. Software, Leased Equipment, Remote Diagnostic Services, PCB Services

If Seller provides any software to Buyer, the Software License Addendum shall apply. If Seller leases any of Seller's equipment or provides related Services to Buyer, including placing Seller's equipment at Buyer's site to provide remote Services, the Lease Addendum shall apply. If Seller provides remote diagnostic services to Buyer, the Remote Diagnostic Services Addendum shall apply. If Seller provides PCB Services to Buyer, the PCB Services Addendum shall apply. If there is any conflict between these Terms and Conditions for the Sale of Products and Services, Form ES 104 and the terms of any addendum incorporated pursuant to this Article 18, the terms of the addendum shall take precedence with respect to the applicable scope.

19. General Clauses

19.1 Products and Services sold by Seller are not intended for use in connection with any nuclear facility or activity, and Buyer warrants that it shall not use or permit others to use Products or Services for such purposes, without the advance written consent of Seller. If, in breach of this, any such use occurs, Seller (and its parent, affiliates, suppliers and subcontractors) disclaims all liability for any nuclear or other damage, injury or contamination, and, in addition to any other rights of Seller, Buyer shall indemnify and hold Seller (and its parent, affiliates, suppliers and subcontractors) harmless against all such liability. Consent of Seller to any such use, if any, will be conditioned upon additional terms and conditions that Seller determines to be acceptable for protection against nuclear liability.

19.2 Seller may assign or novate its rights and obligations under the Contract, in whole or in part, to any of its affiliates or may assign any of its accounts receivable under this Contract to any party without Buyer's consent. Buyer agrees to execute any documents that may be necessary to complete Seller's assignment or novation. Seller may subcontract portions of the work, so long as Seller remains responsible for it. The delegation or assignment by Buyer of any or all of its rights or obligations under the Contract without Seller's prior written consent (which consent shall not be unreasonably withheld) shall be void.

19.3 Buyer shall notify Seller immediately upon any change in ownership of more than fifty percent (50%) of Buyer's voting rights or of any controlling interest in Buyer. If Buyer fails to do so or Seller objects to the change, Seller may (a) terminate the Contract, (b) require Buyer to provide adequate assurance of performance (including but not limited to payment), and/or (c) put in place special controls regarding Seller's Confidential Information.

19.4 If any Contract provision is found to be void or unenforceable, the remainder of the Contract shall not be affected. The parties will endeavor to replace any such void or unenforceable provision with a new provision that achieves substantially the same practical and economic effect and is valid and enforceable.

19.5 The following Articles shall survive termination or cancellation of the Contract: 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 16, 18, 19 and 20.

19.6 The Contract represents the entire agreement between the parties. No oral or written representation or warranty not contained in this Contract shall be binding on either party. Buyer's and Seller's rights, remedies and obligations arising from or related to Products and Services sold under this Contract are limited to the rights, remedies and obligations stated in this Contract. No modification, amendment, rescission or waiver shall be binding on either party unless agreed in writing.

19.7 Except as provided in Article 15 (Limitations of Liability) and in Section 19.1 (no nuclear use), this Contract is only for the benefit of the parties, and no third party shall have a right to enforce any provision of this Contract, whether under the English Contracts (Rights of Third Parties) Act of 1999 or otherwise.

19.8 This Contract may be signed in multiple counterparts that together shall constitute one agreement.

20. US Government Contracts

20.1 This Article 20 applies only if the Contract is for the direct or indirect sale to any agency of the U.S. government and/or is funded in whole or in part by any agency of the U.S. government.

20.2 Buyer agrees that all Products and Services provided by Seller meet the definition of "commercial-off-the-shelf" ("COTS") or "commercial item" as those terms are defined in Federal Acquisition Regulation ("FAR") 2.101. To the extent the Buy American Act, Trade Agreements Act, or other domestic preference requirements are applicable to this Contract, the country of origin of Products is unknown unless otherwise specifically stated by Seller in this Contract. Buyer agrees any Services offered by Seller are exempt from the Service Contract Act of 1965 (FAR 52.222-41). Buyer represents and agrees that this Contract is not funded in whole or in part by American Recovery Reinvestment Act funds unless otherwise specifically stated in the Contract. The version of any applicable FAR clause listed in this Article 20 shall be the one in effect on the effective date of this Contract.

20.3 If Buyer is an agency of the U.S. Government, then as permitted by FAR 12.302, Buyer agrees that all paragraphs of FAR 52.212-4 (except those listed in 12.302(b)) are replaced with these Terms and Conditions. Buyer further agrees the subparagraphs of FAR 52.212-5 apply only to the extent applicable for sale of COTS and/or commercial items and as appropriate for the Contract Price.

20.4 If Buyer is procuring the Products or Services as a contractor, or subcontractor at any tier, on behalf of any agency of the U.S. Government, then Buyer agrees that FAR 52.212-5(e) or 52.244-6 (whichever is applicable) applies only to the extent applicable for sale of COTS and/or commercial items and as appropriate for the Contract Price.

9.2 Power System Study Addendum

FORM ES104 (Rev A): POWER SYSTEM STUDY ADDENDUM TO TERMS AND CONDITIONS FOR SALE OF PRODUCTS AND SERVICES

The provision of any goods or services for Power System Studies shall be subject to the following special terms and conditions. In the event of a conflict between the terms of this Addendum and FORM ES104 (Rev 3) TERMS AND CONDITIONS FOR SALE OF PRODUCTS AND SERVICES, the terms of this Addendum shall take precedence to the extent of the conflict.

1. **No Warranty of Software or Compatibility** Seller makes no representation or warranty with respect to any software that Buyer or other parties may use to access or manipulate any electronic data or information provided to Buyer by Seller, or with respect to the interaction of any software with such data or information.

2. **Accuracy of Information** Buyer acknowledges and agrees (a) the quality of Seller's Services, including the accuracy of any conclusions reached or recommendations made is dependent upon the quality, accuracy and completeness of the data and other relevant information supplied by Buyer, Buyer's agents, employees, contractors, utilities, customers or affiliates to Seller, and (b) Seller shall have no liability for any conclusions reached or recommendations made incorporating or based upon inaccurate, incorrect or incomplete data from Buyer. Buyer's agents, employees, contractors, utilities, customers or affiliates Buyer agrees to release, indemnify, defend and hold Seller harmless with respect to any and all claims for damages, expenses or losses, including, without limitation, claims of property damage and/or personal injury, including death, resulting from or related to Seller's Services, including recommendations made or the implementation of such recommendations based on inaccurate, incorrect or incomplete data or other information provided to Seller.

3. **Configuration Studied** Buyer acknowledges that all analysis performed and any recommendations made by Seller as part of the Services shall be strictly limited to the specific configuration(s) studied which configuration(s) shall be included in Seller's written analysis and recommendations. In the event of any system change, such as but not limited to, equipment or line additions or removals, any analysis, results or recommendations prepared for Buyer by Seller shall be null and void and automatically withdrawn by Seller without the requirement of further notice. Buyer shall release, indemnify, defend and hold Seller harmless with respect to any and all claims for damages (including personal injury), expenses or losses resulting from or related to the application of Seller's analysis or recommendations to a different system configuration than configuration(s) studied as set forth in Seller's written analysis.

4. **Compliance** Seller makes no representation, express or implied that implementation or use of or adherence to the recommendations or analyses delivered by Seller as a part of the Services will guarantee or constitute compliance with any standards, regulations or other applicable legal requirements.

5. **Arc-Flash Hazard Analysis Safety Labels** Buyer assumes all responsibilities for and bears all risk of correctly affixing any labels prepared by Seller including arc-flash hazard labels, in or onto the corresponding equipment and Buyer agrees to release, indemnify, defend and hold Seller harmless with respect to any and all claims for damages (including personal injury), expenses or losses resulting from or related to the incorrect placement of such labels.

1. No Warranty of Software or Compatibility: Seller makes no representation or warranty with respect to any software that Buyer or other parties may use to access or manipulate any electronic data or information provided to Buyer by Seller, or with respect to the interaction of any software with such data or information.

2. Accuracy of Information: Buyer acknowledges and agrees: (a) the quality of Seller's Services, including the accuracy of any conclusions reached or recommendations made, is dependent upon the quality, accuracy and completeness of the data and other relevant information supplied by Buyer, Buyer's agents, employees, contractors, utilities, customers or affiliates to Seller, and (b) Seller shall have no liability for any conclusions reached or recommendations made incorporating or based upon inaccurate, incorrect or incomplete data from Buyer, Buyer's agents, employees, contractors, utilities, customers or affiliates. Buyer agrees to release, indemnify, defend and hold Seller harmless with respect to any and all claims for damages, expenses or losses, including, without limitation, claims of property damage and/or personal injury, including death, resulting from or related to Seller's Services, including recommendations made or the implementation of such recommendations based on inaccurate, incorrect or incomplete data or other information provided to Seller.

3. Configuration Studied: Buyer acknowledges that all analysis performed and any recommendations made by Seller as part of the Services shall be strictly limited to the specific

configuration(s) studied which configuration(s) shall be included in Seller's written analysis and recommendations. In the event of any system change, such as but not limited to equipment or line additions or removals, any analysis, results or recommendations prepared for Buyer by Seller shall be null and void and automatically withdrawn by Seller without the requirement of further notice. Buyer shall release, indemnify, defend and hold Seller harmless with respect to any and all claims for damages (including personal injury), expenses or losses resulting from or related to the application of Seller's analysis or recommendations to a different system configuration than configuration(s) studied as set forth in Seller's written analysis.

4. Compliance: Seller makes no representation, express or implied, that implementation or use of or adherence to the recommendations or analyses delivered by Seller as a part of the Services will guarantee or constitute compliance with any standards, regulations or other applicable legal requirements.

5. Arc-Flash Hazard Analysis Safety Labels: Buyer assumes all responsibilities for and bears all risk of correctly affixing any labels prepared by Seller, including arc-flash hazard labels, in or onto the corresponding equipment and Buyer agrees to release, indemnify, defend and hold Seller harmless with respect to any and all claims for damages (including personal injury), expenses or losses resulting from or related to the incorrect placement of such labels.

ATTACHMENT B

Breakdown of \$ 2 million Cost for GE Energy Switchgear Project – May 2015

| <u>Description</u> | <u>Amount</u> |
|--|---------------------|
| GE Work to Upgrade Relays Provide SCADA & Arc Flash Hazard Study | \$ |
| Contingency for unanticipated Expenses (less than 1%)* | \$ |
| General Excise Tax | \$ |
| | <hr/> |
| TOTAL = | \$ 2,000,000 |

*anticipated contingency includes extra labor due to work not included in proposal.

ATTACHMENT C

Reason for Upgrading Versus Replacing Relays

Attached is a letter from GE Energy, dated April 23, 2015 providing a budgetary estimate of cost to replace the switchgear system for the H-3 Tunnels. This estimate is \$_____ which is described by GE Energy as a "Low Budgetary Estimated Price."

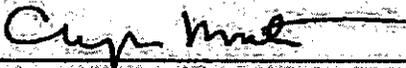
This budgetary estimate includes not only the power relay system but also the circuit breaker systems, close couple transitions to existing transformers, and integration, testing, and commissioning of all the equipment, as stated in the letter.

They are unable to just separate out the power relay system upgrade, as the power relay system upgrade is specifically designed for all of the other hardware in the existing switchgear system. The existing power relay system only works with the existing GE switchgear system that is in place at the H-3 Tunnels.

Thus, it is not possible to just replace the existing power relay system with that of another company. Therefore, the cost to replace the existing power relay system is made that much more expensive because all the other equipment would also need to be replaced.

The estimated cost to replace of \$_____ far exceeds the cost to upgrade the existing power system relays and the associated control and monitoring system and Arc Flash Hazard Study of \$2,000,000.

While not stated in the attached letter or other documents, industry personnel state that the hardware for switchgear systems will last up to 50 years as long as the power requirements do not change, however, the life-time of the power system relays are only about 20 to 25 years, especially if they are electro-mechanical types. The electronic relays which will replace the existing ones will have a longer life-time, as long as they are maintained and there is not an influx of water into the system. On this matter, I hereby certify to the statement contained in this paragraph:


Clyde B. Morita, P.E., CE VI, DOT/HWY

5/13/2015
Date



April 23, 2015

State of Hawaii DOT
H-3 Tunnel

Attention: Mr. Clyde Monte

Subject: Budgetary Proposal to replace the H-3 Switchgear system

In response to your request we are pleased to provide the budgetary estimate for the Turn Key replacement of 480V Low Voltage Switchgear on the Interstate Route H-3 Main Power Distribution system.

Scope of Work would include the following:

- Demolition, Removal, and Disposal of the following equipment
 - o Holawa 15 KV ANSI C37.04 Metal Clad Switchgear
 - o Hoku 15 KV ANSI C37.04 Metal Clad Switchgear
 - o Holawa 18 480V UL 1558 Switchgear
 - o Holawa 08 480V UL 1558 Switchgear
 - o Hoku 18 480V UL 1558 Switchgear
 - o Hoku 08 480V UL 1558 Switchgear
- Design, Supply, and Installation of the following New equipment
 - o Holawa 15 KV ANSI C37.04 Metal Clad Switchgear
 - 1200A Main-Tie-Main Vacuum Circuit Breakers
 - Feeder Vacuum Circuit Breakers - Quantity per SLD
 - Integration and Connection to existing Loss of Power Transfer Scheme
 - o Hoku 15 KV ANSI C37.04 Metal Clad Switchgear
 - 1200A Main-Tie-Main Vacuum Circuit Breakers
 - Feeder Vacuum Circuit Breakers - Quantity per SLD
 - Integration and Connection to existing Loss of Power Transfer Scheme
 - o Holawa 18 480V UL 1558 Switchgear
 - 4000A Main-Tie-Main Electrically Operated Power Circuit Breakers
 - Close Couple Transition to existing Substation Transformers
 - Feeder Power Circuit Breakers - Quantity per SLD
 - Integration and Connection to existing Automatic Transfer Switch/Emergency Power Scheme
 - o Holawa 08 480V UL 1558 Switchgear
 - 4000A Main-Tie-Main Electrically Operated Power Circuit Breakers
 - Close Couple Transition to existing Substation Transformers
 - Feeder Power Circuit Breakers - Quantity per SLD
 - Integration and Connection to existing Automatic Transfer Switch/Emergency Power Scheme
 - o Hoku 18 480V UL 1558 Switchgear
 - 4000A Main-Tie-Main Electrically Operated Power Circuit Breakers
 - Close Couple Transition to existing Substation Transformers
 - Feeder Power Circuit Breakers - Quantity per SLD
 - Integration and Connection to existing Automatic Transfer Switch/Emergency Power Scheme
 - o Hoku 08 480V UL 1558 Switchgear
 - 4000A Main-Tie-Main Electrically Operated Power Circuit Breakers
 - Close Couple Transition to existing Substation Transformers
 - Feeder Power Circuit Breakers - Quantity per SLD
 - Integration and Connection to existing Automatic Transfer Switch/Emergency Power Scheme
- Start up Testing and Commissioning of supplied equipment above.

Let Budgetary Estimated Price:

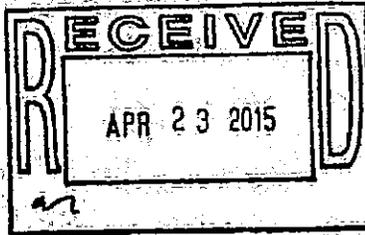
- DDP Destination - Freight included
- Taxes - included
- Lead time
 - o Delivery approx 30 weeks after approval and release of Drawings
 - o Approval drawings: 12-16 weeks ARO

We hope this estimate is of assistance to your planning processes. If you have any questions or need clarification on any of the scope, please contact me.

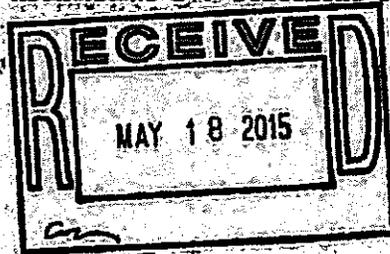
Sincerely,
Carl Stewart
District Sales Manager
T: (833) 801-3944
F: (888) 399-6704
carl.stewart@ge.com

GE Energy - Industrial Solutions

2120 Diamond Blvd., Suite 100
Concord, CA 94520



ATTACHMENT D - Statement by GE Regarding Unique Capabilities



GE Energy - Industrial Solutions

2120 Diamond Blvd, Suite 100
Concord, CA 94520

May 14, 2015

State of Hawaii-DOT

Subject: H-3 Tunnel - Power System Relay Upgrade and Overcurrent Protection Device Coordination & Arc Flash Hazard Study GE Proposal No. 542494-EJV-P2

Attention: Mr. Clyde Morita

Dear Mr. Morita,

GE Industrial Solutions is pleased to furnish this letter as part of our offer to provide Engineering Services as outlined in the referenced proposal. GE Industrial Solutions is committed to long term support and service of your H-3 Tunnel facility and its GE installed electrical products. We are the exclusive service group of GE Industrial Solutions within the United States, supporting all startup, commissioning, repair, refurbishment, upgrade, and engineering studies of complete GE electrical power distribution system.

GE Industrial Solutions does not authorize or certify external vendors to provide field services, upgrades or repairs on your installed GE equipment or the proposed GE equipment and energy management system. GE Industrial Services Services personnel have undergone extensive training and/or certification and are the only authorized personnel for warranty work on your GE electrical equipment. This exclusive training enables us to be uniquely qualified to inspect, repair, maintain, modernize, and commission your installed GE equipment.

GE Industrial Solutions certifies and re-qualifies our Power System Engineers to perform Arc Flash Hazard Analyses every 3 years to stay current and proficient with the latest NFPA 70E and IEEE 1584 standards and requirements. Additionally, GE Industrial Solutions services personnel have access to the needed GE design teams and proprietary documentation that is unavailable to others. This uniquely positions us to troubleshoot, identify, and resolve problems that may arise in the development and completion of this H-3 Tunnel project.

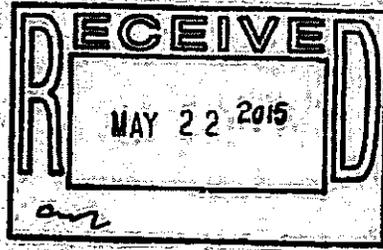
On this particular proposed H-3 Tunnel project, GE's Envisage offering integrates a number of GE Industrial Solutions products into a single Energy Management System. GE Industrial Solutions is uniquely qualified in providing the complete engineering and design, the hardware and the software, system integration and life-cycle service support. This provides you with seamless contracting, supply and a single point of responsibility for all equipment, software and services for this project. GE Industrial Solutions has proven itself through our long history with H-3 Tunnel as being unique and responsible in this regard.

GE Industrial Solutions does not certify any other resellers or repair shops to perform work on GE electrical distribution equipment. Our rigorous training, certification, and mentoring programs have put us in a unique position to support H-3 Tunnel Operations now and into the future.

Sincerely,

Carl Stewart
Senior Sales Manager
831-801-3944

ATTACHMENT E - PRICING CERTIFICATION



**GE Energy Management
Industrial Solutions**

2120 Diamond Blvd., Suite 100
Concord, CA 94520

May 22, 2015

Mr. Pratt M. Kaimaka, District Engineer
Oahu District, Highways Division
State of Hawaii Department of Transportation
727 Keolu Street
Honolulu, Hawaii 96819

Subject: Pricing Certification for GE Energy Proposal dated April 2, 2015
Upgrade of Power System Relays for H-3 Switchgear and Other Work

Dear Mr. Kaimaka:

GE Energy Management is pleased to propose the work specified under the proposal dated April 2, 2015 for the Power System Relay Upgrade and Overcurrent Protective Device Coordination and Arc Flash Study for the H-3 Tunnel Facility, Honolulu, Hawaii.

We hereby certify, in accordance with the provisions of Hawaii Revised Statutes, Chapter 3-122, that the pricing offered to the State of Hawaii in the subject proposal is reasonable and in line with similar work for other agencies and companies.

If required once the agreement with the State of Hawaii is executed, we can provide reasonable and sufficient data and pricing necessary to support this certification.

Respectfully,

A handwritten signature in black ink, appearing to read "Patrick McGibbon".

Patrick McGibbon
Director - West Region Sales
GE Energy Management - Industrial Solutions
General Electric International Inc.